

District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-41771

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Laguna "16" State

8. Well Number 5H

9. OGRID Number

151416

10. Pool name or Wildcat

Salt Lake; Bone Spring

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

6101 Holiday Hill Road, Midland, TX 79707

4. Well Location BHL : D 330' North 330' West
Unit Letter M : 330' feet from the South line and 330' feet from the West line
Section 16 Township 20S Range 32E NMPM County Lea

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

3513.3' GR

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

DOWNHOLE COMMINGLE ☐

CLOSED-LOOP SYSTEM ☒

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Fasken Oil and Ranch, Ltd. will be using a closed loop pit system for the drilling and completion operations for the Laguna "16" State No. 5H.

Spud Date:

Rig Release Date:

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 3-14-2014

Type or print name Kim Tyson E-mail address: kimt@forl.com PHONE: 432-687-1777

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE 04/09/14

Conditions of Approval (if any):

APR 14 2014