

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application is One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jimmy D. Carlile
Print or Type Name

Jimmy D. Carlile
Signature

Regulatory Affairs Coordinator
Title

2/22/08
Date

e-mail Address

*Photocopy
Completed 3/1/08*

2008 FEB 27 PM 12 51
RECEIVED

Duran-Saenz, Theresa, EMNRD

From: Tom Kellahin [tkellahin@comcast.net]
Sent: Thursday, May 29, 2008 12:16 PM
To: Duran-Saenz, Theresa, EMNRD
Cc: Jimmy Carlile
Subject: Correction for Fasken's advertisement for June 26th
Attachments: Fasken-WFX-ADD-Avalon 10#42 (2).doc

Theresa,

Attached is a revised advertisement for the Fasken's WFX well--I've corrected this to show this is an injection well and not an SWD well

Sorry,

tom

This inbound email has been scanned by the MessageLabs Email Security System.

5/29/2008

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: Storage Secondary Recovery Pressure Maintenance Disposal
Application qualifies for administrative approval? Yes No
- II. OPERATOR: Fasken Oil and Ranch, Ltd.
ADDRESS: 303 West Wall, Suite 1800 Midland, Texas 79701
CONTACT PARTY: Jimmy D. Carlile PHONE: 432-687-1777
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project:
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
- Proposed average and maximum daily rate and volume of fluids to be injected;
 - Whether the system is open or closed;
 - Proposed average and maximum injection pressure;
 - Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 - If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Jimmy D. Carlile TITLE: Regulatory Affairs Coordinator
SIGNATURE: *Jimmy D. Carlile* DATE: 2/22/08
E-MAIL ADDRESS:
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:

RECEIVED
2008 FEB 27 PM 12:51

**FASKEN OIL AND RANCH, LTD.
APPLICATION FOR AUTHORITY TO INJECT**

III Proposed Injection Well Data:

A.

- 1) Avalon "10" Federal No. 42
1980' FNL & 660' FEL
Section 10, T21S, R26E
Eddy County, NM
- 2) Surface Casing: 13-3/8" 54.5#/ft set @ 622', cement to surface with 200 sx
CI "H" w/2% CaCl₂ + 350 sx CI "C" 35:65 Poz + 200
sx "C" w/2% CaCl₂

Intermediate Casing: 8-5/8" 32#/ft set at 1832', cement to surface with 200 sx
"H"+ 400 sx"C" 50:50+ 200 sx"C"w/2% Cacl₂ +
1"w/520 sx "C" w/5% CaCl₂

Production Casing: 5-1/2" 17#/ft set @ 4470' cement with 320 sx "C" TOC
1216' by CBL

- 3) Total Depth: 4470'
- 4) Tubing: 2-3/8" EUE 8rd J-55 IPC tubing
- 5) Packer: Weatherford Arrowset IX10K nickel plated with 1.5" "F" profile on-off
tool @ 2250'
Cast Iron Bridge Plug: 5-1/2" 6K CIBP @ 2600' – set by wireline with 35
sacks of cement on top

B.

- 1) Injection Formation: Delaware
Field: Catclaw Draw Delaware East
- 2) Injection interval : Delaware 2304' – 2540'
- 3) Original purpose of well: Delaware Oil Well
- 4) Other perms: none
- 5) Depths & names of higher or lower oil or gas zones:
Above: None
Below: Wolfcamp +/- 8300'

VII Proposed Operation Data:

- 1) Average daily injection rate – 500 bwpd
Maximum daily injection rate – 1000 bwpd
- 2) Type of injection system – closed system
- 3) Average injection pressure – 200 psi

Maximum injection pressure – 460 psi

- 4) Injection water will be produced Delaware water from wells in the Catclaw Draw Delaware East Field and Morrow water from the Avalon Morrow Field - produced water analyses are attached. A minimal tendency for barium sulfate precipitate exists in mixing these waters. A chemical treating program will be initiated to inhibit against barium sulfate precipitation when the Morrow and Delaware waters are mixed.
- 5) Injection zone water analysis is the same as the produced Delaware water.

VIII Geological Data:

Geological Name: Delaware

Lithological Detail: Sand

Formation top: 2282'

Thickness: 2084'

Geological Data of Drinking Water Zones:

Yates formation: Surface to 490'

Capitan Reef: 490' to 550'

IX Stimulation Program:

The proposed injection interval will be acidized with 7-1/2% NEFE HCL acid.

X Well Logs:

Copies of current well logs are on file with the Oil Conservation Division.

XI Chemical Analysis of Fresh Water:

There is one fresh water well within one mile of the proposed SWD injection well. A fresh water analysis is attached.

XII Affirmative Statement:

Upon examination of the available geologic and engineering data, no evidence of open faults or any other hydraulic connection between the disposal zones and an underground source of drinking water was found.

**-Convert to Injection Well
Avalon 10 Federal No. 42
1980' FNL & 660' FEL
Sec 10, T21S R26E
AFE 1432**

OBJECTIVE: Convert to injection well

WELL DATA:

13-3/8" 40# J-55 casing:	Set at 622', cement circ.
8-5/8" 32# J-55 casing:	Set at 1832' cement circ.
5-1/2" 17# J-55 casing:	Set at 4470' TOC 1216' CBL (8-8-01)
Perfs:	2304' - 2310', 2340' - 2348', 2370' - 2412'
KB:	17'
TD:	4470'
PBTD:	2250' (CIBP)

1. Notify New Mexico OCD office 48 hours prior to rigging up on well. Notify plans to convert to injection well per NMOCD Administrative Orders.
2. Test rig mast anchors on location.
3. Set rig matting boards, 2 sets of pipe racks, cat walk and steel half-frac open top workover tank on location. Build flow line from wellhead to workover tank.
4. RUPU, NDWH, and NU 3000K manual BOP. Receive 2800' of 2-3/8' EUE 8rd workstring from Fasken stock.
5. If pulling unit has adequate sandline, RIW with sandline drill bailer and spud on CIBP @ 2250'. Knock CIBP to PBTD ± 4425'.
6. If unable to knock 5-1/2" CIBP loose with sandline, RU reverse unit and power swivel and drill up CIBP @ 2250' using 2% KCl water. Circulate well clean and release reverse unit.
7. RUWL and RIW with 5-1/2" CIBP and set @ 2600' with 35' of cement on top. POW w/ WL.
8. RIW with 3-3/8" slick casing gun and perforate Delaware sand as follows: 2415-2470', 2480'-2500', & 2515' – 2540' (100 total holes); 120° phasing, 1JSPF, correlated to CB-GR log dated 8-7-01. POW and RDWL.
9. RIW with 2-3/8" workstring and 5-1/2" tension packer and set packer @ 2275'. RU service company, trap 500 psi on the tubing/casing annulus, and acidize Delaware perforations with 5,000 gallons of 7-1/2% NEFE HCL acid containing the following additives:

5 gpt Ferrotrol 300-L	6 gpt Ferrotrol 270
2 gpt Ferrotrol 271	1 gpt CI-27
½ gpt Claymaster 5C	1 gpt NE 940
2 gpt LT-21	

Drop 160 1.3 s. g. ball sealers evenly spaced for diversion. Max pressure 2500 psi.
10. Establish injection rate into perforations by pumping 100 bbls of produced water into perforations. Max pressure 2500 psi. Notify Midland Office of the results.

