DATE IN 9.14.10	SUSPENSE	ENGINEER TW.	LOGGED IN 9.14.10	TYPE ~~WFX~~ SWD 1250	APP NO. 1025748864

~~pTG-W~~ ~~P7305 1894~~

ABOVE THIS LINE FOR DIVISION USE ONLY

Fasken Oil & R

Federal 27 #2

30-025-29400

Lea Co

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]

~~Needs to go to hearing 9-20-10~~ ~~Original paper with loc. 8-18-10~~

[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	Kim Tyson	Regulatory Analyst	8-13-2010
Print or Type Name	Signature	Title	Date
		kimt@forl.com	
		e-mail Address	

Sent to: Well File
CSL on 8-16-2010. WT

432-687-1777

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: X Secondary Recovery ____ Pressure Maintenance ____ Disposal ____ Storage
Application qualifies for administrative approval? X Yes ____ No

II. OPERATOR: Fasken Oil and Ranch, Ltd.

ADDRESS: 303 W. Wall St., Ste. 1800, Midland, TX 79701

CONTACT PARTY: Kim Tyson 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 X 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:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. 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: Kim Tyson TITLE: Regulatory Analyst

SIGNATURE: Kim Tyson DATE: 8-13-2010

E-MAIL ADDRESS: kimt@forl.com

* 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: ____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Fasken Oil and Ranch, Ltd.

WELL NAME & NUMBER: ~~Federal "27" No. 2~~

WELL LOCATION:	560' FSL & 660' FEL	P	27	18S	33E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8", 48# @ 324'

Cemented with: 375 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 11" Casing Size: 8 5/8", 24 & 28# @ 3700'

Cemented with: 1500 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2", 15.5, 17 & 20# @ 10,700'; DV Tool @ 68(

Cemented with: 1525 sx. *or* _____ ft³

Top of Cement: 2885' Method Determined: Temp. Survey

Total Depth: 10,700'

Injection Interval

5946' feet to 7388'

(Perforated or ~~Open Hole~~; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Poly Lined

Type of Packer: Arrowset 1-X Double Grip Packer Nickel Plated

Packer Setting Depth: 5900'

Other Type of Tubing/Casing Seal (if applicable): N/A

Additional Data

1. Is this a new well drilled for injection? ____ Yes X No

   If no, for what purpose was the well originally drilled? Bone Springs Producer

2. Name of the Injection Formation: Delaware

3. Name of Field or Pool (if applicable): EK; Delaware

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. CIBP @ 10,427' w/ 35' of cmt. on top - Wolfcamp - 10,518' - 10,524'. CIBP @ 8775' w/ 35' of cmt. on top - Bone Springs - 8828' - 8897' & 9429' - 9482'.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Above: Queen @ +/- 4262'; Below: Bone Springs @ +/- 8830'

III. Well Data

A) Tabular Well Data

1. Federal "27" No. 2
   560' FSL & 660' FEL
   S-27, T-18S, R-33E
2. 13-3/8" @ 324', 17-1/2" hole, cmt w/ 375sx, TOC surface, circ 110 sx.
   8-5/8" @ 3700', 11" hole, cmt w/ 1,500 sx, TOC surface, circ 50 sx
   5-1/2" @ 10,700', 7-7/8" hole, cmt w/ 1,525 sx, TOC @ 2,885' Temp Survey
3. 2-7/8" J-55 8rd EUE poly-lined tubing @ 5,900'
4. Packer Type – 5-1/2" nickel plated Weatherford Arrowset 1-X 10K Double Grip Casing Packer with 1.78" SS seat nipple with nickel-plated TOSSD overshot with top sub. Packer will be set at 5900'.

B) Proposed Injection Formation Data

1. Injection Formation Name: Delaware, EK Delaware
2. Injection Interval – 5946' to 7388' perforated.
3. Original Purpose of Well – Bone Spring Producer
4. Previously Perforated Intervals –10,518'-24'; 9,468'-82'; 9,450'-54'; 9,440'-44'; 9,429'-34'; 8,828'-35'; 8,864'-66'; 8,890'-97'; 7365'-69'; 7372'-7388', 5946'-73'
5. Next Higher Oil/Gas Productive Zone – Queen @ +/- 4262'
   Next Lower Oil/Gas Productive Zone – Bone Spring @ +/- 8830'

VII. Proposed Operation

1. Average Daily Rate – 500 BPD
   Maximum Daily Rate –1500 BPD
   Volume of Fluids to be Injected – 1,000,000 bbls
2. This will be a closed system.
3. Average Injection Pressure – 500 psi
   Maximum Injection Pressure – 1,190 psi
4. Produced water from the Delaware, Bone Springs, and Queen will be injected into the Delaware interval. (See attached compatibility analysis)
5. See attached water analysis from above.

VIII. Geologic Data

1. Injection Zone Lithology

Depth From (ft)	Depth To (ft)	Thickness (ft)	Lithology
5946	5973	27	Dolomite
6262	6322	60	Sand
6339	6359	20	Sand
6620	6733	113	Sand
7150	7200	50	Sand
7365	7388	75	Sand

2. In this area, freshwater has been encountered from 35' to 195' with water columns ranging from 20' to 153' in thickness. All potential freshwater bearing formations have been sealed off from the wellbore with 324' of 13-3/8" 48# H-40 casing that was cemented to surface with 375 sx of class "C" cement & 3,700' of 8-5/8" 24 & 28# casing that was cemented to surface with 1,500 sx of class "C" cement.

IX. Stimulation Program (See Attached Procedure)

X. Logging and Test Data

1. Logging data previously filed with Commission.

2. Test Data previously filed with Commission.

XI. Affirmative Statement

Fasken Oil and Ranch, Ltd. examined available geologic and engineering data and have found no evidence of any open faults or hydrologic connection between the proposed disposal zone and any underground sources of drinking water.

Stonnie Pollock

Convert to Injection
Federal "27" No. 2
560' FSL & 660' FEL
Sec 27, T-18-S, Range 33-E
API #30-025-29400
A.F.E. - Updated

OBJECTIVE:	Convert to Delaware Injection
WELL DATA:	
13-3/8" 48# H-40 casing:	Set at 324' w/ 375 sx, circ. 110 sx cement
8-5/8" 24 & 28# casing:	Set at 3700.00" w/1500 sx, circ. 50 sx cement
5-1/2" 15.5#, 17#, & 20# casing:	Set at 10,700', DV Tool @ 6,803.27', 1st stage cmt w/775 sx Halliburton Lite; 2nd stage cmt w/750 sx Halliburton Lite – TOC 2885' by TS.
CIBP:	10,427' w/ 2.5 sx cmt. (TOC 10,405'), 8775' w/ 35' cmt
PERFS:	10,518'-24'; 9,468'-82'; 9,450'-54'; 9,440'-44'; 9,429'-34'; 8,828'-35'; 8,864'-66'; 8,890'-97'; 7365'-69'; 7372'-7388' 5946'-73'
KB:	15.50'
TD:	10,700'
PBTD:	10,405'

1. Test rig mast anchors on location.
2. Check with Jimmy Carlile or Kim Tyson to make sure all necessary permits have been obtained.
3. Notify NMOCD of intent to start conversion to injection as per NMOCD Administrative Order – XXXX.
4. Set rig matting boards and RUPU. Receive two sets of pipe racks and half-frac workover tank on location. Build flowline from wellhead to workover tank.
5. Blow down any casing pressure to workover tank. Unseat pump and POW and LD rods and pump. Send rods and pump back to Midland for inspection.
6. NDWH and NU 7-1/16" 3,000 psi manual BOP complete with 2-7/8" pipe rams and blind rams.
7. Unseat TAC and stand back 2-7/8" tubing in derrick.
8. RUWL and RIW with 5-1/2" CIBP and set @ 7,450' with 35' of class "H" cement on top.
9. RIW with 3-1/8" Gamma slick casing gun and perforate Delaware Sands as follows:

   7150' - 7200' (51 holes)
   6620' – 6733' (114 holes)
   6339' – 6359' (21 holes)
   6262' – 6322' (61 holes)

