

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 12, 2010

Kimberley A. Tyson
Fasken Oil and Ranch, LTD.
303 West Wall Avenue
Suite 1800
Midland, TX 79701-5116

Re: Administrative Order SWD-1165

Avalon 10 Federal Well No. 43 (API No. 30-015-31668)
1817 FSL, 837 FEL (Unit I), Sec 10, T21S, R26E, NMPM, Eddy County
Injection into the Cherry Canyon DMG formation from 2510 to 2660 feet

You have submitted a request for an extension of this injection permit beyond the one year deadline to commence injection for the reasons outlined in the attached correspondence.

The Division finds that granting Fasken's request to extend this injection permit beyond the normal one year is in the interest of conservation and will prevent waste and protect the environment.

All requirements of the above referenced injection permit remain in full force and effect except that the deadline to commence injection is hereby extended until March 11, 2011.

Sincerely,



MARK E. FESMIRE, P.E.
Acting Director

cc: Oil Conservation Division – Artesia
File: SWD-1165



RECEIVED FASKEN OIL AND RANCH, LTD.

2010 FEB 11 PM 1:09 303 WEST WALL AVENUE, SUITE 1800
MIDLAND, TEXAS 79701-5116

(432) 687-1777
kimt@forl.com

Kim Tyson
Regulatory Analyst

February 9, 2010

Mr. William Jones
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Jones,

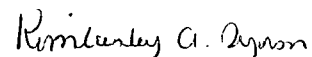
Re: Avalon "10" Federal No. 43
API No. 30-015-31668
Eddy County, New Mexico
Administrative Order No. 1165

Fasken Oil and Ranch, Ltd. received approval to convert the above referenced well to a Salt Water Disposal on March 11, 2009. Fasken Oil and Ranch, Ltd. respectfully requests an extension for one year for this permit which will expire on March 11, 2010. The extension is requested to determine if the reservoir injectivity is sufficient to justify the expenditure. The initial SWD well in the same reservoir has been in service since September 2009. Additional time is required to analyze the performance of the initial well.

If you have any questions or need any additional information please e-mail me at kimt@forl.com or call me at (432) 687-1777.

Thanks for your help concerning this matter.

Yours truly,


Kimberley A. Tyson
Regulatory Analyst