Form 3160-5 (February 2005)

### UNITED STATES ADTMENT OF THE INTERIOR

DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT FEB 12 2010

### 2 2010 5. Lease 5. NM 266

Expires March 31, 2007 5. Lease Serial No.

FORM APPROVED

OMB No 1004-0137

NM-26692

6 If Indian, Allottee or Tribe Name

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

7. If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2. 1. Type of Well 8. Well Name and No. Federal "26A" No. 1 Oil Well Gas Well Other 2 Name of Operator Fasken Oil and Ranch, Ltd. 10. Field and Pool or Exploratory Area 3b. Phone No (include area code) 3a. Address 303 West Wall St , Suite 1800, Midland, TX 7970,1 Corbin; Queen, South (Oil) 432-687-1777 11. Country or Parish, State 4. Location of Well (Footage, Sec., T,R.,M., Unit N, 660' FSL & 1980' FWL, Sec 26, T18S, R33E or Survey Description) Lea, New Mexico 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Production (Start/Resume) Water Shut-Off Acıdıze ✓ Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Other Down-hole Casing Repair New Construction **✓** Recomplete Subsequent Report Commingle Plug and Abandon Temporarily Abandon Change Plans 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 recomplete the Federal "26A" #1 to the E-K; Delaware and Downhole Commingle it with the Corbin, South (Oil) pool Please see attached summarized procedure for details. 14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Kim Tyson Title Regulatory Analyst Date 01/20/2010 THIS SPACE FOR FEDERAL OR STATE OFFICE USE Approved by PETROLEUM ENGINEER FEB 1 5 2010

l'itle

Title 18

(Instruc

Oil Conservation Division

entitle the applicant to conduct operations thereon

Conditions of approval: Approval for drilling/workover ONLY— CANNOT produce Downhole Commingled until DHC is approved in Santa Fe.

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

son knowingly and willfully to make to any department or agency of the United States any false,

Fasken intends to independently test the Delaware Cherry Canyon from 5,743'-5,808', the Delaware Bell Canyon from 5,354'-5,374', and the Delaware Dolomite Stray from 5,252'-60'. Each zone will be perforated independently, isolated using a plug and packer, acidized, and swab tested for fluid entry and hydrocarbon productivity. Depending on the results of these individual test, Fasken plans to fracture stimulate both the Cherry and Bell Canyon in two stages down 2-7/8" tubing with a packer and plug isolating each zone from the rest of the wellbore. After flowing back the frac fluids, all plugs and packers will be removed to commingle the newly added Delaware along with the currently existing Queen. The well will then be placed back on production utilizing artificial lift.

#### Federal "26A" No. 1 30-025-29249 Fasken Oil and Ranch, Ltd. February 9, 2010 Conditions of Approval

# THIS APPROVAL IS FOR RECOMPLETION ONLY. NEED REQUEST TO DOWNHOLE COMMINGLE. THE NOI IS NOT ADEQUATE AS NO ALLOCATION BETWEEN POOLS CAN BE DETERMINED YET.

- 1. Surface disturbance beyond the existing pad must have prior approval.
- 2. Closed loop system required.
- 3. Operator to have H2S monitoring equipment on location as H2S has been reported from the Corbin pool.
- 4. Subsequent sundry detailing recompletion operations.
- 5. New completion report to be submitted showing all zones open & production amounts.

MAK 021010