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1625 N French Dr., Hobbs, NM 88240
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1301 W Grand Ave., Artesia, NM 88210
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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. 30-025-38440
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. 36547
7. Lease Name or Unit Agreement Name Quail State "16"
8. Well Number 1
9. OGRID Number 151416
10. Pool name or Wildcat Wildcat; Morrow

SUNDRY NOTICES AND REPORTS ON PRODUCTION (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN A WELL OR TO DEVELOP 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

RECEIVED
MAY 18 2008
HOBBS OCD

4. Well Location
Unit Letter G : 1980 feet from the North line and 1420 feet from the East line
Section 16 Township 20S Range 34E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3637- GR

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	P AND A <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: Sqz Lwr Mid. Morrow/Frac Upper Mid Morrow <input checked="" 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.

3/15-3/16/08 NDWH, NU BOP and released TOSSD and allowed tubing and casing to equalize. Engaged TOSSD and released pkr @ 13,096'. Bled down pressure and pumped 10 bbw down tubing and POW w/tbg. Trickled 15 bbw down annulus while POW and found 75% of packer elements washed off packer. RIW w/tbg with EOT at 13,132.50'.

3/18-3/19/08 RIW to 13,195' tbg measurement and RU tubing swivel. Installed TIW valve and 1 jt tbg, RU reverse pump and washed down from 13,227' to top of retainer at 13,232' and tagged top of retainer. PU 6" and circulated clean in 2.5 hrs @ 3 bpm rate. Recovered rubber and switched and reverse circulated 2 bpm rate for 2 hr. and recovered additional rubber circulating until clean. LD tbg swivel, TIW valve and 1 jt of tbg and POW w/tbg & SN. RIW with BJ retainer stinger on 418 jts tubing w/ 2-3/8" x 10' tubing sub. PU TIW valve and tubing swivel and established circulation w/ 60 bbls 10 ppg bw @ 13,205'. Washed down to top of retainer at 13,232' by tubing depth, worked stinger very gently around top of retainer trying to wash out any residual trash out of stinger. PU and circulated tubing clean picking up additional rubber. Able to sting into retainer and pressure up tubing to 2800 psi but had no pressure loss indicating valve in retainer plugged or not opening completely. Laid down TIW valve and swivel and POW w/tbg. CONTINUED ON ATTACHMENT.

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 Gloria Holcomb TITLE Engineering Tech. DATE 05/07/08

Type or print name Gloria Holcomb E-mail address: gloriah@forl.com Telephone No. (432) 687-1777

For State Use Only

APPROVED BY: Chris Williams TITLE OCD DISTRICT SUPERVISOR/GENERAL MANAGER DATE MAY 21 2008

Conditions of Approval (if any):

Quail State "16" No 1
API 30-025-38440
C-103 Cont.

3/20-3/23/08 RIW to 13,196'. RU pump truck and stung into retainer w/ 20 pts compression and pressured tbg/csg annulus to 1700 psi and monitored. Pressured tubing to 2500 psi and annulus pressure increased to 2300 psi and bled down tubing and casing pressure did not fall. Bled down casing pressure repeated process several times with same results. RD BJ pump truck bleed down casing tubing annulus POW with tubing and cement retainer stinger bottom showed signs of metal being inside of retainer had cuts on bottom of stinger and seals were worn. RIW w/ 4-5/8" cone buster mill, bit sub, 6- 3-1/2" DC's, top sub and tbg to 7154'. Installed tubing stripper and established circulation with foam air unit. RIW w/ to 13,095' and attempted to shut BOP to change stripper rubber and could not close BOP. Killed well. ND stripper head and BOP and NU new BOP and stripper head. Established circulation w/ foam air unit 13,095'. RIW and tagged cement retainer at 13,232'. RU swivel and drilled on retainer 1-3/4 hrs and pushed retainer to 13,400'. Circulated well clean from 13,385' for 3.5 hrs. Killed well POW w/ tbg and BHA. RUWL and RIW w/ 4-1/2" gauge ring and junk basket to 13,300' and recovered small piece of rubber in basket. RIW with 5-1/2" x 4-5/16" OD cement retainer to 13,329' correlated to Enertech Casing Collar Log dated 11-5-07. Set retainer @ 13,390' and could not release setting tools. Waited 4-1/2 hrs on Kinley cutter. Set and dropped cutter and cut wireline and POW with WL and did not recover cutter leaving estimated 10' of line on top of rope socket.

