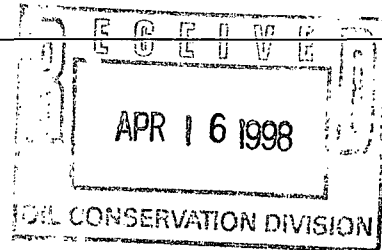


FASKEN OIL AND RANCH, LTD.

303 WEST WALL AVENUE, SUITE 1900
MIDLAND, TEXAS 79701-5116
(915) 687-1777

April 13, 1998



New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

Attn: Mr. Mike Stogner

Re: Unorthodox Location Exception
Fasken Oil and Ranch, Ltd.
El Paso Federal No. 9
Burton Flat West (Strawn) Field
1980' FSL & 1350' FEL
Sec. 2, T-21-S, R-26-E
Eddy County, New Mexico

Dear Sir:

Fasken Oil and Ranch, Ltd. respectfully requests your approval for an unorthodox location for the subject well. This location does not meet the 330' from a quarter-quarter section line for well spacing as required in Statewide Rule 104.B.

The well is located in the Bureau of Reclamation – Brantley Project where a minimum surface elevation is required for drilling and surface occupancy. This well site was chosen to accommodate the highest possible location for a drilling location in the Southeast quarter of Section 2. None of the offsetting operators or mineral interest's owners have been notified since they are non-affected.

Attached is the APD, C-102 and a topographic map of the area for your review. Fasken Oil and Ranch, Ltd. is applying for the unorthodox location ruling for possible completions in the Morrow and Strawn formations.

Yours very truly,

FASKEN OIL AND RANCH, LTD.

Tommy E. Taylor
Drilling and Production Engineer

Attachments
cc: Well File

OPERATORS COPY

Form 3160-3
(December 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM911	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____	
2. NAME OF OPERATOR Fasken Oil and Ranch, Ltd.		7. UNIT AGREEMENT NAME _____	
3. ADDRESS AND TELEPHONE NO. 303 W. Wall Ave., Suite 1900, Midland TX 79701-5116 (915) 687-1777		8. FARM OR LEASE NAME, WELL NO. El Paso Federal No. 9	
4. LOCATION OF WELL (Report location clearly and in accordance with State requirements.) At surface: 1980' FSL and 1350' FEL At proposed prod. zone: _____		9. API WELL NO. _____	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 5 miles North of Carlsbad, NM		10. FIELD AND POOL, OR WILDCAT Burton Flat West (Strawn)	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1350'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 2, T21S, R26E	
16. NO. OF ACRES IN LEASE 1464.64		17. NO. OF ACRES ASSIGNED TO THIS WELL 321.01	
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 3246'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3186' GR		22. APPROX. DATE WORK WILL START* March 15, 1998	

SUBJECT TO
LIKE APPROVAL
BY STATE FOR UNORTHODOX
LOCATION

CARLSBAD CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8", H40	48.0	400'	1000 lbs Circulate to surface
12-1/4"	8-5/8", J55	24.0	2325'	1000 lbs Circulate to surface
7-7/8"	4-1/2", N80	11.60	11,250'	1900 sx

The operator proposes to drill to a depth sufficient to test the Morrow formation. If productive, 4-1/2" casing will be set at TD and cemented back to approximately 2325'. If non-commercial, the well will be plugged and abandoned in accordance with the Federal regulations.

