Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA
APR - 9 2009

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

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5 Lease Serial No
NM-911

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – *Other instructions on page 2*

7 If Unit of CA/Agreement, Name and/or No

1 Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8 Well Name and No
El Paso "3" Federal No. 1

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

9 API Well No
30-015-20906

3a. Address
303 West Wall St , Suite 1800, Midland, TX 79701

3b Phone No. *(include area code)*
432-687-1777

10. Field and Pool or Exploratory Area
Foster Draw (Delaware Oil)

4. Location of Well *(Footage, Sec , T.R.M. or Survey Description)*
2724' FNL & 2870' FEL, Sec 3, T21S, R26 E

11 Country or Parish, State
Eddy, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Convert to a SWD Well
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13 Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection)

Fasken Oil and Ranch, Ltd. proposes to convert this well to a Salt Water Disposal Well in the Avalon; Bone Springs pending approval from the NMOCD.

See attached procedure.

Application for SWD will be submitted to the NMOCD in the next few weeks.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Kim Tyson

Title Regulatory Analyst

Signature Kim Tyson

Date 03/30/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
APR 7 2009
WESLEY W. INGRAM
PETROLEUM ENGINEER

Approved by

Title

Date

Conditions of approval, if any, are attached Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Office

Title 18 U.S.C. Section 1001 and Title 43 U S C Section 1212, make 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

(Instructions on page 2)

Convert to SWD
EL PASO "3" FEDERAL No. 1
489'FNL and 195' FEL of Lot 11 (Old numbering)
Section 3, T21S, R26E
Eddy Co., NM

OBJECTIVE:	Convert to Bone Spring SWD
API Number:	30-015-20906
WELL DATA:	
13-3/8" 48# H-40 casing:	Set at 346', cement circ.
8-5/8" 24 K-55 casing:	Set at 2267' cement circ.
5-1/2" 17 & 20# N-80 casing:	Set at 10,997' , Primary cmt TOC @ 6796' by CBL. Surface to 1450' 17# N-80 Buttress, 1450' – 8448' 17# N-80 LT&C, 8448' – 10,997' 20# N-80 LT&C.
5-1/2" Remedial:	Sqz holes 5300' (4), Cmt w/525sx Super "H" (13.2 ppg, yld 1.64 cf/sk). TOC 2084' by CBL
Pkr:	none
Tubing Detail:	none
Perfs& Plugs:	CURRENT: Delaware 3266-71', 88'-90', 3302'-04' (21 holes Dec '08) Cmt ret 5100' Sqz holes 5300' (4) Plug 2 25sx 6436'-6694' ((Dec '08)) Sqz holes 6695' (4) (Dec '08) Plug 1 40sx 8194'-7828' (Dec '08) CIBP @ 8250' w/cmt 8194' Abandoned: Wolfcamp 8320'-40' (Dec '03) CIBP @ 9090' w/35' cmt Abandoned: Cisco 9184'-88', 9221'-28', 9312'-22' (Feb'07) Abandoned: Strawn: 9847'-55', 9910'- 22' (Oct. 1973) Abandoned: Atoka : 9988'- 93',10,069' - 74' (Nov. 1993) Abandoned: Morrow: 10,708'- 26'(Oct. 1973), 10788-94' and 10878'-88' (Jan '93)
KB:	15.4'
TD:	11,240'
PBTD:	5100' Cmt Retainer (Dec '08) 10,480' Jan. 93 set CIBP w/ 2sx cement on top. (Original PBTD 10,945')
Status:	TA'd 12-20-08. Left tree on well.

1. Set open top blowdown tank and build flowline from wellhead to blowdown tank. Blow well to tank using extreme caution of possible H_2S gas.