11. Flow and swab back load to workover pit. RIW with packer to PBTD \pm 2515' to knock off any ball sealers still attached to perforations. POW and LD 2-3/8" tubing and packer. Send workstring back to Midland yard for inspection.
12. Receive and unload 2300' of 2-3/8" poly lined tubing.
13. RIW with Weatherford 2-3/8" x 5-1/2" Arrowset 1X10 K packer with 1.500" "F" profile nipple, TOSSD and poly lined tubing and set packer at \pm 2250' in 10 pts of tension. (**All wetted parts of packer need to be nickel plated.**) Release TOSSD from packer and displace tubing/casing annulus with 2% KCl water containing corrosion inhibitor and O₂ scavenger. Engage TOSSD onto packer, ND BOP and NU 2-3/8" slip type hanger & IPC well head with aluminum-bronze full open gate valve dressed for sour conditions and injection hookup.
14. Notify NMOCD office of intent to run pressure test on annulus. Pressure annulus to 500 psi and record on chart recorder for 30". RDPU.
15. Prepare well for injection.
16. After approval is given from Midland Office and NMOCD, start injecting water into well. Maximum allowable injection rate – 460 psi.
17. Report injection rate, pressure, and volume to Midland Office for daily drilling report.

Avalon "10" Federal No. 42

Current as of 6-5-06

Operator: Fasken Oil and Ranch, Ltd.

Location: 1980' FNL and 660' FEL
 Sec 10, T-21-S, R-26-E
 Eddy County, New Mexico

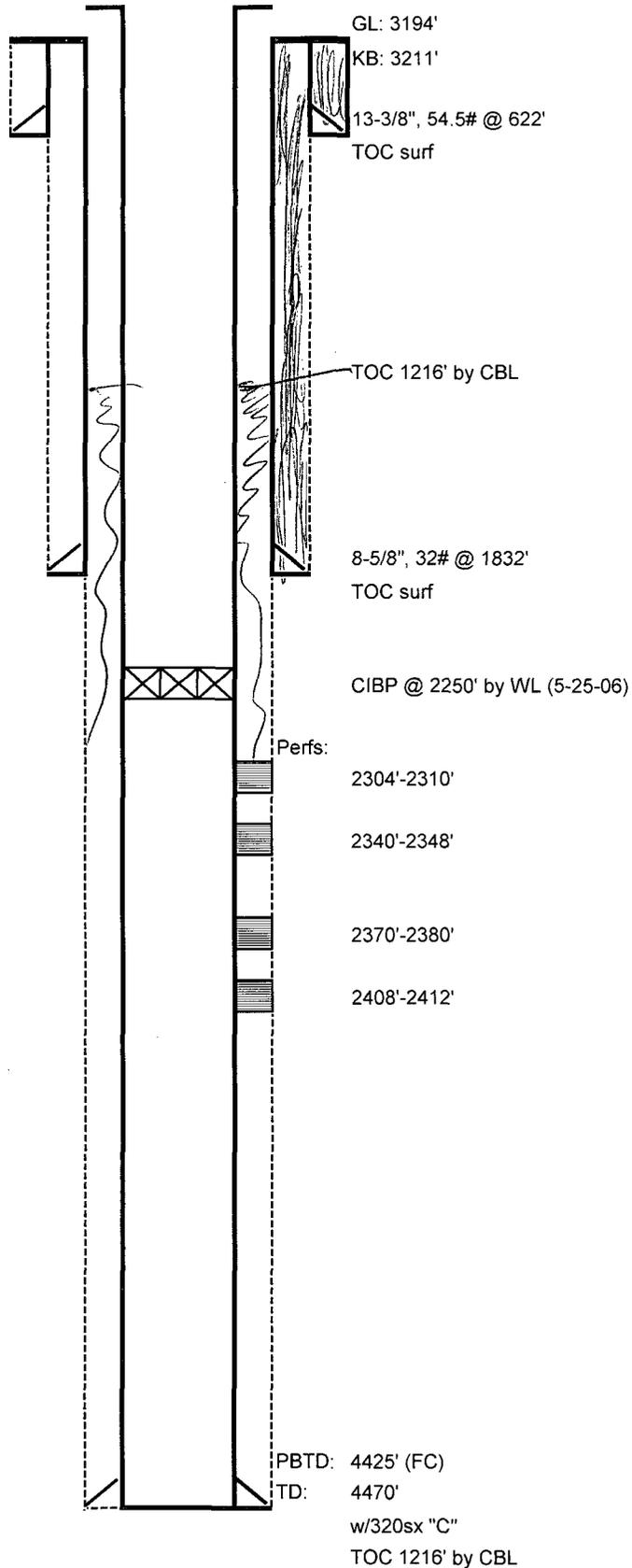
Compl.: 9/7/2001
 API #: 30-015-31654
 TD: 4470'
 PBD: 2250' CIBP
 Casing: 13-3/8", 54.5# @ 622'
 w/200sx"H"+350sx35.65"C"+
 200 sx "C" w/2% CaCl2
 TOC surf
 8-5/8", 32# @ 1832'
 w/200sx"H"+400sx"C"50:50+
 200sx"C" w/2% CaCl2+
 1"w/520 sx "C" w/5%CaCl2
 TOC surf
 5-1/2" 17# @ 4470'
 w/320sx "C"
 TOC 1216' by CBL

Tubing: none currently in well

Rods/Pump: none currently in well

Perfs: 2304'-2310' 6 holes
 2340'-2348' 8 holes
 2370'-2380' 10 holes
 2408'-2412' 4 holes

Hole Sizes 17-1/2" Surf-622'
 12-1/4" 622-1832'
 7-7/8" 1832'-4470'



Status: TA (6-5-06)

Avalon "10" Federal No. 42

Proposed WIW

Operator: Fasken Oil and Ranch, Ltd.

Location: 1980' FNL and 660' FEL
 Sec 10, T-21-S, R-26-E
 Eddy County, New Mexico

Compl.: 9/7/2001

API #: 30-015-31654

IP:

TD: 4470'

PBTD: 4425' (FC)

Casing: 13-3/8", 54.5# @ 622'
 w/200sx"H"+350sx35:65"C"+
 200 sx "C" w/2% Cacl2
 TOC surf
 8-5/8", 32# @ 1832'
 w/200sx"H"+400sx"C"50:50+
 200sx"C"w/2% Cacl2+
 1"w/520 sx "C" w/5%CaCl2
 TOC surf
 5-1/2" 17# @ 4470'
 w/320sx "C"
 TOC 1216' by CBL

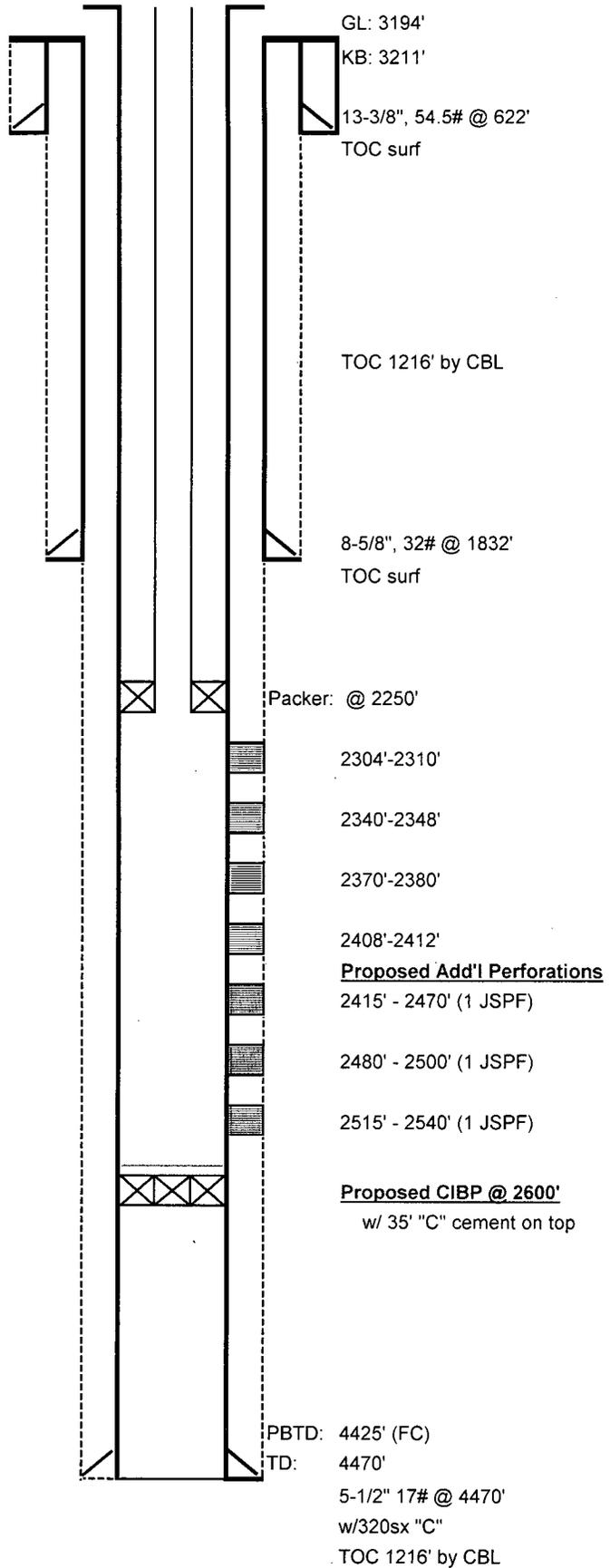
Packer: 5-1/2" Arrowset IX10K @ 2250'
 TOSSD w/with 1.5" "F" profile

