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Form 3160-5  
(August 2007)

UNITED STATES **OCD-HOBBS**

SEP 02 2009

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBSOCD

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No 1004-0137  
Expires: July 31, 2010

5. Lease Serial No.  
NM-33955

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

Oil Well  Gas Well  Other

7. If Unit of CA/Agreement, Name and/or No  
NM-33955

8. Well Name and No.  
Baetz 23 #1

2. Name of Operator  
Fasken Oil and Ranch, Ltd

9. API Well No.  
30-025-26414

3a. Address  
303 West Wall St, Suite 1800  
Midland, TX 79701

3b. Phone No. (include area code)  
432.687.1777

10. Field and Pool or Exploratory Area  
Salt Lake Bone Spring

4. Location of Well (Footage, Sec., T, R, M., or Survey Description)  
1980' FSL& 1980' FWL, Unit K, Section 23, T20S, R32E

11. Country or Parish, State  
Lea County, New Mexico

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>Approval to vent gas</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

This well produces 5 mcfpd. At the current price of \$3.00/mcf, the total monthly revenue would be \$456.

Yates has a gathering line that is 4066 ft to the north and would cost an estimated \$33,000 to build a connection. (6 year payout) Yates has been approached and due to the low volume and low gas price, is not interested at this time in connecting this well to their gathering line.

DCP has a low pressure line that is 4.3 miles to the north west and would cost an estimated \$353,000 to build a pipeline (including road bore) and set a meter and meter run. (64.5 year payout)

Neither of these options are economical. Permission is requested to vent for 1 year or through August 31, 2010.

**SUBJECT TO LIKE  
APPROVAL BY STATE**

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

**APPROVED**

AUG 31 2009  
/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Sheila Payne

Title Marketing and Production Accounting Manager

Signature

Date 08/03/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

**PETROLEUM ENGINEER**

Date **SEP 04 2009**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**Baetz 23 #1  
NM33955**

**Fasken OIL and Ranch, Ltd.**

August 31, 2009

## **Condition of Approval to Flare Gas**

1. Report all volumes on MMS OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. Flared/vented volumes will still require payment of royalties
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.