   247 total holes. All holes should be 1 JSPF, 0.40" EH, 60° phasing, and correlated to Schlumberger Compensated Neutron-Litho Density Open-Hole Log dated 10-16-85 (or GR/CCL log shown to be performed on 6-23-08 – could not find in wellfile). POW, make sure all shots fired, and RDWL.
10. RIW with 5-1/2" RBP with ball catcher, retrieving tool, 10' 2-7/8" tubing sub, 5-1/2" HD compression packer with bypass, 2-7/8" sn, and 2-7/8" tubing and set RBP @ +/- 7250'. POW and set packer @ +/- 7220'. Pressure test RBP to 1,500 psi for 10". Release packer and POW to put packer @ +/- 7100'.
11. With packer bypass open, spot 7-1/2% HCl to EOT. Close packer bypass and break down perfs from 7,150'-7,200'. After breakdown, establish rate and acidize perforations **7150'-7200' with 2,500 gals of 7-1/2% HCl** with clay stabilizer dropping 102 7/8" RCN ball sealers evenly displaced for diversion. Max pressure 3,500 psi. Record instantaneous, 5", 10" and 15" shut-in pressures.
12. Flow and swab back acid load to pit. If fluid entry is marginal and will take more than a day of swabbing to recover load, move on with procedure.
13. Release packer, RIW and retrieve RBP @ +/- 7250'. POW and reset RBP @ +/- 6800'. POW and set packer @ +/- 6750' and pressure test RBP to 1,500 psi for 10". Release packer, POW and reset packer @ +/- 6550'.

Convert to Injection
Federal "27" No. 2
560' FSL & 660' FEL
Sec 27, T-18-S, Range 33-E
API #30-025-29400
A.F.E. - Updated

OBJECTIVE:	Convert to Delaware Injection
WELL DATA:	
13-3/8" 48# H-40 casing:	Set at 324' w/ 375 sx, circ. 110 sx cement
8-5/8" 24 & 28# casing:	Set at 3700.00'' w/1500 sx, circ. 50 sx cement
5-1/2" 15.5#, 17#, & 20# casing:	Set at 10,700', DV Tool @ 6,803.27', 1st stage cmt w/775 sx Halliburton Lite; 2nd stage cmt w/750 sx Halliburton Lite – TOC 2885' by TS.
CIBP:	10,427' w/ 2.5 sx cmt. (TOC 10,405'), 8775' w/ 35' cmt
PERFS:	10,518'-24'; 9,468'-82'; 9,450'-54'; 9,440'-44'; 9,429'-34'; 8,828'-35'; 8,864'-66'; 8,890'-97'; 7365'-69'; 7372'-7388' 5946'-73'
KB:	15.50'
TD:	10,700'
PBTD:	10,405'

1. Test rig mast anchors on location.

2. Check with Jimmy Carlile or Kim Tyson to make sure all necessary permits have been obtained.

3. Notify NMOCD of intent to start conversion to injection as per NMOCD Administrative Order – XXXX.

4. Set rig matting boards and RUPU. Receive two sets of pipe racks and half-frac workover tank on location. Build flowline from wellhead to workover tank.

5. Blow down any casing pressure to workover tank. Unseat pump and POW and LD rods and pump. Send rods and pump back to Midland for inspection.

6. NDWH and NU 7-1/16" 3,000 psi manual BOP complete with 2-7/8" pipe rams and blind rams.

7. Unseat TAC and stand back 2-7/8" tubing in derrick.

8. RUWL and RIW with 5-1/2" CIBP and set @ 7,450' with 35' of class "H" cement on top.

9. RIW with 3-1/8" Gamma slick casing gun and perforate Delaware Sands as follows:

   7150' - 7200' (51 holes)
   6620' – 6733' (114 holes)
   6339' – 6359' (21 holes)
   6262' – 6322' (61 holes)

   247 total holes. All holes should be 1 JSPF, 0.40" EH, 60° phasing, and correlated to Schlumberger Compensated Neutron-Litho Density Open-Hole Log dated 10-16-85 (or GR/CCL log shown to be performed on 6-23-08 – could not find in wellfile). POW, make sure all shots fired, and RDWL.

10. RIW with 5-1/2" RBP with ball catcher, retrieving tool, 10' 2-7/8" tubing sub, 5-1/2" HD compression packer with bypass, 2-7/8" sn, and 2-7/8" tubing and set RBP @ +/- 7250'. POW and set packer @ +/- 7220'. Pressure test RBP to 1,500 psi for 10". Release packer and POW to put packer @ +/- 7100'.

11. With packer bypass open, spot 7-1/2% HCl to EOT. Close packer bypass and break down perfs from 7,150'-7,200'. After breakdown, establish rate and acidize perforations **7150'-7200' with 2,500 gals of 7-1/2% HCl** with clay stabilizer dropping 102 7/8" RCN ball sealers evenly displaced for diversion. Max pressure 3,500 psi. Record instantaneous, 5", 10" and 15" shut-in pressures.

12. Flow and swab back acid load to pit. If fluid entry is marginal and will take more than a day of swabbing to recover load, move on with procedure.

13. Release packer, RIW and retrieve RBP @ +/- 7250'. POW and reset RBP @ +/- 6800'. POW and set packer @ +/- 6750' and pressure test RBP to 1,500 psi for 10". Release packer, POW and reset packer @ +/- 6550'.

14. Release packer, RIW and retrieve RBP @ +/- 7250'. POW and reset RBP @ +/- 6800'. POW and set packer @ +/- 6750' and pressure test RBP to 1,500 psi for 10". Release packer, POW and reset packer @ +/- 6550'.

15. Open packer bypass and spot 7-/12% HCL to EOT. Close packer bypass and break down perfs from 6,620'-6,733'. After breakdown, establish rate and acidize perforations **6620'-6733' with 5,000 gals of 7-1/2% HCl** with clay stabilizer dropping 226 7/8" RCN ball sealers evenly displaced for diversion. Max pressure 3,500 psi. Record instantaneous, 5", 10", and 15" shut-in pressures.

16. Flow and swab back acid load to pit. Make note of any oil or gas show while swabbing as there is a very small chance that this zone might cut some oil.

17. Release packer, RIW and retrieve RBP @ +/- 6800'. POW and reset RBP @ +/- 6450'. POW and set packer @ +/- 6400' and pressure test RBP to 1,500 psi for 10". Release packer, POW and reset packer @ +/- 6200'.

18. Open packer bypass and spot 7-/12% HCL to EOT. Close packer bypass and break down perfs from 6,262'-6,322' & 6,339'-6,359'. After breakdown, establish rate and acidize perforations 6,262'-6,322' & 6,339'-6,359' with **4,000 gals of 7-1/2% HCl** with clay stabilizer dropping 160 7/8" RCN ball sealers evenly displaced for diversion. Max pressure 3,500 psi. Record instantaneous, 5", 10", and 15" shut-in pressures.

19. Flow and swab back acid load to pit. Make note of any oil or gas show while swabbing as there is a very small chance that these zones might cut some oil.

20. Unseat packer and RIW and retrieve RBP. RIW past the bottom perforation to knock off any ball sealers still stuck to perforations. POW and LD RBP.

21. RIW with 5-1/2" HD packer, seating nipple and 2-7/8" tubing. Set packer @ +/- 5,900'. RU pump truck and establish injection rate into perforations. Determine the greatest injection rate possible at a maximum pressure of 1,190 psi. If acceptable injection rate is obtained, continue on with procedure. If not, a frac proposal will follow. (Do not frac with RBP with ball catcher on top,)

22. Pressure tubing/casing annulus to 500 psi for 35" on chart recorder. Report results to Midland Office.

23. POW and LD packer and tubing. Send 2-7/8" workstring back to Midland Yard for inspection. Receive 5,900' of 2-7/8" poly-lined J-55 EUE 8rd injection tubing.

24. After obtaining tubing tally, RIW with full nickel plated 5-1/2" Arrowset 1X10 K packer, with mule shoe fg sub on bottom, 4-1/2" X 2-3/8" X 1.78" "F" SS profile with nickel plated TOSSD overshot and top sub, 2-3/8" pin X 2-7/8" box X-O either SS or nickel plated and 2-7/8" poly lined tubing. (Make sure to have Western Falcon service hand on location to drift tubing during first run to make sure tubing ID is good. Tubing drift on 2-7/8" poly lined is 2".