2. RUPU. Receive 8500' 2-3/8" EUE 8rd N-80 workstring.

3. Open 8-5/8" x 5-1/2" annulus and blow down to tank. **(Use caution possible H_2S)**.

4. RU pump truck on tubing and kill well with 80 bbls (5-1/2" csg capacity to bottom perf 3304') 2% Kcl water

5. NDWH and NU BOP.

6. RIW with 5-1/2" cement retainer and 2-3/8" EUE 8rd N-80 workstring to 3200'. Rig up pump truck and pump through CR with 5 bbls 2% kcl water. Set CR at 3200'.

7. Sting out of retainer and circulate well with 2% kcl water. Test casing to 500 psi Sting back into retainer and pump through CR and establish injection rate and pressure into Delaware perfs 3266'-3304' (21 holes)

8. RU cementing company and squeeze perfs 3266'-3304' with 100-150 sx Class "C" cement with 2% CaCl2 to maximum pressure of 2000 psi

9. Sting out of retainer and reverse circulate tubing clean with 2% kcl water. Pull tubing 500 feet. Shut in WOC.

10. POW with tubing. RU reverse equipment. RIW with 4-3/4" bit, 6 3-1/2" drill collars, 2-3/8" EUE 8rd N-80 workstring and drill out CR at 3200' and cement through bottom perf 3304'.

11. RU pump truck and pressure test squeeze to 500 psi.

12. Continue to drill out cement retainer at 5100', sqz holes at 5300', cement plug 6436'-6696', sqz holes at 6695', cement plug 7828' - 8230' (stay +/- 20' above CIBP set at 8250') Circulate well clean with 2% KCL water.

13. POW to 8150'. Spot 600 gallons of 7-1/2% NEFE triple-inhibited acid @ 8020'. POW with tubing and tools.

14. RUWL Perforate 3rd Bone Spring Sand with 3-1/8" casing gun and perforate as follows:

    7804' – 7832' (29 holes)
    7860' - 7874' (15 holes)
    7878' – 7892' (15 holes)
    7904' – 8150' (257 holes)

    316 total holes, 1 JSPF, 0.40" EH, 60° phasing, and correlated to Schlumberger Compensated Neutron-Formation Density Log dated September 12, 1973 POW, make sure all shots fired, and RDWL

15. RIW with 5-1/2" RBP, retrieving tool, 10' 2-3/8" tubing sub, 5-1/2" HD compression packer, 2-3/8" sn, and 2-3/8" workstring and set RBP @ +/- 8200'. POW with 1 joint of tubing and set packer @ +/- 8170'. RU pump truck and pressure test RBP to 1,500 psi for 10"

16. Release packer and pull to +/-7400'. Reverse 10 bbl 2% kcl water into tubing. Set packer in 12 points compression. Displace 600 gal spot acid via tubing, max pressure 3000 psi.

17. RU Service Company. Install tree saver Pressure tubing/casing annulus to 500 psi and monitor throughout job. Acidize 3rd Bone Spring perforations 7804'-8160' with 6,000 gallons of 7-1/2% NEFE HCl acid containing clay stabilizer at maximum pressure of 5000 psi and minimum rate of 2 bpm (needed to keep salt block from falling out during diversion). Pump as follows.

    a Pump 1500 gallons acid
    b Drop 600# graded rock salt in brine water (Salt to be adjusted up or down depending on injection rate.)
    c Pump 1500 gallons acid
    d Drop 800# graded rock salt in brine water (Salt to be adjusted up or down depending on injection rate.)
    e Pump 1500 gallons acid.
    f Drop 1000# graded rock salt in brine water. (Salt to be adjusted up or down depending on injection rate)

g Pump 1500 gallons acid
h. Displace acid to top perforation with 2% kcl water
i Obtain ISIP, 5, 10, and 15 minutes SITP
j Bled pressure from tubing/casing annulus and RD pump truck

18. Flow and swab back acid load to workover tank

19. Unseat packer and RIW with packer reverse circulating to remove salt. Retrieve RBP @ +/- 8200'. POW and reset RBP @ +/- 6900'. Set packer @ +/- 6870' and test plug to 1,500 psi for 10"