3/25-3/30/08 RUWL and made 5 runs with bailer and dumped 30' of sand on top of tools left in well @ 13,377.50'. Checked BOP for any residual trash or sand and washed out BOP and inspected inside well head. RIW with 4-1/2" OD gauge ring/ junk basket on wire line to 13,360' POW and recovered 3 large pieces of rubber from milled up retainer. Made 3 runs with 4-1/2" gauge ring/junk basket on WL, recovered rubber on first two run and third run clean. RIW with wireline set SV-5 cement retainer on WL correlated to Enertech Casing Collar Locator Log dated 11-5-07 and set retainer @ 13,239' and POW and RDWL. RIW with retainer stinger, tubing and tubing subs. Flushed tubing and established circulation w/ 60 bbw and stung into retainer. RU Rising Star pump truck and pressured tubing/casing annulus to 500 psi. Established injection rate into perforations at 13,246'-70' at 1 bpm at 1720 psi. Casing pressure increased to 1800 psi. Bled down tubing to 0 psi and casing pressure to 460 psi. Established injection rate into perforations at 1 bpm rate w/ tubing psi 2990 psi and casing increased to 2480 psi in 7 min with 5.4 bbls pumped. Bled pressure off tubing and casing and stayed stung into retainer. Bled down pressure and RU Rising Star cement pump truck and WOC bulk truck. Loaded casing w/ 16 bbw and loaded tubing w/ 4 bbw and stung out of retainer and pumped 10 bfw spacer, mixed and pumped 19 bbls cement slurry- 100 sx of Class "H" cement containing 0.5% C-12, 0.2% C-20, 0.3% C-37, 0.7% C-41P (s.w. 15.6 ppg, yield 1.18 ft³/sx), 5 bfw spacer followed by 20 bbw and stung into retainer. Squeezed perforations 13,246'-70' w/ 9 bbls slurry at 1 bpm @ 150 psi to 1650 psi, stung out of retainer and spotted 9 bbls slurry on top of retainer and across perforation 13,212'-22'. POW w/ tubing to 11,943' and reverse circulated 70 bbls bw with 1/2 bbl cement slurry to pit. Pumped 2 bbw down tbg-csg annulus and pressured to 2500 psi with no pressure loss. SWI and RD cement pump equipment. POW. RIW w/ Varel 4-5/8" skirted cone bit, bit sub, 6-3 1/2" DC's, top sub on 397 jts 2-3/8" N-80 tubing tagged TOC @ 12,742'. RU swivel and stripper and established circulation. Drilled soft cement to 12,782' and hard cement to 12,845'. Circulated well clean and POW w/ EOT @ 12,813. Continued drilling hard cement @ 12,813' to top of cast iron cement retainer at 13,230' and circulated well clean. LD swivel and dug out 8-5/8" x 5-1/2" casing valve and made sure valve was open. RU reverse pump and pressured casing annulus to 400 psi pumping at a rate of 1 bpm. RD reverse drilling equipment. RU Rising Star acid pump truck and pickled all tubing and casing from 13,227' thru 12,627' with 500 gal 15% HCL acid w/ clay stabilizer at a rate of 1 bpm and reversed out acid to flow back tank. Spotted 250 gal 7-1/2 % NE DI acid with clay stabilizer from 13,227' - 12,802' and RD pump equipment. Started POW with tubing and BHA. POW w/ tbg and LD DC's and BHA. ND BOP and NU 7-1/16" 5K x 7-1/16" 10K DSA, 7-1/16" 10K Frac valve with 7-1/16" x 5-1/2" EUE 8rd 10K top flange. RUWL and full lubricator and perforated 13,212'-13,222' w/ 4 JSPF, 60 degree phasing, 0.41 EH w/ 40 holes total. Fluid level did not change from 1000' FS. POW, RDWL and RU pump truck and loaded csg w/ 23.6 bbw w/ clay stabilizer. Formation broke down at 4311 psi and established rate of 1.8 bpm @ 4223-4380 max pressure. Displaced acid w/ 10 bbw. ISIP- 4280 psi, 5" SICP- 3980 psi, 10" SICP- 3720 psi, 15" SICP- 3480 psi. RD pump truck and opened well to blow down tank and recovered 2 blw on 16/64" ck and well died.

Quail State "16" No 1
API 30-025-38440
C-103 Cont.