25. RIW and set packer at ± 5900' in 12-14 pts of compression.

26. RU pump truck on tubing casing annulus and load annulus with fw. Close BOP and run pre test to ensure casing and packer are holding. Pressure casing to +/- 550 psi for 35 minutes on chart recorder and report results to Midland office. If a good test is obtained continue with procedure after approval is given by Midland office.

27. Release TOSSD overshot from packer and PU 12-18" above profile nipple. RU pump truck and displace tubing/casing annulus with 2% KCl water containing 55 gallons of packer fluid and 5 gallons O_2 scavenger per 100 bbls water.

28. Engage TOSSD onto packer, ND BOP and NU 2-7/8" slip type tubing hanger flange. NUWH with aluminum-bronze full open gate valve dressed for sour conditions and injection hookup. Make sure tubing string is set high enough that valve handle will not hit on wellhead.

29. Clean location and release all rental equipment. RDPU and return well to production department.

30. Notify NMOCD of intent to run pressure test on annulus. Pressure tubing/casing annulus to 500 psi and record on chart recorder for 30". RDPU.

31. After approval is given from NMOCD and Midland Office, begin injecting into well. Maximum injection pressure – 1,190 psi.

32. Report injection rate, volume, and pressure to Midland Office for daily drilling report.

Federal "27" No. 2

Current

Operator: **Fasken Oil and Ranch, Ltd.**
Location: 560' FSL and 660' FEL
Sec 27, T18S, R33E
Lea County, NM
Compl.: 12/1/1985
API #: 30-025-29400

GL: 3801'
KB: 3817'

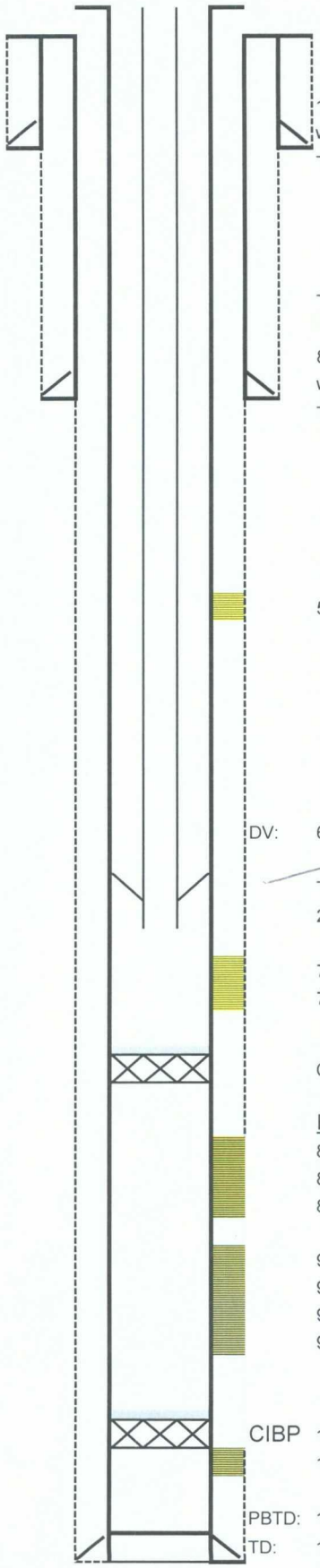
TD: 10,700'
PBTD: 10,405'
Casing: 13-3/8" 48# H-40 @ 324'
w/375sx, circ 110 sx to surf.
TOC surf
8-5/8" 24&28# @ 3700'
w/1500sx Lite, circ 50 sx to surf.
TOC surf
5-1/2" 15.5#, 17#, 20# @ 10,700'

DV: 6803.27'
1st stg 775 sx Lite
2nd stg 750 sx Lite
TOC 2885' by Temp

Perfs: *Delaware*
5946'-73'
7365'-69'
7372'-88'
Bone Springs
8828'-35' 9429'-34' 9468'-82'
8864'-66' 9440'-44' 10518'-24'
8890'-97' 9450'-54'

CIBP 10,427' w/ 2-1/2 sx cmt.

Hole Sizes 17-1/2" 360'
11" 3700'
7-7/8" 10,705'



13-3/8" 48# H-40 @ 324'
w/375sx, circ 110 sx to surf.
TOC surf

TOC 2885' by Temp

8-5/8" 24&28# @ 3700'
w/1500sx Lite, circ 50 sx to surf.
TOC surf

5946'-73'

DV: 6803.27'

no record of CIRC below D.V.

TAC @ 7264'
2-7/8" Tubing @ 7295'

7365'-69'
7365'-69', 7372'-88'

CIBP @ 8775' w/ 35' class "H" cmt

Bone Springs
8828'-35'
8864'-66'
8890'-97'

9429'-34'
9440'-44'
9450'-54'
9468'-82'

CIBP 10,427'
10518'-24'

PBTD: 10,405'
TD: 10,700'
5-1/2" 15.5#, 17#, 20# @ 10,700'
TOC 2885' by Temp

Prod. none

Federal "27" No. 2

Proposed

Operator: **Fasken Oil and Ranch, Ltd.**
Location: 560' FSL and 660' FEL
Sec 27, T18S, R33E
Lea County, NM
Compl.: 12/1/1985
API #: 30-025-29400

GL: 3801'
KB: 3817'

TD: 10,700'
PBTD: 10,405'
Casing: 13-3/8" 48# H-40 @ 324'
w/375sx, circ 110 sx to surf.
TOC surf
8-5/8" 24&28# @ 3700'
w/1500sx Lite, circ 50 sx to surf.
TOC surf
5-1/2" 15.5#, 17#, 20# @ 10,700'

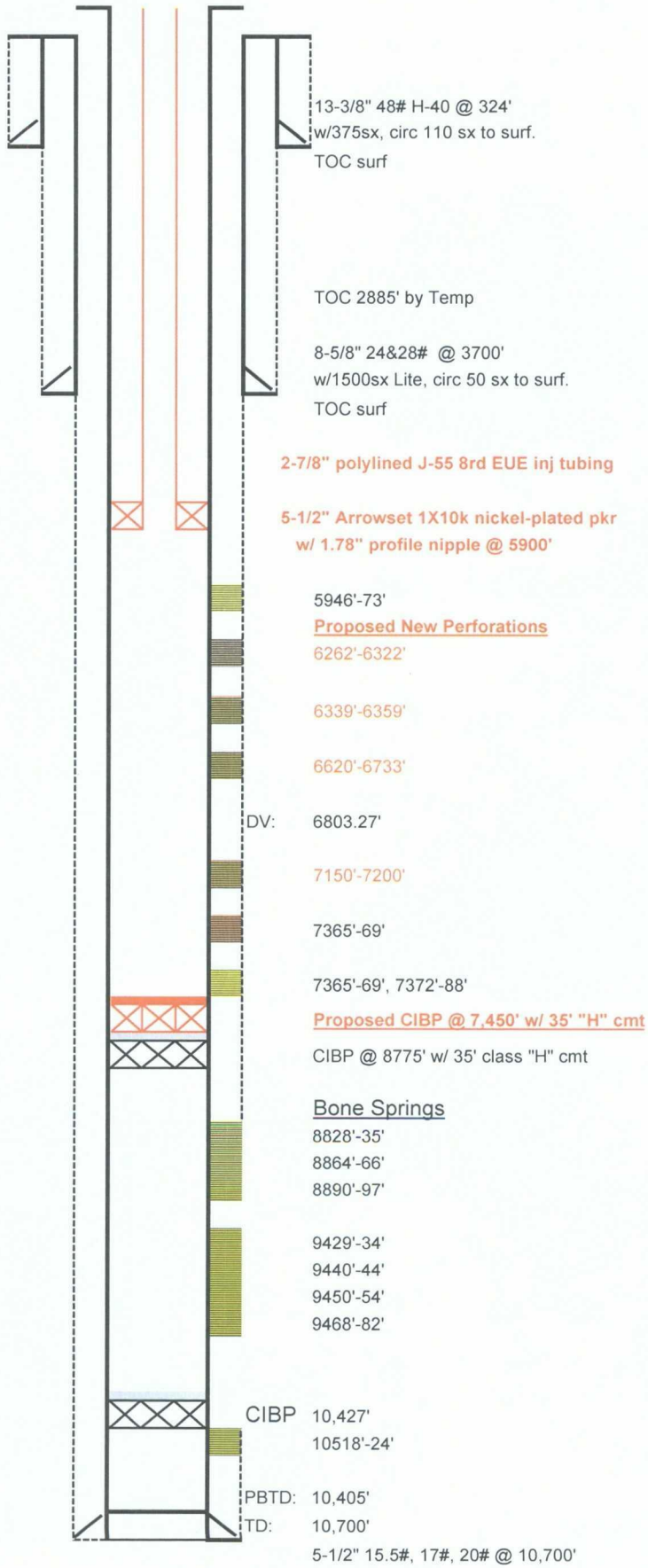
DV: 6803.27'
1st stg 775 sx Lite
2nd stg 750 sx Lite
TOC 2885' by Temp