Tubing: 2-3/8" EUE 8rd J-55 IPC tubing

Perfs: 2304'-2310' (6h)
 2340'-2348' (8h)
 2370'-2380' (10h)
 2408'-2412' (4h)

 Proposed
 2415' - 2540' (100 h)

Hole Sizes 17-1/2" Surf-622'
 12-1/4" 622-1832'
 7-7/8" 1832'-4470'



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

CISF

SUNDRY NOTICES AND REPORTS ON WELLS

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

Oil Cons.
N.M. Div-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

Lease Serial No.
Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit or CA/Agreement, Name and/or No.
2. Name of Operator Bonneville Fuels Corporation		8. Well Name and No. Avalon 10 Federal #42
3a. Address 1700 Broadway, Suite 1150 Denver, CO 80290	3b. Phone No. (include area code) 303 863-1555 x 213	9. API Well No. 30-015-31654
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL, 660' FEL Sec 10, T21S, R26E NM PM		10. Field and Pool, or Exploratory Area Catclaw Draw Delaware E.
		11. County or Parish, State Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 checked="" 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 checked="" type="checkbox"/> Other Status
	<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 Operations (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 recomple 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

4/15/01 MIRU Spud well. Drill 17 1/2" hole to 622'. 4/16/01 RU & ran 14 jts 13 3/8" 54.5# J-55 casing set @ 622. Cemented w/200 sx CI-'H' cmt +10% A10B, 2% cc, 1/4# celloflake & 10# LCM1. Followed by 350 sx 35:65:6 Poz 'C' cmt + 8% A10B & 5# salt. and 200 sx CI-'C' + 2% cc. Circ 225 sx to pit. WOC. 4/16/01 NUBOPE & test to 1000#, OK. Drill 12 1/4" hole ahead to 1832'. 4/19/01 RU & ran 41 jts 8 5/8" 32# J-55 casing landed @ 1832'. Cemented 8 5/8" casing w/a lead of 200 sx CI-'H' cmt w/10% A10B, 2% cc 1/4#/sx celloflake & 10# LCM1. Followed w/400 sx 50:50 Poz'C' +1/4#celloflake, 10% gel, 3% A10B & 10# LCM1. Tailed w/200 sx CI-'C' + 2%cc. No returns during cmt job.WOC. Ran temp survey, TOC @ 1304'. Did 1" job of 620 sx CI-'C' + 4-5% cc in 11 stages. Circ 10 sx to cellar. NU BOPE & test to 3000# & csg pressured to 1500 psi. OK. 4/23/01 Drill 7 7/8" hole to TD @ 4470' on 4/25/01. Logged well. RU & ran 100 jts 5 1/2" 17# J-55 casing set @ 4470'. Cemented 5 1/2" casing on 4/27/01 w/320 sx Super 'C'. Rig released 11 pm 4/27/01. WOCU

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) Doris Maly	Title Engineering Technician
Signature <i>Doris Maly</i>	Date October 25, 2001



THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title ACCEPTED FOR RECORD
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 ORIG. SGD. DAVID R. GLASS NOV 19 2001
Title 18 U.S.C. Section 1001, makes 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.	DAVID R. GLASS PETROLEUM ENGINEER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

CISF

SUNDRY NOTICES AND REPORTS ON WELLS

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

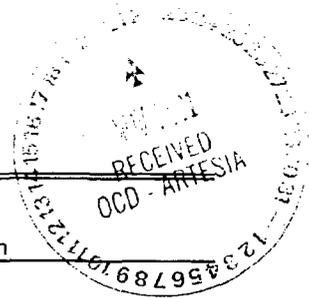
Oil Cons
N.M. Div. Dist 2
1301 W. Grand Avenue
Artesia, NM 88210

SUBMIT IN TRIPLICATE - Other instructions on reverse side		7. If Unit or CA/Agreement, Name and/or N
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Avalon 10 Federal #42
2. Name of Operator Bonneville Fuels Corporation		9. API Well No. 30-015-31654
3a. Address 1700 Broadway, Suite 1150 Denver, CO 80290	3b. Phone No. (include area code) 303 863-1555 x 216	10. Field and Pool, or Exploratory Area Catclaw Draw Delaware E.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL, 660' FEL Sec 10, T21S, R26E NM PM		11. County or Parish, State Eddy, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 checked="" 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 checked="" type="checkbox"/> Other Status
	<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 Operations (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 recomple 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

8/05/01 MIRU completion rig. Drill out to PBTD 4425'. Ran CBL/GR log 4406 to 1000'. est TOC 1216', test csg to 3000 psi. OK. Perforate Upper Cherry Canyon 2304'-2310', 2340-2348'; 2370-2380', 2408-2412'. total of 28 .34" holes. Acidize perfs 2304-2412' w/ 1500 gal 7 1/2% NEFE acid & 56 ball sealers.. Frac perfs 2304-2412' w/ 27,750 gal 40# linear gel, 92,600 SCF N2 & 102,702 24/40 sd. Flow well & swab test to isolate water flow. Set RBP @ 2365' on 8/19/01. Ran 79 jts 2 7/8" tbg, set & spaced out 125x175 RHBC 20-4 pump. Turned well to production 9/7/01. Venting gas 6-9 mcf/d until connect to pipeline. Gas connected 9/14/01.



14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Doris Maly	Title Engineering Technician
Signature <i>Doris Maly</i>	Date October 31, 2001

THIS SPACE FOR FEDERAL OR STATE USE

Approved by	Title ACCEPTED FOR RECORD
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.	Date NOV 19 2001
Title 18 U.S.C. Section 1001, makes 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.	Office DAVID R. GLASS PETROLEUM ENGINEER

(Instructions on reverse)

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-104A
August 11, 2000

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit 1 copy of the final affected wells list along with 2 copies of this form per number of wells on that list to appropriate District Office

Change of Operator

Previous Operator Information:

OGRID: 002678
Name: Carbon Energy Corporation (USA)
Address: 1700 Broadway
Address: Suite 1150
City, State, Zip: Denver, CO 80290

New Operator Information:

Effective Date: January 1, 2003
New Ogrid: 151416
New Name: Fasken Oil and Ranch, Ltd.
Address: 303 West Wall, Suite 1800
Address: _____
City, State, Zip: Midland, TX 79701

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator
Signature: Sally Kvasnicka
Printed name: Sally Kvasnicka
Title: Land Manager
Date: 3-24-03 Phone: (915) 687-1777



Previous operator complete below:

Previous Operator: Carbon Energy Corporation (USA)
Previous OGRID: 2678
Signature: Todd S. McDonald
Printed Name: Todd S. McDonald
Vice President

<u>NMOCD Approval</u>	
Signature: <u>Jason W. Brown</u>	
Printed Name: <u>SUPERVISOR, DISTRICT II</u>	
District: _____	
Date: <u>APR 1 2003</u>	