20 Release packer and POW with EOT @ 6806'. Spot 500 gallons of 7-1/2% NEFE double-inhibited HCl @ 6806'. Displace using 2% KCl water containing clay stabilizer POW with tubing and packer

21 RUWL. Perforate 2nd Bone Spring Sand with 3-1/8" casing gun and perforate as follows:

6482' – 6512' (31 holes)
6532' - 6544' (13 holes)
6568' – 6595' (28 holes)
6628' – 6644' (17 holes)
6648' – 6690' (43 holes)
6714' – 6730' (17 holes)
6756' – 6784' (29 holes)
6790' – 6804' (17 holes)

195 total holes, 1 JSPF, 0.40" EH, 60° phasing, and correlated to Schlumberger Compensated Neutron-Formation Density Log dated September 12, 1973. POW, make sure all shots fired, and RDWL.

22. RIW with retrieving tool, 10' 2-3/8" tubing sub, 5-1/2" HD compression packer, 2-3/8" sn, and 2-3/8" workstring to +/-6200'

23. RU pump truck and reverse 10 bbls 2% kcl into tubing. Set packer at +/-6200' in 10 points compression. Displace 500 gal spot acid via tubing, max pressure 3000 psi.

24. RU Service Company. Install tree saver. Pressure tubing/casing annulus to 500 psi and monitor throughout job. Acidize 2nd Bone Spring perforations 6482'-6806' with 6,000 gallons of 7-1/2% NEFE HCl acid containing clay stabilizer at maximum pressure of 5000 psi and minimum rate of 2 bpm (needed to keep salt block from falling out during diversion) Pump as follows

a Pump 1500 gallons acid
b Drop 600# graded rock salt in brine water (Salt to be adjusted up or down depending on injection rate)
c Pump 1500 gallons acid
d Drop 800# graded rock salt in brine water (Salt to be adjusted up or down depending on injection rate)
e Pump 1500 gallons acid
f Drop 1000# graded rock salt in brine water. (Salt to be adjusted up or down depending on injection rate.)
g Pump 1500 gallons acid
h Displace acid to top perforation with 2% kcl water.
i Obtain ISIP, 5, 10, and 15 minutes SITP
j. Bled pressure from tubing/casing annulus and RD pump truck

25. Flow and swab back acid load to workover tank.

26. Unseat packer and RIW with packer reverse circulating to remove salt. Retrieve RBP @ +/- 6900'. POW and reset RBP @ +/- 6100'. Set packer @ +/- 6070' and test plug to 1,500 psi for 10".

27 Release packer and POW with EOT @ 5890'. Spot 300 gallons of 7-1/2% NEFE double-inhibited HCl @ 5890'. Displace using 2% KCl water containing clay stabilizer. POW with tubing and packer.

28. RUWL. Perforate 1st Bone Spring Sand with 3-1/8" casing gun and perforate as follows:

5754' – 5814' (61 holes)
5836' – 5856' (13 holes)
5876' – 5890' (15 holes)

89 total holes, 1 JSPF, 0 40" EH, 60° phasing, and correlated to Schlumberger Compensated Neutron-Formation Density Log dated September 12, 1973. POW, make sure all shots fired, and RDWL.

29. RIW with retrieving tool, 10' 2-3/8" tubing sub, 5-1/2" HD compression packer, 2-3/8" sn, and 2-3/8" workstring to +/-5500'.