3/31-4/01/08 RU Cudd CT unit and N₂ pump truck. RIW w/ 1-3/4" CT and jetted well to 5000' and nitrogen pump truck ruptured hose. Resumed jetting and dewatered well to 13,208' and jetted bottoms up for 1 hr w/ 372 blw recovered. POW and RD coil tbg unit. RU casing saver and BJ Services. Pumped 11 bbls water down 9-5/8"x 5-1/2" annulus and had water in cellar. Dug out wellhead and replaced bull plug. Trapped 500 psi on 9-5/8"x 5-1/2" annulus. Casing saver cups not holding. Changed out cups. Tested lines to 7350 psi. Opened wellhead valve, SICP 96 psi. Frac'd Morrow perfs 13212'-13222' with 50Q Binary Foam as follows:
Pumped 7896 gal 50Q Binary foam pad @ 10.9 bpm @ 1120 psi.
Pumped 1554 gal 50Q Binary foam w/0.25 ppg 20/40 Interprop 11 bpm @ 2317 psi.
Pumped 1554 gal 50Q Binary Foam w/0.5 ppg 20/40 Interprop 10.5 bpm @ 4465 psi.
Pumped 1218 gal zero Q (cut CO₂, N₂+gel only) foam w/1.0 ppg 20/40 Interprop 3.4 bpm @ 6805 psi.
Increased annulus pressure to 1225 psi. Pressure maxed out at 6930 psi with diminishing rate.
Flushed with 2268 gal gel w/1178 scf/min N₂ @ 3.4 bpm @ 6559 psi capping with 5 bbls gelled water.
Left 3295 lbs sand in casing. Only 43 bbls pad pumped into perfs. ISIP 6559 psi, Min pressure 600 psi, max pressure 6930 psi. LTR 243 bbls, 305,000 scf N₂ and 14 tons CO₂. RD BJ frac equipment. Opened well to tank at 1:05 am through casing saver with initial pressure 5825 psi on 12/64" choke. CP 1500 psi in 30 minutes. RD casing saver. Flowed well to tank.

4/03-4/05/08 RU slickline unit and RIW and tagged bottom at 13,208', POW and RDSL. RU pump truck loaded well with 125 bbls 10# bw w/ clay stabilizer, ND frac valve and DSA and NU BOP. RIW w/ 2-3/8" notched collar, 10 jts 2-3/8" tubing, 5-1/2" x 2-3/8" BJ TST-3 compression pkr, 2-3/8" seating nipple and 408 jts 2-3/8" tubing and tagged sand @ 13,210'. Installed BIW stripper head and TIW valve and RU pump truck and establish reverse circulation with 70 bbw. Washed sand from 13,210' to 13,230' with 20 bbls and PU 2' and circulated bottoms up twice with 100 bbw w/ clay stabilizer. ND pump truck. POW w/ 4 jts tbg w/ EOT @ 13,112 FS and packer swinging at 12,796'. RIW to 13,224'. RU BJ Services acid pump and spotted 500 gallons 15% HCL DI acid w/ Morrow additive package across perforations 13,212'-13,222' and flushed w/ brine wtr w/ clay stabilizer. POW w/ 30 jts 2-3/8" tbg to 12,290' and attempted several times to set pkr w/ no success. POW w/ 20 jts and left EOT @ 11,625' and attempted again w/ no success. POW w/ 30 jts tbg w/ EOT 10,677' and could not set packer. Shut casing and monitored tubing/casing annulus and pressured up on tubing with 4 bbls bw to 2500 psi with 500 psi leak off in 10" and repeated for 1 hr w/ no break in formation w/ 0.3 bbls acid in formation. Bled off pressure and RIW with tbg and tubing subs EOT @ 13,227' and reverse circulated 500 gallons acid to blow down tk w/ 87 bbw. RD pump truck and POW w/ tubing, subs and BJ TST-3 compression packer. No visible damage to pkr. but found sand packed in J-body. RIW and set HD-compression packer in 10 K compression and released packer w/ EOT at 13,225'.

4/8/08 Set and unset pkr w/ EOT @ 13,224' FS. RU BJ pump truck and established circulation w/ 19.7 bbw w/ clay stabilizers. Spotted 500 gallons 15% HCL acid containing 3 gpt-Ferrotrol 280L, 2 gpt CI-25, 1 gpt Acigel, 1 gpt Infro-150, and 1 gpt NE-940 across perforations 13,212'-13,222' (40 holes). POW w/ 30 jts 2-3/8" tbg w/ EOT @ 12,257' and pkr @ 11,942' and set pkr and RU pump truck. PU and opened pkr bypass and trapped 1400 psi on tubing/casing annulus and shut bypass and broke down perfs @ 4600 psi and displaced acid to top perf @ 3.3 bpm @ 6350 psi. ISIP- 4699 psi. Bled down tbg and csg pressures and opened pkr bypass and spotted 1000 gal 15% acid and flushed w/ 18.2 bbw w/ 1 gpt Acigel, 1 gpt Infro-150, 1 gpt Ne-940 and Xcide-207, and trapped 1400 psi on csg/tbg annulus. Closed bypass and monitored csg w/ 1350 psi trapped on annulus. Treated perforations w/ acid and dropped 80 7/8" 1.3 sg. ball sealers spaced throughout acid. Maximum rate 4.6 bpm, max psi 6780 psi, avg rate 4.4 bpm and avg pressure 6300 psi w/ good ball action on last 3 sets of balls from 6130 psi to 6700 psi; did not ball out. Displaced acid to bottom perf w/ 71 bbw w/ wtr additive package, ISIP- 5000 psi, 5"- 4481 psi, 10"- 4212 psi, 15"- 3956 psi. SWI and RD BJ Services. RU 5K flow back manifold and opened well w/ 1900 psi and bled well to blow down tank on 21/6" ck and died in 1". ND BOP and NU flow tree. Swab.

