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May 22, 2008

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14144

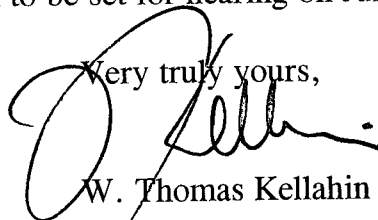
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Re: SWD-Avalon "10" Federal Well No. 42
(API #30-015-31654)
Unit H of Section 10, T21S R26E
Application of Fasken Oil and Ranch. Ltd.
For an Injection Well
Eddy County, New Mexico

Dear Mr. Fesmire:

On behalf of Fasken Oil and Ranch, Ltd., enclosed for filing is our referenced application to be set for hearing on June 26, 2008.

Very truly yours,



W. Thomas Kellahin

CC: Fasken Oil & Ranch, Ltd.
Attn: Jimmy Carlile

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF FASKEN OIL AND RANCH, LTD.
FOR APROVAL OF AN INJECTION
WELLBORE, EDDY COUNTY, NEW MEXICO.**

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2008 MAY 22 PM 2 22
CASE NO. 14144

APPLICATION

Comes now FASKEN OIL AND RANCH, LTD., ("Fasken") by its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for an order approving Fasken to convert its Avalon "10" Federal Well NO. 42, located 1980 feet FNL and 660 feet FEL (Unit H) Section 10, T21S, R26E, Eddy County, New Mexico for injection purposes into the Delaware formation at a depth of 2304 feet to 2540 feet.

In support of its application, Fasken Oil and Ranch, Ltd., ("Fasken") states:

- (1) Fasken's Avalon "10" Federal Well No. 42 (API #30-015-31654) is located 1980 feet FNL and 660 feet FEL (Unit H) of Section 10, T21S, R26E, Eddy County, NM and is currently temporarily abandoned having formerly produced from the East Catclaw Draw-Delaware Pool.
- (2) Fasken proposes to convert the subject wellbore for the water injection support into the Delaware formation at a depth of 2304 feet to 2540 feet.
- (3) By an Administrative Application dated February 22, 2008, Fasken filed its Division Form C-108 and sent notice to affected operators within the ½ radius of review.
- (4) By letter, dated March 4, 2008, Yates Petroleum Corporation filed its objection.
- (5) Because of this objection, this application cannot be processed administratively and must be set for an Examiner's hearing.

(6) Attached as Exhibit "A" and incorporated by reference is Fasken's Form C-108 for the subject wellbore

(7) The granting of this application will prevent waste and protest correlative rights.

WHEREFORE, Fasken, as applicant, requests that this application be set for hearing on June 26, 2008 before the Division's duly appointed examiner, and that after notice and hearing as required by law, the Division enters its order approving this application.

RESPECTFULLY SUBMITTED:



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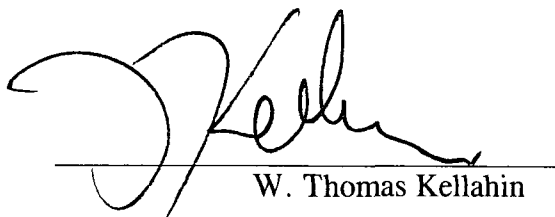
CERTIFICATE OF SERVICE

I certify that on the 22nd day of May 2008, I served a copy of the foregoing documents by:

- ☐ US Mail, postage prepaid
- ☐ Hand Delivery
- ☒ Facsimile
- ☐ Email

to the following:

Ocean Munds-Dry, Esq.
Attorney for Yates Petroleum Corporation


W. Thomas Kellahin

Notice for hearing for June 26, 2008 docket
Submitted by W. Thomas Kellahin

CASE 14144 Application of Fasken Oil and Ranch, Ltd. for an Injection Wellbore, Eddy County, New Mexico. Applicant seeks an order approving the conversion of its Avalon "10" Federal Well No. 42, (API # 30-015-31654) located 1980 feet FNL and 660 feet FEL (Unit H) Section 10, T21S, R26E, Eddy County, New Mexico for injection purposes into the Delaware formation at a depth of 2304 feet to 2540 feet. This hearing was set based upon an objection filed by Yates Petroleum Corporation on March 4, 2008. These proposed SWD wells are located approximately 1-1/2 miles northwest of the spillway for the Avalon Reservoir, Carlsbad, New Mexico.