

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, 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-101  
May 27, 2004

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

Submit to appropriate District Office

☐ AMENDED REPORT

RECEIVED  
JAN 05 2006  
OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

Operator Name and Address Fasken Oil and Ranch, Ltd. 303 West Wall, Suite 1800 Midland, TX 79701		151416	OGRID Number
Property Code 18243		API Number 30-015-34535	
Property Name State "32" Com		Well No. 3	
Proposed Pool 1 Cemetery (Morrow)		Proposed Pool 2	

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

Work Type Code N		Well Type Code G		Cable/Rotary R		Lease Type Code S		Ground Level Elevation 3618'	
Multiple N		Proposed Depth 9850'		Formation Morrow		Contractor unknown		Spud Date 2/1/06	
Depth to Groundwater 183'				Distance from nearest fresh water well 2000'				Distance from nearest surface water greater than 1 mile	
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 24000 bbls Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>									
Closed-Loop System <input type="checkbox"/>									

Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48	400'	400 sx C	surface
12 1/4	9 5/8	36	3000'	800 sx C	surface
8 3/4	4 1/2	11.6	9850'	1100 sx SuperC	6000'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Fasken Oil and Ranch, Ltd. proposes to drill the State "32" Com No. 3 to the Cemetery (Morrow) Pool. Please see the attached for the recommended procedure, casing program and BOP specs.

CEMENT TO COVER ALL OIL,  
GAS AND WATER BEARING  
ZONES

If earthen pits are used in  
association with the drilling of this  
well, an OCD pit permit must be  
obtained prior to pit construction.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION Approved by: <i>Jim W. Brown</i> District II Supervisor	
Printed name: Jimmy D. Carlile		Title:	
Title: Regulatory Affairs Coord.		Approval Date: JAN 10 2006	
E-mail Address: jimmyc@for1.com		Expiration Date: JAN 10 2007	
Date: 11/10/05	Phone: 432 6871777	Conditions of Approval Attached:	

Surface WOC 18 hours

NOTIFY OCD OF SPUD &  
TIME TO WITNESS  
CEMENTING OF SURFACE &  
INTERMEDIATE CASING

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

2040 South Pacheco  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 74640	Pool Name Cemetery (Morrow)
Property Code	Property Name STATE "32" COM	Well Number 3
OGRID No. 151416	Operator Name FASKEN OIL & RANCH, LTD.	Elevation 3618'

Surface Location

UL or lot No. F	Section 32	Township 20 S	Range 25 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1980	East/West line WEST	County EDDY
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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 320	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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jimmy D. Carlile</i> Signature</p> <p>Jimmy D. Carlile Printed Name</p> <p>Regulatory Affairs Coord. Title</p> <p>11/10/05 Date</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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>OCTOBER 31, 2005 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature &amp; Seal of Professional Surveyor</p> <p>W.O. No. 5899</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	

### Recommended Procedure

State "32" Com. No. 3 ----- A.F.E. No. 1056 ----- Cemetery-  
Morrow  
1980' FNL & 1980' FWL  
Sec. 32, T20S, R25E  
Eddy County, N.M.

