

|                         |          |                       |                           |                 |      |                           |
|-------------------------|----------|-----------------------|---------------------------|-----------------|------|---------------------------|
| DATE IN <u>10/26/09</u> | SUSPENSE | ENGINEER <u>Jones</u> | LOGGED IN <u>10/26/09</u> | TYPE <u>DHC</u> | PT&W | APP NO. <u>0929936589</u> |
|-------------------------|----------|-----------------------|---------------------------|-----------------|------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Faslan  
151416

2009 OCT 23 PM 12 39

STATE 32 Com #3

**ADMINISTRATIVE APPLICATION CHECKLIST**

30-015-34535

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

Eddy

**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.

|                    |                  |                      |          |
|--------------------|------------------|----------------------|----------|
| Kim Tyson          | <u>Kim Tyson</u> | Regulatory Analyst   | 10-19-09 |
| Print or Type Name | Signature        | Title                | Date     |
|                    |                  | <u>kimt@for1.com</u> |          |
|                    |                  | e-mail Address       |          |

District I  
1623 N. French Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

**Oil Conservation Division**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well  
 Establish Pre-Approved Pools  
EXISTING WELLBORE

District III  
1000 Rio Brazos Road, Artesia, NM 87410

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

**APPLICATION FOR DOWNHOLE COMMINGLING**

Yes  No  
**DHC 4217**

Fasken Oil and Ranch, Ltd. 303 W. Wall St., Ste. 1800, Midland, TX 79701

Operator Address  
Lease State "32" Com 3 F, Sec. 32, T20S, R25E Eddy  
Well No. Unit Letter-Section-Township-Range County

OGRID No. 151416 Property Code API No. 30-015-34535 Lease Type:  Federal  State  Fee

| DATA ELEMENT   | UPPER ZONE                                 | INTERMEDIATE ZONE | LOWER ZONE                          |
|--|--|-------------------|-------------------------------------|
|  | <b>UNDER N. TRVERS HILLS</b>               |                   |                                     |
| Pool Name  | <del>Cemetery, Atoka,</del><br>North (Gas) |                   | Cemetery; Morrow (Gas)              |
| Pool Code  | <del>74635</del>                           |                   | 74640                               |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval)   | 8914' - 9023'                              |                   | 9406' - 9578'                       |
| Method of Production (Flowing or Artificial Lift)  | Flowing                                    |                   | Flowing                             |
| Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)    | 4420 pdi (DST)                             |                   | 2400 psi (Static FL)                |
| Oil Gravity or Gas BTU (Degree API or Gas BTU)   | 1000 BTU                                   |                   | 1000 BTU                            |
| Producing, Shut-In or New Zone   | New Zone                                   |                   | Shut In                             |
| Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.) | Date: New Zone<br>Rates: 60 mcfpd (est.)   | Date:<br>Rates:   | Date: April 2009<br>Rates: 15 mcfpd |
| Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)                  | Oil 80 % Gas 80 %                          | Oil % Gas %       | Oil 20 % Gas 20 %                   |

**ADDITIONAL DATA**

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes  No   
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes  No   
 Are all produced fluids from all commingled zones compatible with each other? Yes  No   
 Will commingling decrease the value of production? Yes  No   
 If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes  No

NMOC Reference Case No. applicable to this well: \_\_\_\_\_

Attachments:  
 C-102 for each zone to be commingled showing its spacing unit and acreage dedication.  
 Production curve for each zone for at least one year. (If not available, attach explanation.)  
 For zones with no production history, estimated production rates and supporting data.  
 Data to support allocation method or formula.  
 Notification list of working, royalty and overriding royalty interests for uncommon interest cases.  
 Any additional statements, data or documents required to support commingling.

**PRE-APPROVED POOLS**

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.  
 SIGNATURE Kim Tyson TITLE Regulatory Analyst DATE 10-19-09  
 TYPE OR PRINT NAME Kim Tyson TELEPHONE NO. (432) 687-1777  
 E-MAIL ADDRESS kimt@forl.com

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |  |  |  |                                    |
|---|--|--|--|--|------------------------------------|
| <sup>1</sup> API Number<br>30-015-34535 |  | <sup>2</sup> Pool Code<br>74635                          |  | <sup>3</sup> Pool Name<br>Cemetery, Atoka, North (Gas) |                                    |
| <sup>4</sup> Property Code              |  | <sup>5</sup> Property Name<br>State "32" Com             |  |  | <sup>6</sup> Well Number<br>3      |
| <sup>7</sup> OGRID No.<br>151416        |  | <sup>8</sup> Operator Name<br>Fasken Oil and Ranch, Ltd. |  |  | <sup>9</sup> Elevation<br>3618' GL |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F             | 32      | 20S      | 25E   |         | 1980'         | North            | 1980'         | West           | Eddy   |