Perfs: *Delaware*
5946'-73'
7365'-69'
7372'-88'
Bone Springs

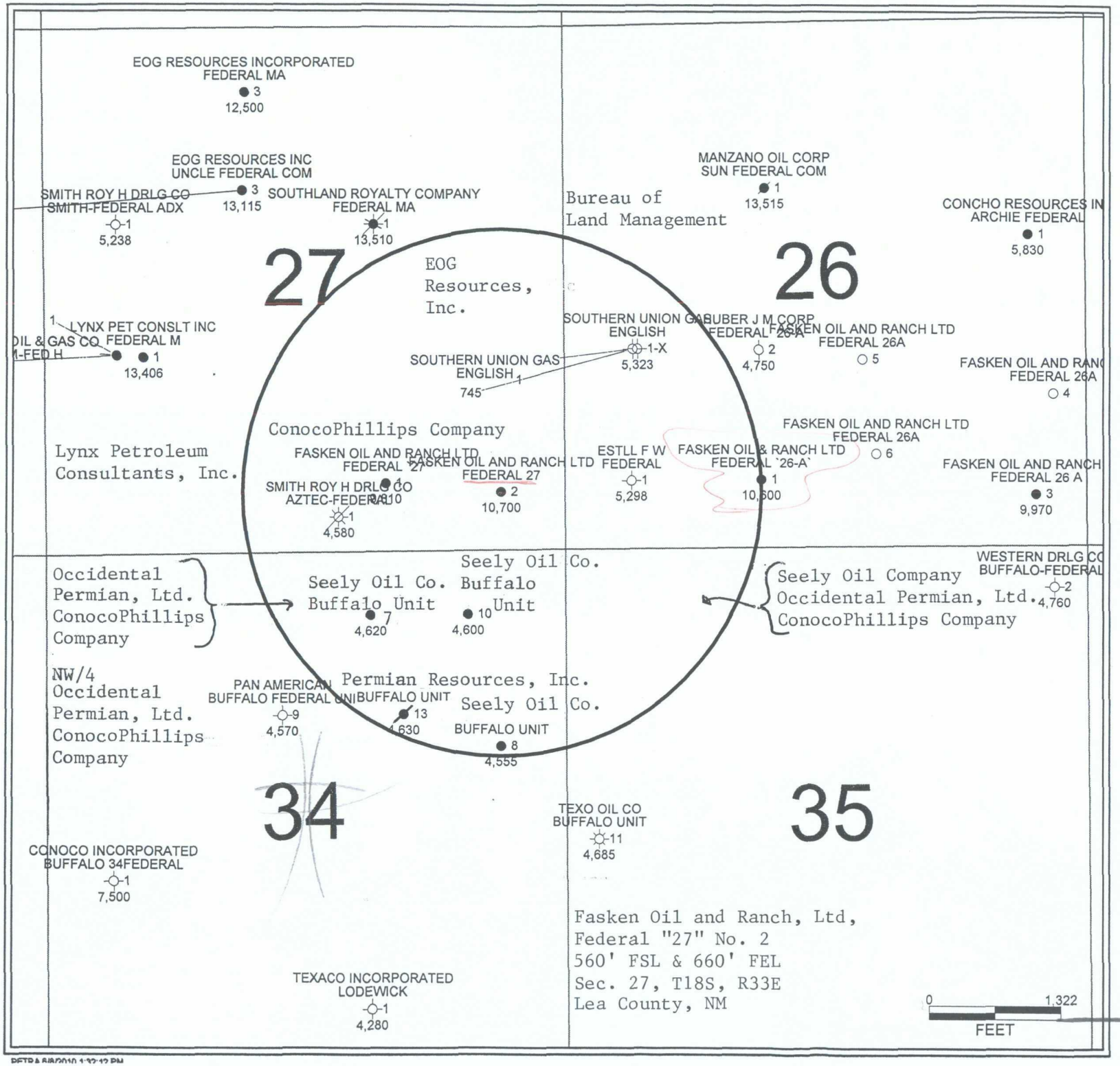
8828'-35'	9429'-34'	9468'-82'
8864'-66'	9440'-44'	10518'-24'
8890'-97'	9450'-54'	

CIBP 10,427' w/ 2-1/2 sx cmt.

Hole Sizes 17-1/2" 360'
11" 3700'
7-7/8" 10,705'



Prod: none


EOG RESOURCES INCORPORATED
FEDERAL MA
3
12,500
EOG RESOURCES INC
UNCLE FEDERAL COM
SMITH ROY H DRLG CO
SMITH-FEDERAL ADX
1
5,238
3
13,115
SOUTHLAND ROYALTY COMPANY
FEDERAL MA
1
13,510
MANZANO OIL CORP
SUN FEDERAL COM
1
13,515
Bureau of
Land Management
CONCHO RESOURCES IN
ARCHIE FEDERAL
1
5,830
27
EOG
Resources,
Inc.
26
LYNX PET CONSLT INC
FEDERAL M
1
13,406
SOUTHERN UNION GAS
ENGLISH
1-X
5,323
SUBER J M CORP
FEDERAL 26A
2
4,750
FASKEN OIL AND RANCH LTD
FEDERAL 26A
5
FASKEN OIL AND RANC
FEDERAL 26A
4
SOUTHERN UNION GAS
ENGLISH
1
745
ConocoPhillips Company
Lynx Petroleum
Consultants, Inc.
FASKEN OIL AND RANCH LTD
FEDERAL 27
1
FASKEN OIL AND RANCH LTD
FEDERAL 27
2
10,700
SMITH ROY H DRLG CO
AZTEC-FEDERAL
1
4,580
ESTLL F W
FEDERAL
1
5,298
FASKEN OIL AND RANCH LTD
FEDERAL 26A
6
FASKEN OIL & RANCH LTD
FEDERAL `26-A`
1
10,600
FASKEN OIL AND RANCH
FEDERAL 26 A
3
9,970
Occidental
Permian, Ltd.
ConocoPhillips
Company
Seely Oil Co.
Buffalo Unit
7
4,620
Seely Oil Co.
Buffalo Unit
10
4,600
Seely Oil Co.
WESTERN DRLG CO
BUFFALO-FEDERAL
2
4,760
Seely Oil Company
Occidental Permian, Ltd.
ConocoPhillips Company
NW/4
Occidental
Permian, Ltd.
ConocoPhillips
Company
PAN AMERICAN
BUFFALO FEDERAL UNI
9
4,570
Permian Resources, Inc.
Seely Oil Co.
BUFFALO UNIT
13
4,630
BUFFALO UNIT
8
4,555
34
35
TEXO OIL CO
BUFFALO UNIT
11
4,685
CONOCO INCORPORATED
BUFFALO 34FEDERAL
1
7,500
Fasken Oil and Ranch, Ltd,
Federal "27" No. 2
560' FSL & 660' FEL
Sec. 27, T18S, R33E
Lea County, NM
TEXACO INCORPORATED
LODEWICK
1
4,280
0
1,322
FEET
2640'

Fasken Oil and Ranch, Ltd.