Drilling Program
Surface Use and Operating Plan
Exhibit #1 - Area Map
Exhibit #2 - One-Mile Radius Map
Exhibit #3 - Hydrogen Sulfide Drilling Operations Plan
Exhibit #4 - Well Site Layout
Exhibit #5 - Blowout Preventer Equipment

RECEIVED

APR 13 1998

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

FASKEN OIL & RANCH, LTD.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Tommy C. Taylor TITLE Drilling & Production Engineer DATE 02/03/98

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Carroll A. Lyle TITLE Acting ADM - Minerals DATE 4/10/98

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
				Burton Flat West - Strawn	
Property Code		Property Name			Well Number
		EL PASO FEDERAL			9
OGRID No.		Operator Name			Elevation
151416		FASKEN OIL & RANCH LTD.			3186'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 34	2	21 S	26 E		1980	SOUTH	1350	EAST	EDDY

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		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

		321.01 acres			
LOT 28 38.50 ACRES	LOT 27 38.49 ACRES	LOT 26 39.29 ACRES	LOT 25 39.29 ACRES		
LOT 29 38.26 ACRES	LOT 30 38.25 ACRES	LOT 31 39.35 ACRES	LOT 32 39.38 ACRES		
1/4 CORNER			1/4 CORNER		
LOT 36 40.44 ACRES	LOT 35 40.29 ACRES	LOT 34 41.12 ACRES	LOT 33 40.96 ACRES		
LOT 37 40.86 ACRES	LOT 38 40.71 ACRES	LOT 39 40.89 ACRES	LOT 40 40.73 ACRES		

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Tommy E. Taylor
Signature

Tommy E. Taylor
Printed Name

Drilling & Production Engineer
Title

02/03/98
Date

SURVEYOR CERTIFICATION

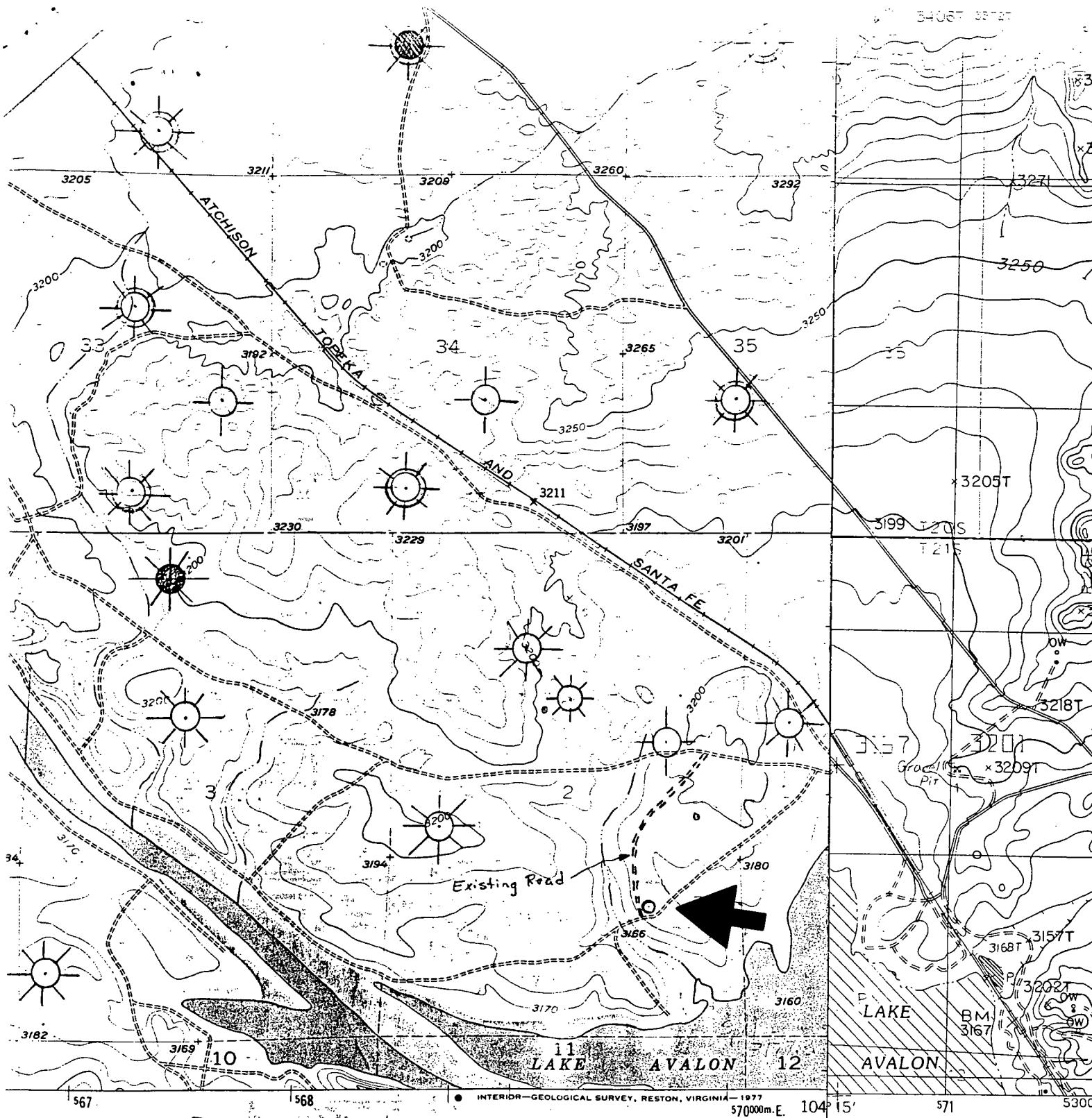
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