<sup>11</sup> 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 |
|--------------------------------------|---------|----------|-------|-------------------------------|---------------|----------------------------------|---------------|-------------------------|--------|
| <sup>12</sup> Dedicated Acres<br>320 |         |          |       | <sup>13</sup> Joint or Infill |               | <sup>14</sup> Consolidation Code |               | <sup>15</sup> 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.

|  |   |
|--|---|
|  | <p><sup>17</sup> <b>OPERATOR CERTIFICATION</b><br/>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Kim Tyson</u> Date: <u>10-19-09</u></p> <p>Printed Name: <u>Kim Tyson</u></p> |
|  | <p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br/>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.</p> <p>Date of Survey: _____<br/>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number: _____</p>   |

District I  
1625 N. French Dr., Hobbs, NM 88240  
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1301 W. Grand Avenue, Artesia, NM 88210  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|   |  |  |
|---|--|--|
| <sup>1</sup> API Number<br>30-015-34535 | <sup>2</sup> Pool Code<br>74640                          | <sup>3</sup> Pool Name<br>Cemetery; Morrow (Gas) |
| <sup>4</sup> Property Code              | <sup>5</sup> Property Name<br>State "32" Com             |  |
| <sup>7</sup> OGRID No.<br>151416        | <sup>6</sup> Operator Name<br>Fasken Oil and Ranch, Ltd. | <sup>8</sup> Well Number<br>3                    |
|   |  | <sup>9</sup> Elevation<br>3618' GL               |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F             | 32      | 20S      | 25E   |         | 1980'         | North            | 1980'         | West           | Eddy   |

<sup>11</sup> 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
|               |         |          |       |         |               |                  |               |                |        |

|                                      |                               |                                  |                         |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>320 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

|  |   |
|--|---|
|  | <p><sup>17</sup> <b>OPERATOR CERTIFICATION</b><br/>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Kim Tyson</u> Date: <u>10-19-09</u></p> <p>Printed Name: <u>Kim Tyson</u></p> |
|  | <p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b><br/>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.</p> <p>Date of Survey: _____<br/>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number: _____</p>   |

FASKEN OIL AND RANCH, LTD.  
STATE "32" COM. NO. 3  
A.F.E. NO. 1056  
DRILL AND COMPLETE  
Page 11

3-22-06

TD 9047'. TOH with DST No. 2 (9019'-9047'). Day 30. Bit #5 8-3/4" Smith F47HY, S/N PD1700, 1-13 and 2-14 jets, in @ 6157', out @ 9047', made 2890' in 137 hrs. Cond. T-3, B-3, S-E, G-I. MW 9.1, vis 37, pH 11.0, w/l 6.4, CI 78,000.

**Mud Mixed:** None.

**Time:** 3/4 hr. circulate, 4-1/2 hrs. TOH, 2 hrs. PU test tools, 4-1/4 hrs. TIH, 12 hrs. DST No. 2, 1/2 hr. TOH.

Cumulative Cost: \$1,016,260.

**DST No. 2 (9019' – 9047'):**

Opened tool @ 6:49 pm CST 3-21-06 with good blow

1" BOB  
5" 4.50 psig on 3/8" choke  
10" 6.50 psig  
15" 7.25 psig 75 mcfpd rate

CT at 7:04 pm. GTS 21 minutes after initial opening. SI 1-1/2 hrs.