Federal "27" No. 2

Table of Well Data within ½ Mile

Operator	Well Name and Number	API Number	Oil or Gas	Spud Date	Total Depth	Formation and Perfs
Fasken Oil and Ranch, Ltd.	Federal "27" No. 1	30-025-29250	Oil	06/10/1985	9810'	Bone Springs 8799' – 9462' 9659' – 9766'
Location:	660' FSL 1830' FEL Sec. 27, T18S, R33E					
Casing:	13 3/8" at 350' w/ 375 sx – TOC @ Surface 8 5/8" at 3700' w/ 2075 sx – TOC @ Surface 5 ½" at 9810', DV Tool @ 6795' w/ 1535 sx – TOC @ 1130' CBL			✓		
Fasken Oil and Ranch, Ltd.	Federal "26A" No. 1	30-025-29249	Oil	10/21/1985	10,600'	Bone Springs 9033' – 10,219'
Location:	660' FSL 1980' FWL Sec. 26, T18S, R33E					Delaware 5252' – 5808'
Casing:	13 3/8" at 365' w/ 375 sx – TOC @ Surface 8 5/8" at 3700' w/ 1400 sx – TOC @ Surface 5 ½" at 10,363', DV Tool @ 6822' w/ 1895 sx – TOC @ 1330' CBL			✓		Queen 4532' – 4549'

Operator	Well Name and Number	API Number	Oil or Gas	Spud Date	Total Depth	Formation and Perfs
Southern Union Gas	English No. 1X	30-025-12564	P&A Dry Hole	N/A	5323'	N/A

Location: 1980' FSL & 710' FWL
Sec. 26, T18S, R33E

Casing: Well does not penetrate the proposed injection interval.

Southern Union Gas	English No. 1	30-025-01648	P&A Dry Hole	N/A	745'	N/A

Location: 1980' FSL & 660' FWL
Sec. 26, T18S, R33E

Casing: Well does not penetrate the proposed injection invterval.

Estill, F.W.	Federal No. 1	30-025-24475	P&A Dry Hole	7/26/1973	5298'	Queen

Location: 660' FSL & 660' FWL
Sec. 26, T18S, R33E

Casing: Well does not penetrate the proposed injection interval.

Operator	Well Name and Number	API Number	Oil or Gas	Spud Date	Total Depth	Formation and Pefs
Roy H. Smith Drilling Co.	Aztec-Federal No. 1	30-025-21809	P&A Dry Hole	7-18-1966	4580'	Queen

Location: 330' FSL & 2310' FEL
Sec. 27, T18S, R33E

Casing: Well does not penetrate the proposed injection interval.

Seely Oil Company	Buffalo Unit No. 7	30-025-21604	Oil	12-28-1965	4620'	Queen 4519' – 4550'

Location: 660' FNL & 1980' FEL
Sec. 34, T18S, R33E

Casing: Well does not penetrate proposed injection interval.

Seely Oil Company	Buffalo Unit No. 10	30-025-21957	Oil	1-29-1967	4600'	Queen 4520' – 4554'

Location: 660' FNL & 990' FEL
Sec. 34, T18S, R33E

Casing: Well does not penetrate proposed injection interval.

Operator	Well Name and Number	API Number	Oil or Gas	Spud Date	Total Depth	Formation and Pefs
Permian Resources, Inc.	Buffalo Unit No. 13	30-025-22651	P&A Oil Well	7-4-1968	4630'	Queen 4503' – 4528'

Location: 1650' FNL & 1650' FEL
Sec. 34, T18S, R33E

Casing: Well does not penetrate the proposed injection interval.

Seely Oil Company	Buffalo Unit No. 8	30-025-21846	Oil	9-6-1966	4555'	Queen 4499' – 4512'

Location: 1980' FNL & 660' FEL
Sec. 34, T18S, R33E

Casing: Well does not penetrate the proposed injection interval.

Martin Water Laboratories, Inc.

Analysts & Consultants since 1953
Bacterial & Chemical Analysis

Lab #610-75

June 9, 2010

Clay Lamb
Fasken Oil & Ranch, Ltd.
303 W. Wall Street, Suite 1800
Midland, TX 79701

Clay,

In a hypothetical combination of the Bone Spring, Bell & Cherry Canyon, and Queen waters represented by Endura's water analyses, I don't see any significant scaling potential from either calcium sulfate or barium sulfate. Each water does show a positive calcium carbonate tendency and any combination would likely have at least some calcium carbonate tendency. Furthermore, no elemental sulfur or iron sulfide precipitation would be likely due to the absence of free hydrogen sulfide in all three waters. Therefore, based on the evidence provided by these analyses, these waters appear to be compatible.

Best Regards,

Greg Ogden

(432) 683-4521 * 709 W. Indiana, Midland, Texas 79701 * (fax) 682-8819
Remit to Address: P.O. Box 98, Midland, Texas 79702
Visit our Website @: www.martinwaterlabs.com

EK-Bone Spring

Endura Products Corp.

P.O. Box 3394 Midland, Texas 79706
Phone (915) 684-4233 * Fax (915) 684-4277

WATER ANALYSIS

Date 1-14-98 Endura Rep TERRY SOLANSKY Code W-10254
Sampling Point/Date WELL HEAD 1-12-98 State NEW MEXICO
Company FASKEN OIL AND RANCH County LEA
Field: EK Bone Spring Lease FEDERAL 27 Well #1

DISSOLVED SOLIDS

CATIONS	mg/1	me/1
Sodium, Na^+ (Calc.)	75,394	3,278
Total Hardness as Ca^{++}	10,800	0
Calcium, Ca^{++}	8,880	444
Magnesium, Mg^{++}	1,171	98
Barium, Ba^{++}	0	0
Iron (Total) Fe^{++}	114	6

ANIONS		
Chlorides, Cl^-	135,000	3,803
Sulfate, SO_4^-	725	15
Carbonate, CO_3^-	0	0
Bicarbonate, HCO_3^-	463	8
Sulfide, S^{--}	0	0
Total Dissolved Solids (Calc.)	221,747	

OTHER PROPERTIES

pH	5.900
Specific Gravity, 60°/60 F	1.142
TURBIDITY	400

SCALING INDICIES

TEMP, F	CA CO_3	$CASO_4*2H_2O$	CA SO_4	BA SO_4
80	0.5806	-0.2004	-0.4986	-29.4049
120	1.0239	-0.2117	-0.3294	-29.5753
160	1.7006	-0.2359	-0.1809	-29.7965

Endura Products Corporation

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

WATER ANALYSIS

Date **5/27/2010** Endura Rep **Norman Smiley** Code **10120892**
Sampling Point/Date **Heater 5/27/2010** State **New Mexico**
Company **Fasken Oil and Ranch** County **Lea**
Formation EK DELAWARE Lease **FEDERAL 26 A** Well #3
(Bell + Cherry Canyon)

DISSOLVED SOLIDS

CATIONS	mg/l	me/l
Sodium, Na+ (Calc.)	**75,026**	**3,262**
Total Hardness as Ca++	**26,720**	**0**
Calcium Ca++	**17,640**	**882**
Magnesium, Mg+	**5,537**	**461**
Barium, Ba++	**0**	**0**
Iron (Total) Fe+++*	**14**	**1**
ANIONS		
Chlorides, Cl-	**163,200**	**4,597**
Sulfate, SO4-	**450**	**9**
Carbonate, CO3-	**0**	**0**
Bicarbonates, HCO3-	**24**	**0**
Sulfide, S-*	**0**	**0**
Total Dissolved Solid	**261,891**	

OTHER PROPERTIES

pH*	**6.290**
Specific Gravity,60/60 F.	**1.168**
Turbidity	**152**

SCALING INDICIES

TEMP, F	CA CO3	CASO4*2H2O	CA SO4	BA SO4
80	**0.6263**	**-0.0199**	**-0.3789**	**-29.4917**
120	**1.1732**	**-0.0329**	**-0.2115**	**-29.6306**
160	**2.0002**	**-0.0545**	**-0.0604**	**-29.8390**

PERFORATIONS

Endura Products Corporation

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

WATER ANALYSIS

Date 6/25/03 Endura Rep **Greg Archer** Code **101006264**
Sampling Point/Date **Heater Treater 6/20/03** State **New Mexico**
Company **Fasken Oil & Ranch, LTD** County **Lea**
Formation Corbin South Queen Lease **FEDERAL 26 A** Well **#1**