January 27, 1998
Date Surveyed

W.D. Jones
Signature & Seal of Professional Surveyor

W.D. No. 8854
Certificate No. 7977

BASIN SURVEYS



El Paso Federal No. 9
Exhibit #1



TOPOGRAPHIC LAND SURVEYORS
908 WEST WALL
MIDLAND, TEXAS 79701
682-1653

ROAD CLASSIFICATION

Heavy-duty _____ Light-duty _____
Medium-duty _____ Unimproved dirt _____

U. S. Route

State Route

MC MILLAN SOUTH, N. MEX.

N3230—W10415/7.5

1955

AMS 5149 III SE - SERIES V881

PRODUCED BY THE UNITED STATES
CONTROL BY
COMPILED FROM AERIAL PHOTOGRAPHS TAKEN
FIELD CHECKED 1978
MAP
PROJECTION:
GRID: 1000-METER UNIVERSAL TRANSVERSE MERCATOR
10,000-FOOT STATE GRID TICKS
UTM GRID DECLINATION
MAGNETIC NORTH DECLINATION
VERTICAL DATUM NATIONAL GEOGRAPHIC
HORIZONTAL DATUM
To place on the predicted North American
above the projection lines as shown
(9 meters south and 47 meters east)
There may be private inholdings within
Federal and State Reservations shown on
all marginal data and lettering generated
automated type placement procedures

COUNTY Eddy POOL West Burton Flat-Strawn Gas

POOL West Burton Flat-Strawn Gas

TOWNSHIP 21 South

TOWNSHIP 21 South RANGE 26 East

NMPM

A 36x6 grid with numbers 1-36. The numbers are arranged in a 6x6 grid pattern. The first row contains numbers 6, 5, 4, 3, 2, 1. The second row contains numbers 7, 8, 9, 10, 11, 12. The third row contains numbers 18, 17, 16, 15, 14, 13. The fourth row contains numbers 19, 20, 21, 22, 23, 24. The fifth row contains numbers 30, 29, 28, 27, 26, 25. The sixth row contains numbers 31, 32, 33, 34, 35, 36. A yellow highlight is present on the cell containing the number 2.

Description: Lots 1 thru 8, Sec 1 (R-5309, 11-1-76)

Ex+; $\sqrt{2}$ Sec. 12 (R-9709, 8-25-92) Ex+; $\sqrt{2}$ Sec. 12 (R-9709, 8-25-92)

Ex't. 9/2 Sec. 12 (R-10042, 12-28-93) Ex't. N/2 Sec. 11 (R-10234, 11-7-94)