Re-opened tool at 8:34 pm with good blow

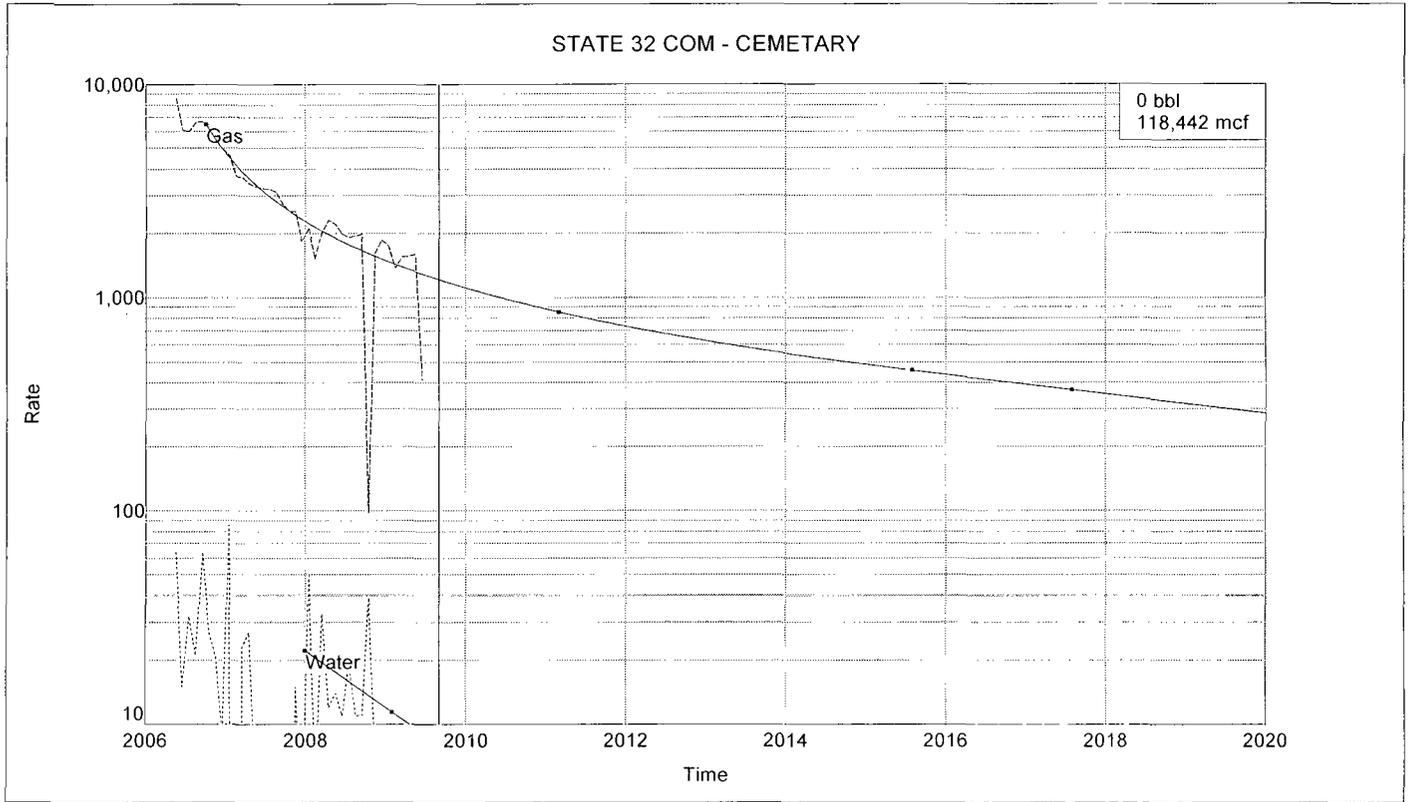
1" 3 psig on 3/8" choke  
5" 18.5 psig, 114 mcfpd rate  
15" 12.0 psig  
30" 6.5 psig  
60" 3.75 psig  
90" 3.5 psig  
120" 3.5 psig  
150" 3.0 psig  
180" 3.0 psig, 60 mcfpd rate

Closed tool at 11:34 pm CST 3-21-06. SI 6 hrs. Pulled tools loose at 5:34 am 3-22-06.

# Historic Production and Well Count Detail Report

Lease Name: STATE 32 COM (3)  
 County, ST: EDDY, NM  
 Location: 32F 20S 25E C SE NW