30-015-31654

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. 10-2834
311 S
Artesia, NM

vision

CLSF

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Bonneville Fuels Corporation

3. Address and Telephone No.
 1660 Lincoln, Suite 2200, Denver, CO 80264 (303) 863-1555

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1750' FSL, 660' FEL, Sec 10, T21S R26E

5. Lease Designation and Serial No.
 NM - 3606

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
 Lake Shore Fed. Com 10 #2

9. API Well No.
 3001529879

10. Field and Pool, or Exploratory Area
 Burton Flat Morrow

11. County or Parish, State
 Eddy, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other <i>Status</i>
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water

ACCEPTED FOR RECORD
 JUL 01 1998
 ELM *acc*

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

3/04/98 Drill to TD of 11,348'. Logged well.
 3/06/98 RU & ran 11,356' L-80 LT&C casing landed at 11,344'. Cemented casing as follows:
 1st stage lead of 50 sx Super H (13.ppg & yield 1.67 cf/sx) plus 70% H + 17% Pozmix A + 13% Silica flour + 2# KCL/sx+.5% Halad 344 +.4% CFR-3. Tail w/535 sx Super H(13.5 ppg & yield of 1.5 cf/sx)+ 70% H + 17% Pozmix A + 13% Silica flour + 2# KCL/sx+.5% Halad 344 +.4% CFR-3.Cement 2nd stage w/lead of 550 sx Super C (13.0 ppg & yield of 1.67 cf/sx) 70% C + 17% Pozmix A + 13% Silica flour + 2# KCL/sx+.5% Halad 9. Followed w/280 sx Interfill H (11.9 ppg & yield of 2.45 cf/sx) + 50% H & Pozmix A + 10% gel +8#/sx NaCl. Tailed w/350 sx 50/50 Pozmix(14.4 ppg & yield of 1.27cf/sx).+ 50% H & Pozmix A + 2% gel +1.5#/sx KCL. Displaced cement w/ fresh water. PD @ 5:08 pm. Pressue to 3000# on casing, float held. Rig released 3/8/98

14. I hereby certify that the foregoing is true and correct

Signed *[Signature]* Title Operations Manager Date 6/05/98

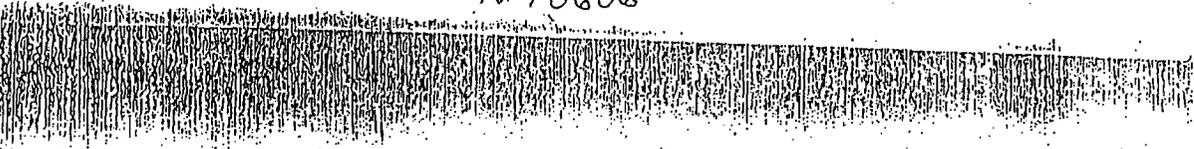
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
 Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes 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.

*See Instruction on Reverse Side

EXHIBIT 'E' Pa 1/4
Special Lease Stipulations
NM 3606



United States Department of the Interior
BUREAU OF RECLAMATION

SOUTHWEST REGION
HERRING PLAZA BOX 11-4377
AMARILLO, TEXAS 79101

IN REPLY
REFER TO: 420
773

FEB 12 1975

Memorandum

To: Chief, Branch of Oil and Gas, Bureau of Land Management,
Santa Fe, New Mexico
FOR
From: Regional Director
Subject: Oil and Gas Lease NM 3606--Carlsbad Project, New Mexico

When subject oil and gas lease was issued December 1, 1967, we inadvertently inserted an old special stipulation which reads:

"Drilling to be prohibited within one half mile of any dam, dike or other major structure, and within 150 ft. of the center line of any canal, lateral or drain connected with the project. Drilling to be prohibited within an area established by a line 300 ft. beyond the high water line of Avalon Reservoir, said high water line being defined as Contour 3160, which Contour is 2.0 ft. above the crest of Spillway No. 1 (See page 322 USGS Water Supply Paper 893)."

This stipulation is more stringent than the standard stipulation form which has been used since 1963. Accordingly, we suggest you issue an amendment to subject lease and insert the enclosed form R5-43 in lieu of the above-quoted special stipulation.

Neil B. Paul

Enclosure

cc: Mr. James A. Knuff
District Engineer
U.S. Geological Survey
Post Office Drawer U
Artesia, New Mexico 88210
(w/c enclosure)



Operator	Well Name and Number	API Number	Oil or Gas	Spud Dated	Total Depth	Formation and Perfs
Fasken Oil and Ranch, Ltd.	Avalon "10" Federal No. 22	30-015-31653	Oil	3/31/01	4478'	Delaware 2215'-2310'
Location:	1980' FNL 1980' FWL Sec. 10, T21S, R26E					
Casing:	13 3/8" at 627' with 1000 sx 8 5/8" at 1820' with 1250 sx 5 1/2" at 4475' with 490 sx					
Fasken Oil and Ranch, Ltd.	Avalon "10" Federal No. 43	30-015-31668	Oil	4/29/01	4560'	Delaware 2996'-3242'
Location:	1817' FSL 837' FEL Sec. 10, T21S, R26E					
Casing:	13 3/8" at 625' with 965 sx 8 5/8" at 1843' with 600 sx 5 1/2" at 4560' with 450 sx					
Fasken Oil and Ranch, Ltd.	Lake Shore "10" Federal SC No. 5	30-015-33234	Oil	3/3/04	11,075'	Delaware 2339'-2509'
Location	1500' FNL 1980' FEL Sec. 10, T21S, R26E					
Casing:	13 3/8" at 414' with 576 sx 9 5/8" at 1910' with 1130 sx 5 1/2" at 11,074' with 1650 sx					

Top = 1690' O.K.

Fasken Oil and Ranch, Ltd.

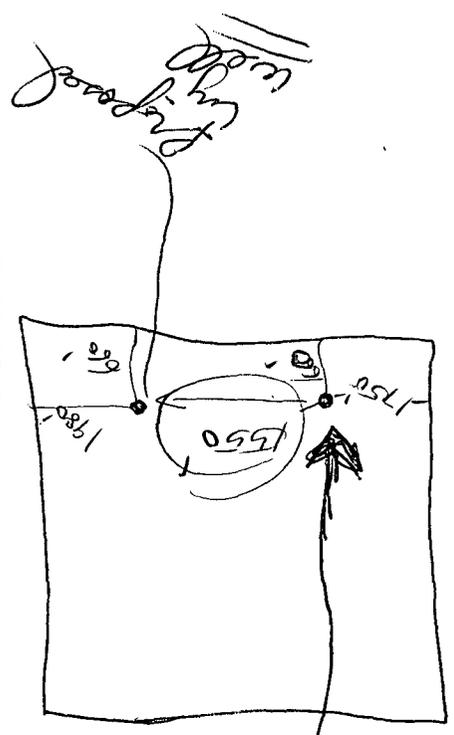
Avalon "10" Federal No. 42

Table of Well Data within 1/2 Mile

<u>Operator</u>	<u>Well Name and Number</u>	<u>API Number</u>	<u>Oil or Gas</u>	<u>Spud Date</u>	<u>Total Depth</u>	<u>Formation and Perfs</u>
Yates Petroleum Corp.	Lake Shore "XH" Federal No. 1	30-015-24478	Gas	5/31/83	11301'	Morrow 10967'-11020'
Location:	1980' FNL 1980' FWL Sec. 11, T21S, R26E					
Casing:	13 3/8" at 450' with 600 sx 9 5/8" at 2663' with 1870 sx 5 1/2" at 11300' with 850 sx					

Fasken Oil and Ranch, Ltd.	Lake Shore "10" Federal Com No. 2	30-015-29879	Gas	1/21/98	12730'	Upper Penn 9336'-9546' Strawn 9725'-9952'
Location:	1750' FSL 660' FEL Sec. 10, T21S, R26E					
Casing:	13 3/8" at 471' with 1050 sx 8 5/8" at 2276' with 1200 sx 5 1/2" at 11334' with 1485 sx					

4993' CMT
TOP
C.B.L.



