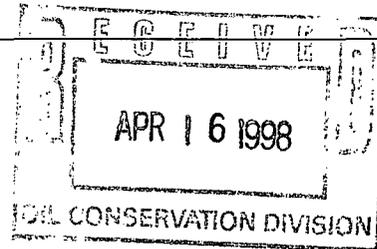


**FASKEN OIL AND RANCH, LTD.**

303 WEST WALL AVENUE, SUITE 1900  
MIDLAND, TEXAS 79701-5116  
(915) 687-1777

April 13, 1998



New Mexico Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87505

Attn: Mr. Mike Stogner

Re: Unorthodox Location Exception  
Fasken Oil and Ranch, Ltd.  
El Paso Federal No. 9  
Burton Flat West (Strawn) Field  
1980' FSL & 1350' FEL  
Sec. 2, T-21-S, R-26-E  
Eddy County, New Mexico

Dear Sir:

Fasken Oil and Ranch, Ltd. respectfully requests your approval for an unorthodox location for the subject well. This location does not meet the 330' from a quarter-quarter section line for well spacing as required in Statewide Rule 104.B.

The well is located in the Bureau of Reclamation – Brantley Project where a minimum surface elevation is required for drilling and surface occupancy. This well site was chosen to accommodate the highest possible location for a drilling location in the Southeast quarter of Section 2. None of the offsetting operators or mineral interest's owners have been notified since they are non-affected.

Attached is the APD, C-102 and a topographic map of the area for your review. Fasken Oil and Ranch, Ltd. is applying for the unorthodox location ruling for possible completions in the Morrow and Strawn formations.

Yours very truly,

FASKEN OIL AND RANCH, LTD.

Tommy E. Taylor  
Drilling and Production Engineer

Attachments  
cc: Well File

**OPERATOR'S COPY**

Form 3160-3  
(December 1990)

**SUBMIT IN TRIPLICATE\***  
(Other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0136  
Expires: December 31, 1991

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM911
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Fasken Oil and Ranch, Ltd.			7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. 303 W. Wall Ave., Suite 1900, Midland TX 79701-5116 (915) 687-1777			8. FARM OR LEASE NAME, WELL NO. El Paso Federal No. 9
4. LOCATION OF WELL (Report location clearly and in accordance with State requirements.)* At surface: 1980' FSL and 1350' FEL At proposed prod. zone:			9. AP WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 5 miles North of Carlsbad, NM			10. FIELD AND POOL, OR WILDCAT Burton Flat West (Strawn)
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1350'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 2, T21S, R26E
16. NO. OF ACRES IN LEASE 1464.64			12. COUNTY OR PARISH
17. NO. OF ACRES ASSIGNED TO THIS WELL 321.01			13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3246'			19. PROPOSED DEPTH 11,250
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3186' GR
22. APPROX. DATE WORK WILL START* March 15, 1998			

**SUBJECT TO  
LIKE APPROVAL  
BY STATE FOR UNORTHODOX  
LOCATION**

**PROPOSED CASING AND CEMENTING PROGRAM  
CARLSBAD CONTROLLED WATER BASIN**

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8", H40	48.0	400'	<del>WITNESS</del> Circulate to surface
12-1/4"	8-5/8", J55	24.0	2325'	<del>WITNESS</del> Circulate to surface
7-7/8"	4-1/2", N80	11.60	11,250'	1900 sx

The operator proposes to drill to a depth sufficient to test the Morrow formation. If productive, 4-1/2" casing will be set at TD and cemented back to approximately 2325'. If non-commercial, the well will be plugged and abandoned in accordance with the Federal regulations.

- Drilling Program  
Surface Use and Operating Plan  
Exhibit #1 - Area Map  
Exhibit #2 - One-Mile Radius Map  
Exhibit #3 - Hydrogen Sulfide Drilling Operations Plan  
Exhibit #4 - Well Site Layout  
Exhibit #5 - Blowout Preventor Equipment

**RECEIVED**

APR 13 1998

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED**

**FASKEN OIL & RANCH, LTD.**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Tommy C. Taylor TITLE Drilling & Production Engineer DATE 02/03/98

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval 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.  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE Acting ADM - Minerals DATE 4/10/98

\*See Instructions On Reverse Side

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-102  
 Revised February 10, 1994  
 Instruction on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Burton Flat West - Strawn
Property Code	Property Name	Well Number
	EL PASO FEDERAL	9
OGRID No.	Operator Name	Elevation
151416	FASKEN OIL & RANCH LTD.	3186'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 34	2	21 S	26 E		1980	SOUTH	1350	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

321.01 acres			
LOT 28 38.50 ACRES	LOT 27 38.49 ACRES	LOT 26 39.29 ACRES	LOT 25 39.29 ACRES
LOT 29 38.26 ACRES	LOT 30 38.25 ACRES	LOT 31 39.35 ACRES	LOT 32 39.38 ACRES
1/4 CORNER			1/4 CORNER
LOT 36 40.44 ACRES	LOT 35 40.29 ACRES	LOT 34 41.12 ACRES	LOT 33 40.96 ACRES
LOT 37 40.86 ACRES	LOT 38 40.71 ACRES	LOT 39 40.89 ACRES	LOT 40 40.73 ACRES