Operator: FASKEN OIL AND RANCH LTD  
 Field Name: CEMETARY



| Date    | Oil (bbl) | Gas (mcf) | Water (bbl) | Well Count | Days On | Total Oil (bbl) | Total Gas (mcf) | Total Water (bbl) |
|---------|-----------|-----------|-------------|------------|---------|-----------------|-----------------|-------------------|
| 01/2006 | 0         | 0         | 0           | 0          | 0       | 0               | 0               | 0                 |
| 02/2006 | 0         | 0         | 0           | 0          | 0       | 0               | 0               | 0                 |
| 03/2006 | 0         | 0         | 0           | 0          | 0       | 0               | 0               | 0                 |
| 04/2006 | 0         | 0         | 0           | 0          | 0       | 0               | 0               | 0                 |
| 05/2006 | 0         | 8,646     | 64          | 1          | 17      | 0               | 8,646           | 64                |
| 06/2006 | 0         | 6,104     | 15          | 1          | 30      | 0               | 14,750          | 79                |
| 07/2006 | 0         | 5,997     | 32          | 1          | 31      | 0               | 20,747          | 111               |
| 08/2006 | 0         | 6,660     | 21          | 1          | 31      | 0               | 27,407          | 132               |
| 09/2006 | 0         | 6,653     | 64          | 1          | 30      | 0               | 34,060          | 196               |
| 10/2006 | 0         | 6,249     | 27          | 1          | 31      | 0               | 40,309          | 223               |
| 11/2006 | 0         | 5,510     | 21          | 1          | 30      | 0               | 45,819          | 244               |
| 12/2006 | 0         | 4,968     | 9           | 1          | 31      | 0               | 50,787          | 253               |
| 01/2007 | 0         | 4,628     | 86          | 1          | 31      | 0               | 55,415          | 339               |
| 02/2007 | 0         | 3,697     | 0           | 1          | 28      | 0               | 59,112          | 339               |
| 03/2007 | 0         | 3,635     | 23          | 1          | 31      | 0               | 62,747          | 362               |
| 04/2007 | 0         | 3,405     | 27          | 1          | 30      | 0               | 66,152          | 389               |
| 05/2007 | 0         | 3,301     | 5           | 1          | 31      | 0               | 69,453          | 394               |
| 06/2007 | 0         | 3,245     | 0           | 1          | 30      | 0               | 72,698          | 394               |
| 07/2007 | 0         | 3,220     | 0           | 1          | 31      | 0               | 75,918          | 394               |
| 08/2007 | 0         | 3,117     | 0           | 1          | 31      | 0               | 79,035          | 394               |

## Historic Production and Well Count Detail Report

Project: J:\PIAPPS\DWIGHTS\Iptools90\Projects\CWB\FORL2005final for CWB use.mdb

| Date    | Oil<br>(bbl) | Gas<br>(mcf) | Water<br>(bbl) | Well<br>Count | Days<br>On | Total Oil<br>(bbl) | Total Gas<br>(mcf) | Total Water<br>(bbl) |
|---------|--------------|--------------|----------------|---------------|------------|--------------------|--------------------|----------------------|
| 09/2007 | 0            | 2,751        | 6              | 1             | 30         | 0                  | 81,786             | 400                  |
| 10/2007 | 0            | 2,537        | 0              | 1             | 31         | 0                  | 84,323             | 400                  |
| 11/2007 | 0            | 2,522        | 15             | 1             | 30         | 0                  | 86,845             | 415                  |
| 12/2007 | 0            | 1,820        | 3              | 1             | 31         | 0                  | 88,665             | 418                  |
| 01/2008 | 0            | 2,125        | 51             | 1             | 31         | 0                  | 90,790             | 469                  |
| 02/2008 | 0            | 1,518        | 5              | 1             | 22         | 0                  | 92,308             | 474                  |
| 03/2008 | 0            | 2,024        | 33             | 1             | 31         | 0                  | 94,332             | 507                  |
| 04/2008 | 0            | 2,306        | 12             | 1             | 30         | 0                  | 96,638             | 519                  |
| 05/2008 | 0            | 2,201        | 14             | 1             | 31         | 0                  | 98,839             | 533                  |
| 06/2008 | 0            | 1,982        | 11             | 1             | 30         | 0                  | 100,821            | 544                  |
| 07/2008 | 0            | 1,911        | 19             | 1             | 31         | 0                  | 102,732            | 563                  |
| 08/2008 | 0            | 1,941        | 11             | 1             | 31         | 0                  | 104,673            | 574                  |
| 09/2008 | 0            | 1,979        | 11             | 1             | 30         | 0                  | 106,652            | 585                  |
| 10/2008 | 0            | 98           | 39             | 1             | 31         | 0                  | 106,750            | 624                  |
| 11/2008 | 0            | 1,611        | 6              | 1             | 30         | 0                  | 108,361            | 630                  |
| 12/2008 | 0            | 1,855        | 8              | 1             | 31         | 0                  | 110,216            | 638                  |
| 01/2009 | 0            | 1,749        | 6              | 1             | 31         | 0                  | 111,965            | 644                  |
| 02/2009 | 0            | 1,371        | 0              | 1             | 28         | 0                  | 113,336            | 644                  |
| 03/2009 | 0            | 1,548        | 0              | 1             | 31         | 0                  | 114,884            | 644                  |
| 04/2009 | 0            | 1,559        | 0              | 1             | 30         | 0                  | 116,443            | 644                  |
| 05/2009 | 0            | 1,586        | 0              | 1             | 31         | 0                  | 118,029            | 644                  |
| 06/2009 | 0            | 413          | 0              | 1             | 9          | 0                  | 118,442            | 644                  |
| 07/2009 | 0            | 0            | 0              | 0             | 0          | 0                  | 118,442            | 644                  |
| 08/2009 | 0            | 0            | 0              | 0             | 0          | 0                  | 118,442            | 644                  |
| 09/2009 | 0            | 0            | 0              | 0             | 0          | 0                  | 118,442            | 644                  |
| 10/2009 | 0            | 0            | 0              | 0             | 0          | 0                  | 118,442            | 644                  |
| 11/2009 | 0            | 0            | 0              | 0             | 0          | 0                  | 118,442            | 644                  |
| 12/2009 | 0            | 0            | 0              | 0             | 0          | 0                  | 118,442            | 644                  |
| Total:  | 0            | 118,442      | 644            |               | 1,115      |                    |                    |                      |