30. RU pump truck and reverse 10 bbls 2% kcl into tubing. Set packer at +/-5500' in 10 points compression Displace 300 gal spot acid via tubing, max pressure 3000 psi

31. RU Service Company. Install tree saver. Pressure tubing/casing annulus to 500 psi and monitor throughout job. Acidize 2ndd Bone Spring perforations 5754'-5890' with 4,000 gallons of 7-1/2% NEFE HCl acid containing clay stabilizer at maximum pressure of 5000 psi and minimum rate of 2 bpm (needed to keep salt block from falling out during diversion). Pump as follows:

a. Pump 1000 gallons acid.
b. Drop 600# graded rock salt in brine water (Salt to be adjusted up or down depending on injection rate)
c. Pump 1000 gallons acid.
d Drop 800# graded rock salt in brine water (Salt to be adjusted up or down depending on injection rate.)
e. Pump 1000 gallons acid.
f. Drop 1000# graded rock salt in brine water. (Salt to be adjusted up or down depending on injection rate)
g Pump 1000 gallons acid
h Displace acid to top perforation with 2% kcl water
i Obtain ISIP, 5, 10, and 15 minutes SITP
j Bled pressure from tubing/casing annulus and RD pump truck

32. Flow and swab back acid load to workover tank

33. Unseat packer and RIW with packer reverse circulating to remove salt Retrieve RBP @ +/- 6100'. POW and LD RBP.

34. RIW with 5-1/2" HD packer, sn, and 2-7/8" tubing to set packer @ +/- 5675'. RU pump truck and establish injection rate into perforations. Determine the greatest injection rate possible at a maximum pressure of 1,150 psi. Pressure tubing/casing annulus to 500 psi for 30". Report results to Midland Office.

35. POW and LD packer and workstring. Send 2-3/8" workstring back to Midland Yard for inspection. Receive 5,800' of 2-7/8" poly-lined N-80 EUE 8rd injection tubing.

36. After obtaining tubing tally, RIW with 2-7/8" x 5-1/2" Arrowset 1X10 K packer with 1.500" "F" profile nipple, TOSSD and poly lined tubing and set packer at ± 5675' in 12pts of compression. (All wetted parts of packer need to be nickel plated.) Release TOSSD from packer and displace tubing/casing annulus with 2% KCl water containing corrosion inhibitor and O2 scavenger. Engage TOSSD onto packer, ND BOP and NU 2-7/8" slip type hanger & IPC well head with aluminum-bronze full open gate valve dressed for sour conditions and injection hookup.

37. 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.

38. After approval is given from NMOCD and Midland Office, begin injecting into well. Maximum injection pressure – 1,150 psi

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

CWB
3-30-09
(EP1_SWD proc_NMOCD_cwb 033009 doc)

El Paso "3" Federal No. 1
30-015-20906
Fasken Oil and Ranch, Ltd.
April 6, 2009
Conditions of Approval

Please read and follow the Conditions of Approval.

1. **Work to be done within 90 days.**

2. **Verification of the cement on El Paso Federal #4 production casing required as the sundry for this casing indicates that no returns were achieved during the stage tool operation.**

3. **Provide documentation on El Paso Federal #14 as to how the TOC at 2050' was determined.**

4. **Although the following wells appear to be outside the radius of review, there could be potential problems as the TOC on the production casings do not cover the intended injection zone in El Paso "3" Federal No. 1. Western Reserves Well #2 – TOC is shown at 9000'. Lake Federal #1 – TOC is shown at 9240'. El Paso Federal #2 – TOC at 8140'.**

5. **In the subsequent sundry submitted on 12/23/2008, no comment was made about the tag required for the CIBP at 9797' in the Conditions of Approval for the sundry submitted on 9/12/2008. Provide the depth of that tag.**

6. **When the well is plugged, additional cement will be required on top of the CIBP placed at 8250' to properly plug the Wolfcamp formation as cement must extend to 8129'. This will require setting a cement plug across some of the Bone Spring perforations.**

7. **CBL required to verify cement behind pipe in the proposed injection zones from 6482-6804' and 5754-5890'. Previous sundry of 12/23/2008 indicates an estimated TOC of 6436' with the next squeeze occurring at 5300'.**

8. **Avalon/Bone Spring formation can have H2S. Monitoring equipment to be onsite.**

9. **Subsequent sundry required detailing all work done and date that injection begins with SWD order number.**

WWI 040609