**OPERATOR CERTIFICATION**

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Tommy E. Taylor  
Signature

Tommy E. Taylor  
Printed Name

Drilling & Production Engineer  
Title

02/03/98  
Date

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**SURVEYOR CERTIFICATION**

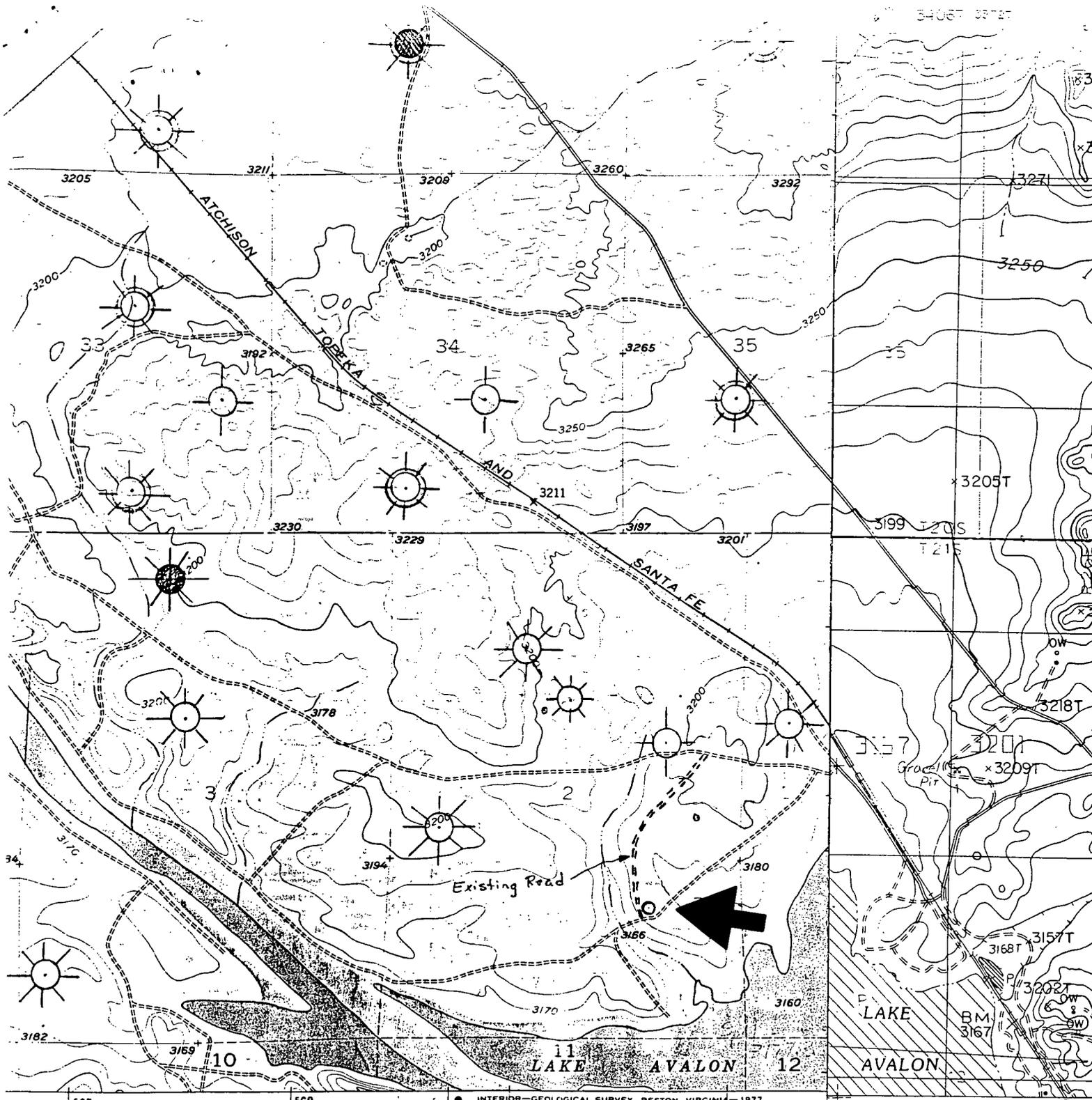
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

January 27, 1998  
Date Surveyed

W.D. Jones  
Signature & Seal of Professional Surveyor

W.D. No. 8854  
Certificate No. 7977

BASIN SURVEYS



54087 88787

El Paso Federal No. 9  
Exhibit #1



QUADRANGLE LOCATION

**TOPOGRAPHIC LAND SURVEYORS**  
**908 WEST WALL**  
**MIDLAND, TEXAS 79701**  
**682-1653**

U. S. Route  
 State Route

MC MILLAN SOUTH, N. MEX.  
 N3230—W10415/7.5

1955

ROAD CLASSIFICATION

- Heavy-duty
- Medium-duty
- Light-duty
- Unimproved dirt

U. S. Route

State Route

PRODUCED BY THE UNITED STATES  
 CONTROL BY  
 COMPILED FROM AERIAL PHOTOGRAPHS TAKEN  
 FIELD CHECKED . . . . . 1978  
 MAP  
 PROJECTION:  
 GRID: 1000-METER UNIVERSAL TRANSVERSE MERCATOR  
 10,000-FOOT STATE GRID TICKS . . . . .  
 UTM GRID DECLINATION  
 1985 MAGNETIC NORTH DECLINATION  
 VERTICAL DATUM . . . . . NATIONAL GEODESIC  
 HORIZONTAL DATUM . . . . . 1983  
 To place on the predicted North American datum,  
 move the projection lines as shown (47  
 9 meters south and 47 meters east)  
 There may be private inholdings within  
 federal and State Reservations shown on  
 all marginal data and lettering generated  
 automated type placement procedures