DISSOLVED SOLIDS

CATIONS	mg/l	me/l
Sodium, Na+ (Calc.)	46,276	2,012
Total Hardness as Ca++	6,600	0
Calcium Ca++	5,200	260
Magnesium, Mg++	854	71
Barium, Ba++	0	0
Iron (Total) Fe+++*	8	0
ANIONS		
Chlorides, Cl-	82,500	2,324
Sulfate, SO4-	450	9
Carbonate, CO3-	0	0
Bicarbonates, HCO3-	610	10
Sulfide, S-*	0	0
Total Dissolved Solid	135,898	

OTHER PROPERTIES

pH*	7.355
Specific Gravity,60/60 F.	1.083
Turbidity	433

SCALING INDICIES

TEMP, F	CA CO3	ASO4*2H2O	CA SO4	BA SO4
80	1.2589	-0.6642	-0.8900	-29.2458
120	1.6052	-0.6730	-0.7183	-29.4553
160	2.1413	-0.6855	-0.5581	-29.6855

PERFORATIONS

Fasken Oil and Ranch, Ltd.
Federal "27" No. 2
Injection Application
List of Notified Parties

Offset Operators within a ½ mile radius:

EOG Resources Inc.
4000 North Big Spring Street
Midland, TX 79705-4630
Attn: Pat Tower, Land Manager

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

Seely Oil Company
815 West 10th Street
Fort Worth, TX 76102-3528

ConocoPhillips Company
600 N. Dairy Ashford
2 WL-15058
Houston, TX 77079
Attn: Tom Scarbrough

Occidental Permian Ltd.
5 Greenway Plaza East, Suite 110
Houston, TX 77046
Attn: Elizabeth S. Bush-Ivie

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

Lynx Petroleum Consultants, Inc.
3325 Enterprise Dr.
Hobbs, NM 88241

Offset Operators within a ½ mile radius:

Estill, F.W.
This party no longer has ownership due to this well being drilled as a dry hole and being plugged and abandoned.

Southern Union Gas
This party no longer has ownership due to this well being drilled as a dry hole and being plugged and abandoned.

Permian Resources, Inc.
P.O. Box 590
Midland, TX 79702
This party no longer has ownership due to this well being Plugged and abandoned on 6-7-2002.

Roy H. Smith Drilling Company
This party no longer has ownership due to this well being Plugged and abandoned.

Surface Owner:

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

Other Notified Parties:

New Mexico Oil Conservation Division
1625 N. French Drive
Hobbs, NM 88240

Affidavit of Publication

State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER
of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
July 16, 2010
and ending with the issue dated
July 16, 2010

PUBLISHER
Sworn and subscribed to before me
this 16th day of
July, 2010

Notary Public

My commission expires
June 16, 2013
(Seal)

OFFICIAL SEAL
Linda M Jones
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: ______________

This newspaper is duly qualified to publish legal notices or advertisments within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL | LEGAL

LEGAL NOTICE
July 16, 2010

Fasken Oil and Ranch, Ltd., 303 West Wall, Suite 1800, Midland, Texas 79701, has filed Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for an injection well in the Elk Delaware pool. The proposed well, Federal 27 No. 2, is located [illegible] FSL, 660' FEL, Section 27, T18S, R33E, Lea County, New Mexico. Injection water will be sourced from area wells producing from the Delaware formation in the Elk Delaware Field, Bone Springs formation in the Elk Bone Springs Field and the Queen formation in the Corbin Queen, South (Oil) Field. Water will be injected into the Delaware formation at a depth of 5946'-7988', at a maximum surface pressure of [illegible] 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 Kim [illegible] at Fasken Oil and Ranch, Ltd., 303 West Wall, Suite 1800, Midland, Texas 79701, or call (432) 687-1777.
#25974

67106447 00055813
FASKEN OIL AND RANCH, LTD
303 WEST WALL SUITE 1800
MIDLAND, TX 79701

7007 2560 0003 3657 7699

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.56
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.66

S=SN MIDLAND, TX DOWNTOWN STA 2010 AUG 12 Postmark Here

Sent To: LYNX PETROLEUM CONSULTANTS
Street, Apt. No., or PO Box No.: 3325 ENTERPRISE DR
City, State, ZIP+: HOBBS NM 88241-1046

PS Form 3800, August 2006 — See Reverse for Instructions

7007 2560 0003 3657 7682

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.56
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.66

S=SN MIDLAND, TX DOWNTOWN STA 2010 AUG 12 Postmark Here

Sent To: ELIZABETH S BUSH-IVIE
Street, Apt. No., or PO Box No.: OCCIDENTAL PERMIAN LTD
City, State, ZIP+: 5 GREENWAY PLAZA E STE 110 HOUSTON TX 77046-0521

PS Form 3800, August 2006 — See Reverse for Instructions

7007 2560 0003 3657 7668

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.56
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.66

S=SN MIDLAND, TX DOWNTOWN STA 2010 AUG 13 Postmark Here

Sent To: SEELY OIL COMPANY
Street, Apt. No., or PO Box No.: 815 W 10TH ST
City, State, ZIP+: FORT WORTH TX 76102-3528

PS Form 3800, August 2006 — See Reverse for Instructions

7007 2560 0003 3657 7675

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.56
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.66

S=SN MIDLAND, TX DOWNTOWN STA 2010 AUG 13 Postmark Here

Sent To: TOM SCARBROUGH
Street, Apt. No., or PO Box No.: CONOCOPHILLIPS COMPANY 3300 N DAIRY ASHFORD 2 WL-15058
City, State, ZIP+: MIDLAND TX 79705-5490

PS Form 3800, August 2006 — See Reverse for Instructions

7007 2560 0003 3657 7705

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.56
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.66

S=SN MIDLAND, TX DOWNTOWN STA 2010 AUG 13 Postmark Here

Sent To: NEW MEXICO OIL CONSERVATION DIVISION
Street, Apt. No., or PO Box No.: 1625 N FRENCH DR
City, State, ZIP+: HOBBS NM 88240-9273

PS Form 3800, August 2006 — See Reverse for Instructions

7007 2560 0003 3657 7651

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.56
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.66

S=SN MIDLAND, TX DOWNTOWN STA 2010 AUG 13 Postmark Here

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

PS Form 3800, August 2006 — See Reverse for Instructions

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

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.56
Certified Fee	2.80
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.66

Postmark Here
AUG 13 2010
MIDLAND TX
U.S.P.S.

7007 2560 0003 3657 7644

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+

PAT TOWER LAND MANAGER
EOG RESOURCES INC
4000 N BIG SPRING ST
MIDLAND TX 79705-4630

PS Form 3800, August 2006 — See Reverse for Instructions

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

September 14, 2010

Mr. Terry Warnell
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr.Warnell,

Re: Federal "27" No. 2
EK; Delaware Pool
API No. 30-025-29400
Lea County

I have enclosed a copy of the newspaper clipping for the Federal "27" No. 2 injection application the you requested.

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

Thanks for your help concerning this matter.

Yours truly,

Kimberley A. Tyson

Kimberley A. Tyson
Regulatory Analyst

Affidavit of Publication

State of New Mexico,
County of Lea.

I, JUDY HANNA
PUBLISHER
of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period

of 1 issue(s).
Beginning with the issue dated
July 16, 2010
and ending with the issue dated
July 16, 2010

PUBLISHER
Sworn and subscribed to before me
this 16th day of
July, 2010

Notary Public

My commission expires
June 16, 2013
(Seal)

OFFICIAL SEAL
Linda M Jones
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: _____

This newspaper is duly qualified to publish legal notices or advertisments within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL LEGAL

LEGAL NOTICE
July 16, 2010

Fasken Oil and Ranch, Ltd., 303 West Wall, suite 1800, Midland, Texas 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 Ek, Delaware pool. The proposed well, Federal "27" No. 2, is located 560' FSL, 660' FEL, Section 27, T-18S, R33E, Lea County, New Mexico. Injection water will be sourced from area wells producing from the Delaware formation in the EK, Delaware Field, Bone Springs formation in the EK, Bone Springs Field, and the Queen formation in the Corbin, Queen, South (Oil) Field. Water will be injected into the Delaware formation at a depth of 5946-7388', at a maximum surface pressure of 1,190 psi and a maximum rate of 1500 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 Kim Tyson at Fasken Oil and Ranch, Ltd., 303 West Wall, and Suite 1800, Midland, Texas 79701, or call (432) 687-1777.
#25974