**State "32" Com No. 3  
1980' FNL & 1980' FWL  
Sec 32, T20S R25E  
AFE 1696**

|                   |   |   |
|-------------------|---|---|
| <b>OBJECTIVE:</b> | <b>Test for Casing Leak, add Atoka &amp; DHC w/Morrow</b> |   |
| <b>WELL DATA:</b> | API Number:   | 30-015-34535  |
|                   | 13-3/8" 48#/ft H-40 ST&C casing:                          | Set at 403.30' KB Cmt w/600 sx "C"+1" w/9 plugs tot 160 sx+2 cu yds ready mix. Cement at surface.   |
|                   | 9-5/8" 36.0#/ft J-55 LT&C casing:                         | Set at 2988.48' KB, Cmt w/ 600 sx "C" w/4% gel+200 sx "C" w/2% CaCl <sub>2</sub> , circ 122 sx to surf.   |
|                   | 4-1/2" 11.6# N-80 LT&C casing:                            | Set at 9,701.09' Cmt w/1000 sx Howco Super "C". Did not bump plug. WL dept PBSD 9675'. TOC 5800' by temp survey. Marker jts 11.00 @ 9,295.74', 11.20' @ 8,480.65' |
|                   | Tubing:   | 2-3/8" EUE 8 rd. Notched Coupling (0.40'), 2-3/8" EUE8rdx1.775"IDx 2.26"OD SN (1.10'), 289 jts 2-3/8" EUE 8 rd. N-80 4.7# Tubing (9393.25'), EOT 9409.25' KB      |
|                   | Perforations:   | 9406'-14' (16h); 9417'-21' (8h); 9437'-40' (6h); 9518'-24' (12h); 9574'-78' (24h)   |
|                   | TD:   | 9,700'  |
|                   | PBSD:   | 9653' (FC)  |
|                   | Status:   | Well shutin - Probable Casing leak, 6-19-09 FL 4300', chl 105,000, (Calc Morrow BHP 2438 psi, with 9.2 ppg).  |

1. RUPU, set matting boards, and test tank.
2. Kill well down tubing with 30 bbls 10 ppg brine water containing clay stabilizer.
3. NDWH and NU 3000 psi BOP. POW with 289 jts 2-3/8" EUE 8rd N-80 tubing, SN and notched cplg.
4. RIW with 4-1/2" RBP, retrieving tool, Arrowset IX 10k packer, SN, 2-3/8" EUE 8rd N-80 tubing and set RBP at +/-9350' (top perf 9406'). Set packer 10' above RBP and pressure test RBP and tubing to 1500 psi.
5. Test casing and locate casing leak. Report results to Midland office. Squeeze procedure, if any, will be determined.