1. Drilling contractor to set 20" conductor if necessary. MIRU rotary tools.
2. Drill 17-1/2" hole to 400' with spud mud. Set and cement 13-3/8" casing with 400 sx Class "C" cement with 2%  $\text{CaCl}_2$  (s.w. 14.8 ppg, yield 1.32  $\text{ft}^3/\text{sx}$ ). WOC 12 hrs. NU 13-5/8" 3000# annular preventor.
3. Drill 12-1/4" hole to 3000' with fresh water. Control seepage with paper. Dry drill if complete loss of returns is experienced.
4. Set and cement 9-5/8" casing at 3000' with estimated 600 sx Class "C" with 4% gel and 2%  $\text{CaCl}_2$ , (s.w. 13.50 ppg, yield 1.74  $\text{ft}^3/\text{sx}$ ) plus 200 sx Class "C" with 2%  $\text{CaCl}_2$  (s.w. 14.8 ppg, yield 1.34  $\text{ft}^3/\text{sx}$ ). Note: If lost circulation has occurred prior to running casing, add 200 sx Thixset cement for the lead slurry. Thixset cement blend: 200 sx Class "H" with 10% A-10B, 1%  $\text{CaCl}_2$ , 10#/sx Gilsonite, and 1/4#/sx Cello Flake (s.w. 14.6 ppg, yield 1.52  $\text{ft}^3/\text{sx}$ ).
5. Install 11" x 5000 psi intermediate spool. NU 11" 5000 psi B.O.P.'s, hydril and choke manifold. WOC 12 hours. Set up DST test line complete with test tank. RU mud gas separator with flare ignitor. Install  $\text{H}_2\text{S}$  monitor equipment, escape packs and briefing stations.
6. Pressure test BOP stack to 1500 psi with rig pump.
7. Upon first bit trip or before 6500', hydrostatically test 200' of 9-5/8" casing to 2800 psig, casing spool, BOP's, and choke manifold to 3000 psig, and hydril to 1500 psig. Install PVT equipment
8. Drill 8-3/4" hole to total depth of 9850' using fresh water to 6000' and 9.0 ppg cut brine water from 6000' to TD. Mud up at 8700' with starch and PAC mud system. Increase viscosity with salt gel or polymer as needed to clean hole. Maintain 9.0-9.5 ppg and 10 cc water loss to total depth.
9. DST all shows.
10. Log well with DLL-MSFL and CNL-LDT using Schlumberger Platform Express.
11. Set and cement 4-1/2" production casing (resin coated and centralized through pay zones) with 10 bfw + 500 gallons Mud Clean II + 10 bfw and 1100 sx Super C Modified (15#/sx Poz A and 11 #/sx CSE), 1% salt, 1.1% FL-25 (s.w. 14.2 ppg, yield 1.35  $\text{cuft}/\text{sx}$ ). Calculate cement volume for TOC at 6000'. Displace bottom plug with 5% KCl water containing 15 gallons packer fluid.
12. Set slips, nipple down BOP's and run temperature survey to locate cement top.
13. Install 11"-5000 psi x 7-1/16"-5000 psi tubinghead and flow tree.
14. Rig down and move out rotary tools.
15. Level location, set mast anchors, move in and rig up completion unit.

State "32" Com. No. 3 Recommended Procedure  
Page 2

16. RIW with packer, T.O.S.S.D. with "F" profile nipple and 2-3/8" tubing. Set packer, install flow tree, swab down tubing and perforate pay interval.

17. Flow test well, evaluate, and stimulate if necessary.

Comment:

18. RDPU. Clean and level location.

19. Run C.A.O.F.P. and pressure build up.

20. Connect surface equipment.

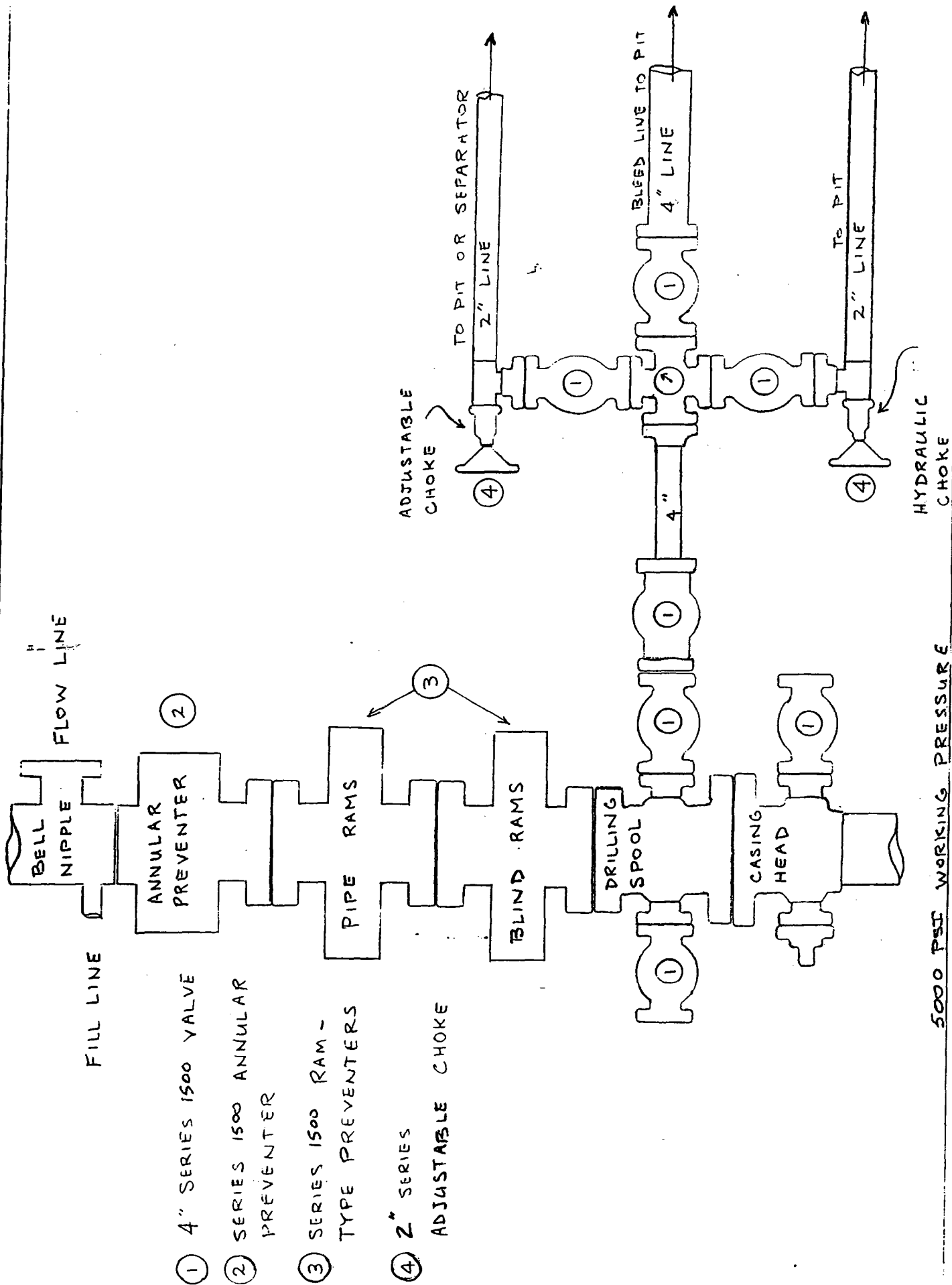
TET  
(State32Com3drlgprc)

**Recommended Casing Program  
A.F.E. No. 1056**

**Fasken Oil and Ranch, Ltd.-----State "32" Com. No. 3-----Cemetary-Morrow  
Field**

**Eddy County, NM**

<u>String</u>	<u>Footage</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Thread</u>
Surface	400'	13-3/8"	48.00#	H-40	ST&C
Intermediate	3000'	9-5/8"	36.00#	K-55	ST&C
Production	9850'	4-1/2"	11.60#	N-80	LT&C
Tubing	9700'	2-3/8"	4.70#	N-80	EUE 8rd



- ① 4" SERIES 1500 VALVE
- ② SERIES 1500 ANNULAR PREVENTER
- ③ SERIES 1500 RAM - TYPE PREVENTERS
- ④ 2" SERIES ADJUSTABLE CHOKES

**FASKEN OIL AND RANCH, LTD.**

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

(432) 687-1777  
jimmyc@forl.com

Jimmy D. Carlile  
Regulatory Affairs Coordinator

November 17, 2005

Mr. Bryan Arrant  
New Mexico Oil Conservation Division  
1301 West Grand Street  
Artesia, NM 88201

Dear Mr. Arrant,

Re: Fasken Oil and Ranch, Ltd.  
Howell State Com No. 3 and  
State "32" Com No. 3  
Cemetery (Morrow) Pool  
H2S Contingency Plan  
Section 32, T20S, R25E  
Eddy County, New Mexico

In our review of the Morrow production in this area of Eddy County, including numerous wells which Fasken Oil and Ranch, Ltd. operate, we have not identified any sour gas production. Therefore, no H2S Contingency Plan is necessary as we drill the Howell State Com No. 3 and the State "32" Com No. 3 to the Cemetery (Morrow) Pool.

Yours truly,



Jimmy D. Carlile  
Regulatory Affairs Coordinator