EK Delaware [21655]
R - 12223
No revocation

67106447 00055813
FASKEN OIL AND RANCH, LTD
303 WEST WALL SUITE 1800
MIDLAND, TX 79701

Form 3160-4
(February 2005)

RECEIVED
NOV 05 2008
HOBBS OCD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB NO 1004-0137
Expires March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5 Lease Serial No: NM 96782

1a Type of Well: ☑ Oil Well ☐ Gas Well ☐ Dry ☐ Other
b Type of Completion: ☐ New Well ☐ Work Over ☐ Deepen ☑ Plug Back ☐ Diff. Resvr.
Other

6 If Indian, Allottee or Tribe Name

7 Unit or CA Agreement Name and No

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

8 Lease Name and Well No: Federal "27" 2

3 Address: 303 W Wall St., Ste 1800, Midland, TX 79701

3a Phone No (include area code): 432-687-1777

9 API Well No: 30025294 00

4 Location of Well (Report location clearly and in accordance with Federal requirements)*

At surface: 560' FSL & 660' FEL

E-K

10 Field and Pool or Exploratory: ~~Upper~~ Delaware

11 Sec., T., R., M., on Block and Survey or Area: Sec 27, T18S, R33E

At top prod. interval reported below: 560' FSL & 660' FEL

12 County or Parish: Lea

13 State: NM

At total depth: 560' FSL & 660' FEL

14 Date Spudded	15 Date T.D. Reached	16 Date Completed	17 Elevations (DF, RKB, RT, GL)*
06/17/2008	09/18/2008	☐ D & A ☑ Ready to Prod 7-5-08	3801.2'

18 Total Depth	19 Plug Back T.D.	20 Depth Bridge Plug Set
MD 10,700' TVD 10,700'	MD 8740' TVD 8740'	MD 8775' CIBP TVD 8775' CIBP

21 Type Electric & Other Mechanical Logs Run (Submit copy of each): GR - CCL

22 Was well cored? ☑ No ☐ Yes (Submit analysis)
Was DST run? ☑ No ☐ Yes (Submit report)
Directional Survey? ☑ No ☐ Yes (Submit copy)

23 Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 1/2"	13 3/8"	48	Surface	324'		375 sx		Surface	
11"	8 5/8"	24 & 28	Surface	3700'		1200 sx		Surface	
7 7/8"	5 1/2"	15.5, 17	Surface	10,700'	6803'	400 sx Hal Lite		2885' TS	
		& 20				+ 650 sx Hal			
						Lite			

24 Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 7/8"	7295'							

25 Producing Intervals / 26 Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Delaware Dolomite	5946'	5973'	5946' - 5973'	.40	28	Open
B) Brushy Canyon Delaware	7365'	7388'	7365' - 7388'	.40	22	Open
C)						
D)						

27 Acid, Fracture, Treatment, Cement Squeeze, etc

Depth Interval	Amount and Type of Material
5946' - 5973'	2500 gals of 15% FEAS2X HCL acid & 60 ball sealers.
7365' - 7388'	2500 gals of HCL DI acid & 45 ball sealers.

28 Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
7/05/08	9/24/08	24	→	6	3	25	35.9	.846	Pumping

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status
			→	6	3	25	500	Producing

28a Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status
			→					

*(See instructions and spaces for additional data on page 2)

ACCEPTED FOR RECORD
NOV 3 2008
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

KZ

2A E-K Bone Spring

at 2550 psi. Displaced 500 gals of acid into perforations w/ 12 bbls of 2% Kcl water @ 3.7 bpm @ 2460 psi. ISIP- 1840 psi, 5"- 1755 psi, 10"- 1692 psi, 15"- 1648 psi. Max pressure - 2550 psi, avg. pressure- 2200 psi, avg. rate - 3.7 bpm. Made 6 swab runs and recovered 33 bw and swabbed well dry, waited 30" w/ no fluid entry. SWI and SDON.

9-16-08 – 9-18-08

RU Petroplex Acidizing and tested lines to 4000 psi. Pressured csg. annulus to 500 psi and monitored while treating perfs 5946'-5973'. Pumped 2500 gals of 15% FEAS2X HCL acid, 60 - 1.3 sg balls sealers. MTP-2513 psi, ATP- 2200 psi. Avg. rate 3.7 bpm. ISIP-1727 psi, 5"-1621 psi, 10"-1585 psi and 15"-1568 psi. LLTR-103 bbls

RIW w/ 223- jts 2-7/8" EUE 8rd 6.50# tubing @ 7295'.

RIW with 2-1/2" x 1-½" x 24' RHBC pump with 20' x 1-1/4" gas anchor, STS No-Tap tool w/ 7/8" pins, 14- 1-1/2" "C" sinker bars, 113- 3/4" D rods, 96- 7/8" "D" rods and 64- 1" "D" rods. Spaced pump 20" off bottom. Loaded tbg. w/ 3 bw and tested to 500 psi w/ no pressure loss. Left well running on hand w/ good pump action. LLTR-180 bw. RDPU.

Form 3160-5
(November 1983)
(Formerly 9-331)

UNITED STATES N. M. OIL CONS. SUBMIT IN TRIPLICATE*
DEPARTMENT OF THE INTERIOR (Other instructions on reverse side)
BUREAU OF LAND MANAGEMENT P. O. BOX 1980 HOBBS, NEW MEXICO 88240

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

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—" for such proposals.)

5. LEASE DESIGNATION AND SERIAL NO.: LC-064944
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT AGREEMENT NAME:

1. OIL WELL [X] GAS WELL [ ] OTHER
2. NAME OF OPERATOR: J.M. Huber Corporation
8. FARM OR LEASE NAME: Federal "27"
3. ADDRESS OF OPERATOR: 1900 Wilco Bldg., Midland, Texas 79701
9. WELL NO.: 2
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface: 560' FSL and 660' FEL of Section 27
10. FIELD AND POOL, OR WILDCAT: EK Bone Spring
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec.27, T18S, R33E
14. PERMIT NO.: 30-025-29400
15. ELEVATIONS (Show whether DF, RT, GR, etc.): KB: 3817'
12. COUNTY OR PARISH: Lea
13. STATE: New Mexico

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
TEST WATER SHUT-OFF	[ ]	PULL OR ALTER CASING	[ ]	WATER SHUT-OFF	[ ]	REPAIRING WELL	[ ]
FRACTURE TREAT	[ ]	MULTIPLE COMPLETE	[ ]	FRACTURE TREATMENT	[ ]	ALTERING CASING	[ ]
SHOOT OR ACIDIZE	[ ]	ABANDON*	[ ]	SHOOTING OR ACIDIZING	[ ]	ABANDONMENT*	[ ]
REPAIR WELL	[ ]	CHANGE PLANS	[ ]	(Other) Cmt. Production casing			[X]
(Other)			[ ]	(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)			

17. 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.)*

10/15/85 TD 7-7/8" hole @ 10,700'.

10/17/85 Ran 276 jts. of 5½" csg & set @ 10,700' as follows from top to bottom: 49' of 20#, S-95, LTC; 3936' of 15.5#, J-55, LTC; 2412' of 15.5#, K-55, STC; 787' of 17#, K-55, STC; 350' of 17#, K-55, LTC; 2033' of 17#, L-80, LTC; 127' of 20#, N-80, LTC; 1006' of 20#, S-95, LTC; w/DV tool @ 6803'. Cmt'd in two stages as follows: 1st STAGE: Pmp'd 400 sx Halliburton Light containing 6# salt and ¼# Flocele per sk, followed by 375 sx Cl "H" w/0.5% CFR-2 & 3# salt per sk. 2nd STAGE: Pmp'd 650 sx Halliburton Light containing 6# salt & ¼# Flocele per sk, followed by 100 sx Cl "H" w/0.5% CFR-2 & 3# salt per sk. Cmt. top @ 2885' by temp. survey. Cmt. & csg will be pressure tested when cmt and plugs are drilled out.

BUREAU OF LAND MANAGEMENT RECEIVED OCT 24 1985 DIST. 6 ROSWELL, N.M.

18. I hereby certify that the foregoing is true and correct (915) 682-3794
SIGNED Robert R. Glenn TITLE District Production Mgr. DATE October 22, 1985

(This space for Federal or State office use)

APPROVED BY ACCEPTED FOR RECORD TITLE DATE
CONDITIONS OF APPROVAL, IF ANY:

OCT 29 1985

CARLSBAD, NEW MEXICO

*See Instructions on Reverse Side

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.