Well: **Lake Shore Federal Com "10" No. 2**
 Operator: **Fasken Oil & Ranch**
 Location: 1750' FSL and 660' FEL
 Sec 10, T21S, R26E
 Eddy County, NM

GL: 3180'
 KB: 3198'

TD Date.: 2/21/1998
 API #: 30-015-24478
 TD: 11,356
 PBTD: 10,900' CIBP
 Casing: **13-3/8" 54.4# @ 471'**
 w/1050 sx "C"
 TOC surf, circ 30 sx

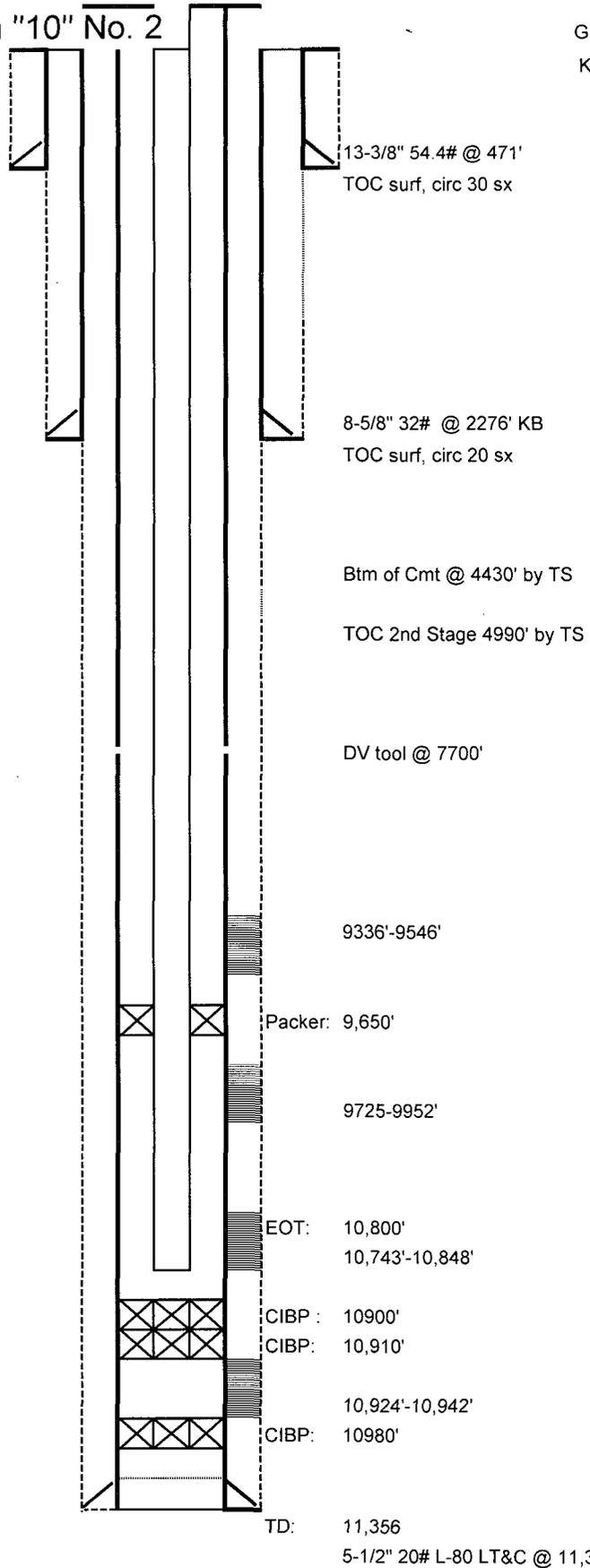
8-5/8" 32# @ 2276' KB
 w/1200 sx Class "C"
 TOC surf, circ 20 sx

5-1/2" 20# L-80 LT&C @ 11,344'
 1st stage cmt w/ 585 sx Super "H"
 2nd stage cmt w/ 1180 "H"
 DV tool @ 7700'
 TOC 2nd Stage 4990' by TS
 Braden Head Squeeze w/ 830 sx
 Btm of Cmt @ 4430' by TS

CIBP : 10900'
 CIBP: 10,910'
 CIBP: 10980'

Tubing: 2-3/8"
 Packer: 9,650'
 EOT: 10,800'

Perfs:	Formation:
9336'-9546'	Cisco / Canyon
9725-9952'	Strawn
10,743'-10,848'	Morrow
10,924'-10,942'	Morrow



13-3/8" 54.4# @ 471'
 TOC surf, circ 30 sx

8-5/8" 32# @ 2276' KB
 TOC surf, circ 20 sx

Btm of Cmt @ 4430' by TS

TOC 2nd Stage 4990' by TS

DV tool @ 7700'

9336'-9546'

Packer: 9,650'

9725-9952'

EOT: 10,800'

10,743'-10,848'

CIBP : 10900'

CIBP: 10,910'

10,924'-10,942'

CIBP: 10980'

TD: 11,356

5-1/2" 20# L-80 LT&C @ 11,344'

Lake Shore Fed. S.

10-#2

Well bore Diagram

Cement to surface w/
1,050 sk. Cement
13 3/4" Surf. Casing @ 471'

EXHIBIT #1

Cement to surface w/
1,200 sk. Cement

Gas Production w/ Oil & Water
From Strawn Fm. Up
Tubing/Casing Annulus
(Green)

8 5/8" Intermediate Casing
@ 2,276'

Gas Production w/ Oil & Water
From Morrow 'B' Fm. Up Tubing
(Yellow)

Bradenhead Squeeze
w/ 830 sk. Cement
& Squeeze to 1,500 #
Base of Cement @
4,430' (Temp. Survey)

B.O.C.: Bradenhead Squeeze @ 4,430'
Void in Coverage @ 4,430' - 4,990'
T.O.C.: 2nd Stage @ 4,990'

5,000'

Cement 2nd Stage
w/ 1,180 sk. Cement
w/ Last Circulation
T.O.C. @ 4,990' (CBL)

2 7/8" 6.5# N-80 8rd. EVE Tubing
Bottom at Tubing @ 10,443'

D.V. Tool @ 7,700' - 7,702'

8,000'

Cement 1st Stg. to
D.V. Tool w/
585 sk. SuperH cement

5 1/2" 20# L-80 LT&C Casing

Tubing Detail: See Attached Diagram

Strawn Fm. Perfs.
9,725' - 9,952' OA
10,000'

Guiberson UNI-VI 10k
Packer @ 10,427' - 10,436': Isolates Strawn's Morrow 'B'

Morrow 'B' Perfs.
10,748' - 10,843' OA
Morrow 'C' Perfs.
10,924' - 10,942' OA
WET
11,000'

CIBP @ 10,910' w/ 3sk. cement on top
(Isolates Wet Morrow 'C' Zone)
CIBP @ 10,980'
Fill @ 10,985'
Float Collar @ 11,257'
Float Shoe @ 11,342'

5 1/2" Casing @ 11,344'

15,787
53,383
43,386
42,388
41,390
40,392
39,394
38,396
37,398
36,400
35,402
34,404
33,406
32,408
31,410
30,412
29,414
28,416
27,418
26,420
25,422
24,424
23,426
22,428
21,430
20,432
19,434
18,436
17,438
16,440
15,442
14,444
13,446
12,448
11,450
10,452
9,454
8,456
7,458
6,460
5,462
4,464
3,466
2,468
1,470
0,472



Attn: Jimmy Carili
 Fax # 1-432-687-1570

B J Services Water Analysis

Artesia District Laboratory
 (505)-746-3140

Date: 31-Mar-04 Test #:
 Company: Fasken Oil & Ranch Well #: #23
 Lease: Avalon 10 Federal County: Eddy
 State: NM Formation:
 Depth: Source:

Delaware

pH	8.11	Temp (F):	71.6
Specific Gravity	1.120		

<u>CATIONS</u>	mg/l	me/l	ppm
Sodium (calc.)	51389	2235.7	45892
Calcium	10025	500.2	8951
Magnesium	3159	259.9	2821
Barium	< 25	---	---
Potassium	< 10	---	---
Iron	1	0.0	1

<u>ANIONS</u>	mg/l	me/l	ppm
Chloride	105000	2961.9	93750
Sulfate	1429	29.7	1278
Carbonate	< 1	---	---
Bicarbonate	793	13.0	708
Total Dissolved Solids(calc.)	171805		153397
Total Hardness as CaCO3	38041	760.1	33965

COMMENTS: Resistivity (ohm-meters--calc.) 0.059027

SCALE ANALYSIS:

CaCO3 Factor	7949825 Calcium Carbonate Scale Probability->	Probable
CaSO4 Factor	16040000 Calcium Sulfate Scale Probability -->	Probable

Stiff Plot





Laboratory Services, Inc.
4016 Fiesta Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Morrow Water

Water Analysis

COMPANY *Fasken*
~~Bonneville Fuels Corp.~~

Perfs 10743-10848
C13P @ 10910'

SAMPLE *Lake Shore 10 #2*
SAMPLED BY

Suspect C1B1 leak, wtr from
Perfs 10924-31, 10934-42

DATE TAKEN *4/19/00*
REMARKS *Sec 10 T215 R26E*

Barium as Ba	5
Carbonate alkalinity PPM	0
Bicarbonate alkalinity PPM	792
pH at Lab	6.85
Specific Gravity @ 60°F	1.029
Magnesium as Mg	1,914
Total Hardness as CaCO3	3,300
Chlorides as Cl	27,887
Sulfate as SO4	0
Iron as Fe	73.5
Potassium	8.5
Hydrogen Sulfide	0
Rw	0.22
Total Dissolved Solids	32,150
Calcium as Ca	1,386
Nitrate	22

@ 26° C

Results reported as Parts per Million unless stated

Langelier Saturation Index 0.85

Analysis by: *Vickie Walker*
Date: *4/19/00*

B J Services Water Analysis

Artesia District Laboratory
(505)-746-3140

Date: 11-Aug-01 Test #: *Sec 10 7215 R26E*
 Company: Bonneville Fuels Well #: #42
 Lease: Avalon 10 Fed. County: Eddy
 State: N.M. Formation: Delaware
 Depth: 2304-2412 Source: *(circled)*

pH:	6.85	Temp (F):	82.6
Specific Gravity	1.1		

CATIONS	mg/l	me/l	ppm
Sodium (calc.)	39542	1720.0	35948
Calcium	7619	380.2	6926
Magnesium	1458	120.0	1325
Barium	< 25	—	—
Potassium	< 10	—	—
Iron	1	0.0	1

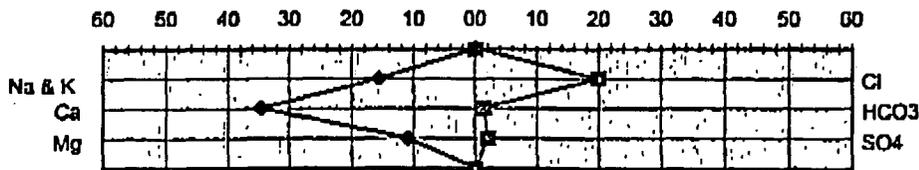
ANIONS	mg/l	me/l	ppm
Chloride	77600	2189.0	70545
Sulfate	1091	22.7	992
Carbonate	< 1	—	—
Bicarbonate	927	15.2	843
Total Dissolved Solids(calc.)	128238		116580
Total Hardness as CaCO3	25030	500.1	22754

COMMENTS:

SCALE ANALYSIS:

CaCO3 Factor 7064337 Calcium Carbonate Scale Probability → Probable
 CaSO4 Factor 9142800 Calcium Sulfate Scale Probability → Possible

Stiff Plot



Endura Products Corporation

P.O. Box 3394, Midland, Texas 79702
Phone (432) 684-4233 Fax (432) 684-4277

Fresh Water
Well

WATER ANALYSIS

Date 3/22/2004 Endura Rep Greg Archer Code 101012143
Sampling Point/Date Fresh H2O Well 3/18/2004 State New Mexico
Company Fasken Oil & Ranch, LTD County Eddy
Formation Lease Lake Shore 10 Federal SC Well #3 Fresh H2O
Well

DISSOLVED SOLIDS

CATIONS

	mg/l	me/l
Sodium, Na+ (Calc.)	230	10
Total Hardness as Ca++	250	0
Calcium Ca++	189	9
Magnesium, Mg++	37	3
Barium, Ba++	0	0
Iron (Total) Fe+++*	1	0

ANIONS

Chlorides, Cl-	200	6
Sulfate, SO4-	525	11
Carbonate, CO3-	0	0
Bicarbonates, HCO3-	293	5
Sulfide, S-*	0	0
Total Dissolved Solid	1,475	

OTHER PROPERTIES

pH*	7.252
Specific Gravity, 60/60 F.	1.001
Turbidity	0

SCALING INDICIES

<u>TEMP, F</u>	<u>CA CO3</u>	<u>ASO4*2H2O</u>	<u>CA SO4</u>	<u>BA SO4</u>
80	0.2425	-0.7755	-0.9177	-27.8588
120	0.4788	-0.7906	-0.7525	-28.0676
160	0.7355	-0.7522	-0.5413	-28.1841

PERFORATIONS

RECEIVED

FEB 15 2008

FASKEN OIL AND RANCH, LTD.

Affidavit of Publication

Copy of Publication:

NO. 20071

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT being duly

sworn, says: That he is the PUBLISHER of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive week/days on the same day as follows:

- First Publication February 6, 2008
Second Publication
Third Publication
Fourth Publication
Fifth Publication

Subscribed and sworn to before me this

14th Day February 2008

Amanda K Lamb Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

LEGAL NOTICE

Fasken Oil and Ranch, Ltd., 303 West Wall, Suite 1800, Midland, TX 79701, is filing Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well in the Catclaw Draw; Delaware, East pool. The proposed well, Avalon "10" Federal No. 42 is located 1980' FNL and 660' FEL of Section 10, Township 21 South, Range 26 East, Eddy County, New Mexico. Injection water will be sourced from area wells producing from the Delaware formation. Water will be injected into the Delaware formation at a depth of 2304' - 2540' at a maximum surface pressure of 460 psi and a maximum rate of 1000 BWPD. Any interested party who has an objection to this application must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within fifteen (15) days of this notice. Any interested party with questions or comments may contact Jimmy D. Carlile at Fasken Oil and Ranch, Ltd., 303 West Wall, Suite 1800, Midland, TX 79701, or call (432) 687-1777.