After Casing Leak Repair is Completed

6. RIW w/ Arrowset IX 10k packer, TOSSD with 1.5" "F" profile nipple, 2-3/8" EUE 8rd N-80 tubing and set packer at +/-9350' in 15 pts compression.
7. Swab Morrow zone 9406'-9574' and evaluate for possible stimulation..
8. RU slick line lubricator and run 1.5" check valve plug and set in profile nipple at +/-9350'. RD slick line.
9. Disengage tubing from TOSSD, circulate well with 10 ppg brine water containing clay stabilizer (Atoka zone DST 9019'-9047' FSIP 4420 psi = 9.4 ppg EMW).
10. Pressure test casing to 500 psi.
11. POW to 9023' and spot 500 gals of 7-1/2% Hcl with Morrow Sand additives.
12. POW with 2-3/8" EUE 8rd N-80 tubing. Be sure casing is full before perforating.
13. RUWL and install 3000 psi lubricator. Perforate Atoka with 3-1/8" casing gun 2 jspf top down at 8914'-18' (9 holes) and 9010'-23' (2nd 27 holes) by Baker Hughes Baker Atlas Compensated Z-Densilog/Compensated Neutron Log/Gamma Ray Log dated 26-MAR-2006. NOTE: The EM Hobbs Perforating Depth Control Log w/GammaRay/CCL dated 05-May-2006 is exactly on depth with the open hole log with a marker joint at 9285'-96'. Make sure all perms are fired. RDWL.

14. RIW w/ 2-3/8" TOSSD w/ lugs ground off, 2-3/8"x4' EUE 8rd N-80 perforated sub, approximately 15 jts or 480' 2-3/8" EUE 8rd N-80 tail pipe, 4-1/2" Arrowset IX 10 k packer, 1.875" "F" profile, TOSSD and 2-3/8" EUE 8rd N-80 tubing and tag profile nipple at +/-9350' setting packer in 12 points compression at +/- 8865' (about 50' above top Atoka perf 8914'). Pull up 1'.
15. Set packer in 12,000# compression and ND BOP. NUWH.
16. Swab and establish flow and return well to production. RDPU.

CWB  
(AFE1696\_State32Com#3\_Rpr Csg lk\_Add Atok 10-2-09.doc)

**FASKEN OIL AND RANCH, LTD.**

303 WEST WALL AVENUE, SUITE 1800  
MIDLAND, TEXAS 79701-5116

(432) 687-1777  
kimt@forl.com

**Kim Tyson**  
Regulatory Analyst

October 7, 2009

New Mexico State Land Office  
P.O. Box 1148  
Santa Fe, NM 87504-1148

Re: State "32" Com No. 3  
Cemetery; Morrow (Gas) Pool  
API #30-015-34535  
Eddy County

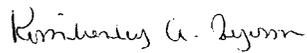
Dear Sir or Madam,

Fasken Oil and Ranch, Ltd. is planning on recompleting the above referenced well from the Cemetery; Morrow (Gas) pool into to the Cemetery; Atoka, North (Gas) pool and then downhole commingling these two pools. I have attached an original and three copies of a Sundry Notice of Intent that is for your information only.

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

Thanks for your help concerning this matter.

Yours truly,

  
Kimberley A. Tyson  
Regulatory Analyst

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

|   |
|---|
| WELL API NO.<br>30-015-34535  |
| 5. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No.  |
| 7. Lease Name or Unit Agreement Name<br>State "32" Com  |
| 8. Well Number 3  |
| 9. OGRID Number<br>151416   |
| 10. Pool name or Wildcat<br>Cemetery; Morrow (Gas)  |

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
Fasken Oil and Ranch, Ltd.

3. Address of Operator  
303 W. Wall, Suite 1800, Midland, TX 79701

4. Well Location  
 Unit Letter F : 1980' feet from the North line and 1980' feet from the West line  
 Section 32 Township 20S Range 25E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_

Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

|   |   |  |  |
|---|---|--|--|
| <b>NOTICE OF INTENTION TO:</b>                                |   | <b>SUBSEQUENT REPORT OF:</b>                     |  |
| PERFORM REMEDIAL WORK <input type="checkbox"/>                | PLUG AND ABANDON <input type="checkbox"/> | REMEDIAL WORK <input type="checkbox"/>           | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/>                  | CHANGE PLANS <input type="checkbox"/>     | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/>         |
| PULL OR ALTER CASING <input type="checkbox"/>                 | MULTIPLE COMPL <input type="checkbox"/>   | CASING/CEMENT JOB <input type="checkbox"/>       |  |
| OTHER: Downhole Commingle <input checked="" type="checkbox"/> |   | OTHER: <input type="checkbox"/>                  |  |

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Fasken Oil and Ranch, Ltd. proposes to recomplete the State "32" Com No. 3 from the Cemetery; Morrow (Gas) pool to the Cemetery; Atoka, North (Gas) pool and then downhole commingle the two pools.

This is for your information only.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan .

SIGNATURE Kim Tyson TITLE Regulatory Analyst DATE 10-7-09

Type or print name Kim Tyson E-mail address: kimt@forl.com Telephone No. (432) 687-1777  
**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): \_\_\_\_\_