Jones, William V., EMNRD

From: Kim Tyson [kimt@forl.com]
Sent: Monday, October 25, 2010 2:30 PM
To: Jones, William V., EMNRD
Subject: RE: Disposal application from Fasken: Federal 27#2 30-025-29400

William,

I have sent your e-mail to the engineer for this well to get the information that you have requested. When he gets the information to me I will e-mail it to you.

Thanks for your help.

Kim Tyson

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Monday, October 25, 2010 11:18 AM
To: kimt@forl.com
Cc: Brooks, David K., EMNRD; Warnell, Terry G, EMNRD
Subject: Disposal application from Fasken: Federal 27#2 30-025-29400

Hello Kim:
I have this SWD ready to release, but since you are converting a producing Delaware well to an SWD Delaware well and waste issues could be involved:

... please fax or email a "Rate vs Time plot" for this well showing only Delaware production from the date the Delaware was first perforated until now.
Also any statement as to whether or not this well is at its economic limit would be helpful also.

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

Jones, William V., EMNRD

From: Kim Tyson [kimt@forl.com]
Sent: Tuesday, October 26, 2010 7:59 AM
To: Jones, William V., EMNRD
Subject: Federal "27" No. 2 - Injection Application
Attachments: Copy of Fed27-2_Plot.xls

William,

I have attached a "Rate vs Time plot" showing Delaware production from the date that the Delaware was first produced until now. Below is statement as to whether or not this well is at its economic limit.

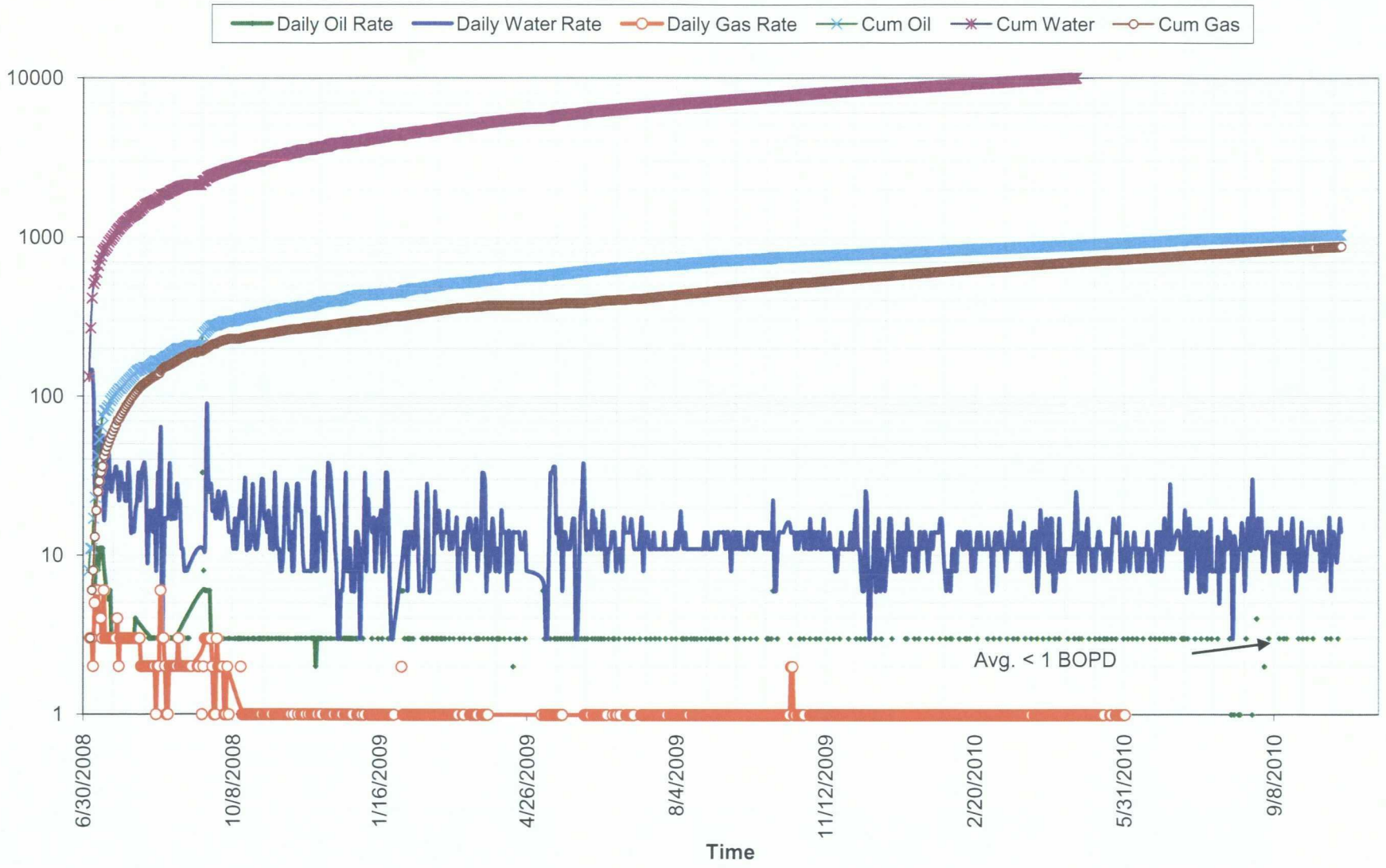
This well is currently at its economic limit at < 1 BOPD. I took at look at the historical opex and found that this well needs to make at least around 30 bopd to break even. The past four months we show to have made 27 bo (June), 30 bo (July), 18 bo (August), and 20 bo (September).

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

Thanks for your help concerning this matter.

Kim Tyson

Federal "27" No. 2 Delaware Production



Injection Permit Checklist (08/27/2010)

WFX ____ PMX ____ SWD 1258 Permit Date 10/25/10 UIC Qtr (O) (N/D)

Wells 1 Well Name(s): Federal 27 #2

API Num: 30-0 25-29400 Spud Date: 12/85 New/Old: N (UIC primacy March 7, 1982)

Footages 560 FSL/660 FEL Unit P Sec 27 Tsp 18S Rge 33E County Lea

General Location:

Operator: Forbes Oil & Ranch, Ltd. Contact KIM TYSON

OGRID: 151416 RULE 5.9 Compliance (Wells) 2/132 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed ✓ Current Status: Delaware Producer

Planned Work to Well: Perf more Delaware, Install & Convert

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: ✓

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
New __Existing __Surface	17 1/2 13 3/8	324'	—	375	CIRC
New__Existing __Interm	11 8 5/8	3,700	—	1560	CIRC
New__Existing __ LongSt	7 7/8 5 1/2	10700 TD	6803'	775/750	2885' TS.
New__Existing __ Liner					
New__Existing __ OpenHole					

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above			
Injection TOP:	5946 (6002)	Del (Del sand)	Max. PSI 1189 OpenHole ___ Perfs ✓
Injection BOTTOM:	7388 (7400)	Del (Del sand)	Tubing Size 2 7/8 Packer Depth 5900'
Formation(s) Below	7412 8830	B. S. Bone Spring	✓

1189 psi

Capitan Reef? ____ (Potash? ~~Noticed?~~ ____) [WIPP? ____ Noticed? ____] Salado Top/Bot (1474 ____) Cliff House? ____

Fresh Water: Depths: 35-195' Formation ? Wells? ? Analysis? ? Affirmative Statement ✓

Disposal Fluid Analysis? ✓ Sources: Del/Bone Spring/Queen (Compatible)

Disposal Interval: Analysis? ____ Production Potential/Testing: Existing Perfs 5946'-7388'

Notice: Newspaper Date 7/16/10 Surface Owner BLM Mineral Owner(s)

RULE 26.7(A) Affected Persons: LYNX/Forbes/OXY/Conoco/Saxby/EOG

AOR: Maps? ✓ Well List? ✓ Producing in Interval? NO Wellbore Diagrams? —

.....Active Wells 2 Repairs? 0 WhichWells? —

.....P&A Wells 0 Repairs? 0 Which Wells? —

Set CIBP within 200' (There is in Procedure)

Questions: Request Sent ____ Reply: ____