Published in the Artesia Daily Press, Artesia, New Mexico February 6, 2008. Legal 20071

Fasken Oil and Ranch, Ltd
Avalon "10" Federal No. 42
Injection Application Form C-108

Yates Petroleum
105 S. 4th. Street
Artesia, NM 88201

Rio Pecos Corporation
4501 Greentree Blvd.
Midland, Texas 79707

New Mexico Oil Conservation Division
1301 W. Grand Avenue
Artesia, NM. 88210

BOR, Albuquerque A. Office
555 Broadway NE. Suite 100
Albuquerque, NM. 87102

Chevron USA, Inc.
11111 S. Wilcrest
Houston, Texas 77099

Devon Energy
20 N. Broadway
Oklahoma City, Ok. 73102

Western Reserves
P.O. Box 993
Midland, Texas 79702

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM. 88220

7001 0320 0004 3745 1672

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ 1.31	Postmark Here
Certified Fee	2.65/	
Return Receipt Fee (Endorsement Required)	2.15/	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **BUREAU OF RECLAMATION**
ALBUQUERQUE AREA OFFICE
 Street, Apt. No., or PO Box No. **555 BROADWAY NE STE 100**
 City, State, ZIP+4 **ALBUQUERQUE NM 87102-2352**

PS Form 3800, January 2001 See Reverse for Instructions

7001 0320 0004 3745 1696

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **RIO PECOS CORPORATION**
4501 GREENTREE BLVD
 Street, Apt. No., or PO Box No. **MIDLAND TX 79707-1607**
 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions

7001 0320 0004 3745 1689

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Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **BUREAU OF LAND MANAGEMENT**
620 E GREENE ST
 Street, Apt. No., or PO Box No. **CARLSBAD NM 88220-6292**
 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions

7001 0320 0004 3745 1702

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Certified Fee	2.65/	
Return Receipt Fee (Endorsement Required)	2.15/	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **WESTERN RESERVES OIL CO INC**
PO BOX 993
 Street, Apt. No., or PO Box No. **MIDLAND TX 79702-0993**
 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions

7001 0320 0004 3745 1719

U.S. Postal Service
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Certified Fee	2.65/	
Return Receipt Fee (Endorsement Required)	2.15/	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **DEVON ENERGY CORP**
20 N BROADWAY STE 1500
 Street, Apt. No., or PO Box No. **OKLAHOMA CITY OK 73102-8260**
 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions

7001 0320 0004 3745 1740

U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Postage	\$ 1.31	Postmark Here
Certified Fee	2.65/	
Return Receipt Fee (Endorsement Required)	2.15/	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **NEW MEXICO OIL CONSERVATION**
DIVISION
 Street, Apt. No., or PO Box No. **1301 W GRAND AVE**
 City, State, ZIP+4 **ARTESIA NM 88210-1729**

PS Form 3800, January 2001 See Reverse for Instructions

7001 0320 0004 3745 1726

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ 1.31	Postmark Here
Certified Fee	2.65/	
Return Receipt Fee (Endorsement Required)	2.15/	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **YATES PETROLEUM CORP**
105 S 4TH ST
 Street, Apt. No., or PO Box No. **ARTESIA NM 88201-2177**
 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions

7001 0320 0004 3745 1733

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$ 1.31	Postmark Here
Certified Fee	2.65/	
Return Receipt Fee (Endorsement Required)	2.15/	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.11	

Sent To **CHEVRON USA INC**
11111 S WILCREST DR
 Street, Apt. No., or PO Box No. **HOUSTON TX 77099-4310**
 City, State, ZIP+4

PS Form 3800, January 2001 See Reverse for Instructions



March 4, 2008

VIA HAND DELIVERY

Mr. Mark Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RECEIVED
MAR 11 11:17 AM '08

Re: Application of Fasken Oil and Ranch, ltd. for authorization to inject, Avalon "10" Federal Well No. 42, located 1980 feet from the North line and 660 feet from the East line of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

Yates Petroleum Corporation hereby objects to the above-referenced application filed by Fasken Oil and Ranch, Ltd. seeking authorization to inject produced water in the Avalon "10" Federal Well No. 42 located 1980 feet from the North line and 660 feet from the East line of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Pursuant to Division Rule 701, this application must be set for hearing before a Division Examiner in order to be further considered, as Yates has timely objected to this application. A copy of the C-108 received by Yates is enclosed for your information. Your attention to this matter is appreciated.

Sincerely,

Ocean Munds-Dry
Ocean Munds-Dry

cc: Kathy Porter, Yates Petroleum Corp.

Fasken Oil and Ranch, Ltd.
303 West Wall Suite 1800
Midland, Texas 79701

Enclosure

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, March 18, 2008 4:22 PM
To: 'jimmyc@forl.com'
Cc: Ezeanyim, Richard, EMNRD; Omundsdry@hollandhart.com
Subject: SWD Application from Fasken Oil & Ranch, LTD. for the Avalon 10 Federal Well No. 42 Unit H Sec 10 T21S R26E, Eddy County, New Mexico

Hello Jimmy:

As you were copied, the Division has received a protest letter to your application from Yates Petroleum Corporation.

The administrative application is being cancelled from our system.

Please consult with your attorney and with Yates on how to proceed. If Fasken reaches agreement with Yates on this matter, then please send a letter asking this application be re-considered by the Division administratively. At that time, the Division will review it.

Regards,

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

From: Jones, William V., EMNRD
Sent: Thursday, February 14, 2008 8:43 AM
To: 'jimmyc@forl.com'
Cc: Phillips, Dorothy, EMNRD
Subject: RE: SWD Application from Fasken Oil & Ranch, LTD. for the Avalon State Well No. 1 API No. 30-015-20743

Hey Jimmy:

This is happening on MANY of the injection permits, so I would be bogged down monitoring for compliance - will you please monitor the link below and let me know when there are no "Y"s remaining in the extreme right column?

William V. Jones PE
 New Mexico Oil Conservation Division
 1220 South St. Francis
 Santa Fe, NM 87505
 505-476-3448

From: Jimmy Carlile [mailto:jimmyc@forl.com]
Sent: Thursday, February 14, 2008 7:29 AM
To: Jones, William V., EMNRD
Subject: RE: SWD Application from Fasken Oil & Ranch, LTD. for the Avalon State Well No. 1 API No. 30-015-20743

Thanks Will. We have been trying to get the bonds in place for nearly 7 weeks. Our bank made major mistakes on the paperwork initially, and just got the corrections to Santa Fe (2/11/08). Dorothy should have these and hopefully will get them into the system today. Thanks for your help.

3/18/2008

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

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

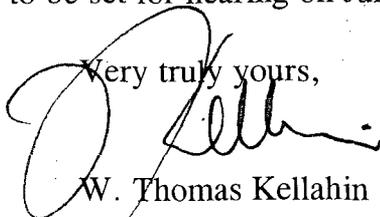
2008 MAY 22 PM 2 22
RECEIVED

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.**

CASE NO. 14144

RECEIVED
2008 MAY 22 PM 2 22

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 1/2 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:



W. THOMAS KELLAHIN
KELLAHIN & KELLAHIN
706 Gonzales Road
Santa Fe, New Mexico 87501
(505)982-428
tkellahin@comcast.net

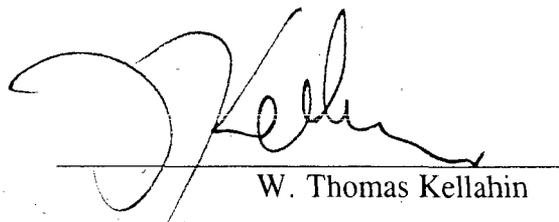
CERTIFICATE OF SERVICE

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.

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION
FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF FASKEN OIL AND RANCH, LTD
FOR AN INJECTION WELLBORE
EDDY COUNTY, NEW MEXICO

To advise

CASE NO. 14144

PRE-HEARING STATEMENT

Fasken Oil and Ranch, Ltd. submits this pre-hearing statement as required by the
New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Fasken Oil and Ranch Ltd.
303 W. Wall Avenue, Suite 1800
Midland, Texas 79701
Attn: Jimmy Carlile
915-687-1777

ATTORNEY

Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285

Michael Feldewert, Esq.
Holland & Hart
Santa Fe, New Mexico 87501

OPPONENT

Yates Petroleum Company

ATTORNEY

James Bruce, Esq.