Quail State "16" No 1
API 30-025-38440
C-103 Cont.

4/9-4/13/08 ND flow tree and NU BOP. RU pump truck and loaded tbg w/ 43 bbw w/ clay stabilizers to balance differential pressure and released pkr. RIW w/ tbg with EOT @ 13,204' bled down tbg and POW w/ 407 jts 2-3/8" N-80 AB Mod tbg, 2-3/8" seating nipple, 5 1/2" BJ HD pkr, 10 jts tbg w/ 2-3/8 notched collar on bottom. ND BOP and NU 7-1/16" 5K x 7-1/16" 10K DSA and 7-1/16" 10K frac valve. RU Cudd CT unit and N₂ pump truck and RIW w/ 2" CT and established circulation w/ N₂ while jetting well dry to 9000'. Lost circulation and could not regain circulation. PU to 7500' and established circulation. Nitrogen transport on way to location took wrong turn and got stuck in sand and pump truck ran out of N₂ and POW w/ CT. RIW w/ 2" CT to 4000' FS and established circulation w/ N₂ and continued RIW jetting casing dry to 13,198' by CT measurement. PU 30' off PBTD and jetted well dry for 1 hr and continued jetting well dry jet additional 30" with no further fluid recovered. POW with coil tubing while jetting up to 3000' FS. SD and RD N₂ pump.

4/15-4/18/08 RU casing saver and BJ Services. Trapped 1500 psi on 9-5/8"x 5-1/2" annulus. Tested lines to 8000 psi. Frac'd Morrow perms 13212'-13222' with 50Q Binary Foam as follows:

Pumped 7602 gal 50Q Binary foam pad @ 10.9 bpm @ 3585 psi.

Pumped 1050 gal 50Q Binary foam w/0.25 ppg 20/40 Interprop 10.6 bpm @ 6280 psi.

Pumped 840 gal 50Q Binary Foam w/0.5 ppg 20/40 Interprop 10.5 bpm @ 6880 psi.

Blender power shut down on overheat. Restarted blender after 15 min. Resumed pumping after 1 hr 10 min, SICP 4745 psi.

Pumped 4368 gal 30# linear gel (no CO₂, no N₂) @ 10.3 bpm @ 7332 psi.

Pumped 1638 gal 50Q Binary Foam w/1.0 ppg 20/40 Interprop @ 7.2 bpm @ 7107 psi.

Pumped 1638 gal 50Q Binary Foam w/1.5 ppg 20/40 Interprop @ 7.5 bpm @ 7175 psi.

Pumped 1764 gal 50Q Binary Foam w/2.0 ppg 20/40 Interprop @ 7.6 bpm @ 7144 psi.

Pumped 1050 gal 50Q Binary Foam w/2.5 ppg 20/40 Interprop @ 7.6 bpm @ 6999 psi.

Pumped 840 gal 50Q Binary Foam w/3.0 ppg 20/40 Interprop @ 8.0 bpm @ 6831 psi.

Flushed with 7980 gal 2% Kcl w/ CO₂ and N₂ @ 7.7 bpm @ 7077 psi.

Flush with 4612 gal 2% Kcl water @ 4.5 bpm @ 7556 psi.

ISIP 7413 psi, Min pressure 4652 psi, max pressure 7710 psi. LTR 598 bbls, 370,000 scf N₂ and 32 tons CO₂ Flowed well back. RD Tetra flow back manifold and killed well w/ 15 bbw w/ clay stabilizers. ND frac valve and DSA and NU BOP. RIW w/ 2-3/8 notched coupling, 2-3/8" seating nipple and 418 jts 2-3/8" AB Mod tubing while cleaning pins and checking AB modified seals. Tagged fill @ 13,216' w/ (perms 13,212' -13,222'). POW and laid down 3 jts tbg leaving EOT @ 13,077'. ND BOP and NU flow tree. Swab.

4/21-4/22/08 Swab well. Put well down sales line