Fax 505-982-2047
E-mail: tkellahin@comcast.net

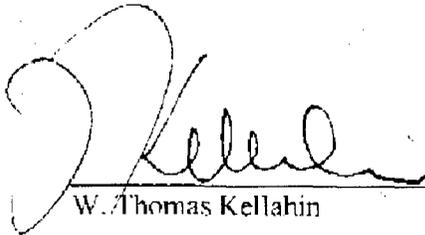
CERTIFICATE OF SERVICE

I certify that on the 19th day of June 2008, I served a copy of the foregoing documents by:

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

to the following:

James Bruce, Esq.
Attorney for Yates



W. Thomas Kellahin

8. **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. This proposed WFX well is located approximately 1-1/2 miles northwest of the spillway for the Avalon Reservoir, Carlsbad, New Mexico.
9. **CASE 14145:** *Application of Fasken Oil and Ranch, Ltd. for Compliance order requiring Cimarex Energy Co. of Colorado to comply with the Division's oil proration rules for the Apache Ridge-Bone Spring Pool, Lea County, New Mexico.* Applicant seeks relief of current over production of the depth bracket allowable by immediate shut-in of the Cimarex operated wells over produced in the Apache Ridge-Bone Springs Oil Pool. Further, Applicant requests the shut-in period be determined by the cumulative over produced oil volume divided by the most recent month daily oil rate or the current depth bracket allowable, whichever is lesser for the following wellbores:
- (a) Mescalero 30 Federal Well No. 1 (API 30-025-29266)
(Unit P) Sec 30, T19S, R34E Overproduction of 10,191 bbls
 - (b) Pennzoil 36 State Well No. 1 (API 30-025-29918)
(Unit I) Sec 36, T19S, R33E Overproduction of 5,692 bbls
 - (c) Pennzoil B 36 State Well No. 2 (API 30-025-38300)
(Unit J) Sec 36, T19S, R33E Overproduction of 19,440 bbls
 - (d) Pennzoil B 36 State Well No. 7 (API 30-025-38624)
(Unit A) Sec 36, T19S, R33E Overproduction of 13,317 bbls

These wells are located approximately 19-1/2 miles west of Monument, New Mexico

10. **CASE 14138:** *(Continued from the June 12, 2008 Examiner Hearing.)*
Application of Myco Industries, Inc. for compulsory pooling, Chaves County, New Mexico. Myco Industries, Inc. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 34, Township 15 South, Range 24 East, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. The unit is to be dedicated to the Starr 34 Fee Well No. 1H, a horizontal well which will have an orthodox location within the producing area. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9-1/2 miles west-southwest of Lake Arthur, New Mexico.
11. **CASE 14124:** *(Continued from the June 12, 2008 Examiner Hearing.)*
Application of Cimarex Energy Co. of Colorado for special pool rules, Lea County, New Mexico. Applicant seeks an order establishing special rules and regulations for the Apache Ridge-Bone Spring Pool, including a special depth bracket allowable of 1300 barrels of oil per day and a limiting gas:oil ratio of 3000 cubic feet of gas for each barrel of oil produced, effective as of August 1, 2007. The pool covers parts of Section 36, Township 19 South, Range 33 East, N.M.P.M., and Sections 30-32, Township 19 South, Range 34 East, N.M.P.M. The pool is centered approximately 19-1/2 miles west of Monument, New Mexico.
12. **CASE 14123:** *(Continued from the June 12, 2008 Examiner Hearing.)*
Application of Judah Oil, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order approving salt water disposal into the Wolfcamp and Cisco formations in the Geronimo 27 State Com. Well No. 2, located 990 feet from the South line and 660 feet from the West line of Section 27, Township 17 South, Range 28 East, NMPM. The well is located approximately 12-1/2 miles east-northeast of Atoka, New Mexico.

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

June 18, 2008

Via fax

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

Re: Case No. 14144/Fasken Oil and Ranch, Ltd.

Dear Mr. Fesmire:

Yates Petroleum Corporation hereby withdraws its objection to the above application.

Very truly yours,

COPY

James Bruce

Attorney for Yates Petroleum Corporation

cc: Fasken Oil and Ranch, Ltd.

June 18, 2008

VIA FACSIMILE

Mr. Mark Fesmire, P. E.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Application of Fasken Oil and Ranch, Ltd. for authorization to inject, Avalon "10" Federal Well No. 42, located 1980 feet from the North line and 660 feet from the East line of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.

Dear Mr. Fesmire:

Fasken Oil and Ranch, Ltd. filed an administrative application for authorization to inject produced water in its Avalon "10" Federal Well No. 42 located 1980 feet from the North line and 660 feet from the East line of Section 10, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico. Yates Petroleum Corporation objected to the administrative application and pursuant to Division Rules Fasken thereby filed the application to be heard at the June 26, 2008 Division Examiner Hearing.

Yates has now withdrawn its objection and Fasken is aware of no other objections. Therefore, Fasken respectfully requests that this application be considered administratively. Fasken would appreciate knowing how it may proceed with its application as soon as possible so that it may prepare accordingly.

Your attention to this matter is appreciated.

Sincerely,


Ocean Munds-Dry

cc: Jimmy Carlile

Holland & Hart 

Phone (505) 988-4421 Fax (505) 963-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. 

HOLLAND & HART LLP



Ocean Munds-Dry
omundsdry@hollandhart.com

2008 JUN 23 AM 9 51

June 23, 2008

Mark E. Fesmire, P.E., J.D.
Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 88505

Re: **Case No. 14144: Application of Fasken Oil and Ranch, Ltd. For an Injection Wellbore, Eddy County, New Mexico.**

Dear Mr. Fesmire;

Fasken Oil and Ranch, Ltd., hereby requests that the referenced case be dismissed. Your attention to this request is appreciated.

Very truly yours,

Ocean Munds-Dry

Ocean Munds-Dry

PE 6/23/08

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C.

Injection Permit Checklist 2/8/07

SWD Order Number _____ Dates: Division Approved _____ District Approved _____

Well Name/Num: AVAILON 10 Federal Well No. 42 Date Spudded: 9/2001

API Num: (30-) 015-31654 County: EDDY

UNIT (H) Footages 1980 FNL/660 FEL Sec 10 Tsp 21S Rge 26E

Operator Name: Foster Oil & Ranch, LTD. Contact Jimmy D. Carlisle

Operator Address: 303 West Wall Suite 1800 Midland TX 79701

Current Status of Well: TAED Planned Work: Reenter Inj. Tubing Size: 2 3/8 @ 2250'

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	13 3/8	622'		CIRC
Intermediate	8 5/8	1832'		CIRC
Production	15 1/2	4470		1216 CBL
Last DV Tool				
Open Hole/Liner				
Plug Back Depth				

Diagrams Included (Y/N): Before Conversion After Conversion
 Checks (Y/N): Well File Reviewed ELogs in Imaging Yes (CBL in File also)

Intervals:	Depths	Formation	Producing (Yes/No)
Salt/Potash			
<u>Capitan Reef</u>	<u>440' - 550'</u>		
Cliff House, Etc:			
Formation Above			
Top Inj Interval	<u>2304</u>	<u>Del (Cherry Canyon)</u>	<u>460</u> PSI Max. WHIP
Bottom Inj Interval	<u>2540</u>	<u>Del (Cherry Canyon)</u>	<u>NO</u> Open Hole (Y/N)
Formation Below			<u>NO</u> Deviated Hole (Y/N)

Fresh Water: Depths: Wells (Y/N) Yes Analysis Included (Y/N) Yes Affirmative Statement

Salt Water Analysis: Injection Zone (Y/N/NA) Yes Dis/Waters (Y/N/NA) Yes Types: Del / mixed

Notice: Newspaper (Y/N) Yes Surface Owner Bur Reed Mineral Owner(s) BLM

Other Affected Parties: Foster/Cherry/Reed/BLM/Water/Perm Process/Bur Reed

AOR/Repairs: Num Active Wells 5 Repairs? _____ Producing in Injection Interval in AOR _____

AOR Num of P&A Wells 0 Repairs? _____ Diagrams Included? _____ RBDMS Updated (Y/N) _____

Well Table Adequate (Y/N) Yes AOR STRs: Sec _____ Tsp _____ Rge _____ UIC Form Completed (Y/N) _____

New AOR Table Filename _____ Sec _____ Tsp _____ Rge _____ This Form completed _____

Conditions of Approval: Sec _____ Tsp _____ Rge _____ Data Request Sent _____

See CIBP (Yes)

LOS as Deep as THER WBD! (LOS a wing File!)

AOR Required Work: _____

Required Work to this Well: _____