,					
DATE N 100 SUSPENSE	W. Tones	5/109	TYPE	APP NO.	
			1100		_
RECEIVED	ABOVE	THIS LINE FOR DIVISION USE ON	4 483	30-025-	30
WE OF LA F PAEM I	MEXICO OIL COM	<b>NSERVATION</b>	DIVISION	Federal 2	6
no mou		na Bureau -			

	1 AM 11	1220 South St. Francis Drive, Santa		Fasken 15141L
		ADMINISTRATIVE APPL	CATION CHECKLIST	
Т	'HIS CHECKLIST IS N	IANDATORY FOR ALL ADMINISTRATIVE APPLICATI WHICH REQUIRE PROCESSING AT TH		AND REGULATIONS
Appli	[DHC-Dow	indard Location] [NSP-Non-Standard Pr rnhole Commingling] [CTB-Lease Con	nmingling] [PLC-Pool/Lease Commorage] [OLM-Off-Lease Measuren ressure Maintenance Expansion] njection Pressure Increase]	mingling] nent]
[1]	TYPE OF A	PPLICATION - Check Those Which Ap Location - Spacing Unit - Simultaneou  NSL NSP SD		
	Checi [B]	k One Only for [B] or [C]  Commingling - Storage - Measuremen  X DHC CTB PLC	- — —	
	[C]	Injection - Disposal - Pressure Increase WFX PMX SWD		
	[D]	Other: Specify		
[2]	NOTIFICAT [A]	TION REQUIRED TO: - Check Those Working, Royalty or Overriding F	11.	
	[B]	Offset Operators, Leaseholders or	Surface Owner	
	[C]	Application is One Which Requir	es Published Legal Notice	
	[D]	Notification and/or Concurrent Ap     U.S. Bureau of Land Management - Commissioner of		
	[E]	X For all of the above, Proof of Not	fication or Publication is Attached, a	and/or,
	[F]	☐ Waivers are Attached		
[3]		CCURATE AND COMPLETE INFORMATION INDICATED ABOVE.	MATION REQUIRED TO PROC	ESS THE TYP
	val is <mark>accurate</mark> a	TION: I hereby certify that the informate and complete to the best of my knowledge equired information and notifications are seen as the complete information and notifications are seen as the complete information and notifications.	e. I also understand that <b>no action</b> w	
	Note	e: Statement must be completed by an individual	with managerial and/or supervisory capac	ity.
_Kim	Tyson	Ken Lynn Signature	Regulatory Analyst Title	4-27-0
Direct	or Type Name	Signature	Title	Date

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107A Revised June 10, 2003

### District II

1301 W. Grand Avenue, Artesia, NM 88210

District III 1000 Rie Brazos Road, Aztec, NM 87410

District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

E-MAIL ADDRESS

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE

X\_Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
X\_Yes\_\_\_No

APPLICATION FOR DOWNHOLE COMMINGLING

Fasken Oil and Rar	ich, Ltd. 303 W.	Wall St., Ste. 1	800, Midland, TX
Operator Federal "26A"	3 P, Sec.	ress 26, T18S, R33€	DHC 164/183
Lease 2011		Section-Township-Range	County
OGRID No. 15141 6 roperty Co	de API No. 30-0	025-39008 Lease Type: X	FederalStateFee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	EK; Delaware		EK; Bone Spring
Pool Code	21655		21650
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	Perforated 5267' - 5730'		Perforated 8694' - 9790'
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	Prod. BHP 145 psi		Prod. BHP 270 psi
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38° API		34.5° API
Producing, Shut-In or New Zone	New Zone		Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A 65 bopd Rates: 33 bwpd 70 mcfpd	Date: Rates:	Date: 4-13-09  8 bopd Rates: 28 bwpd 7 mcfpd Oil
Fixed Allocation Percentage (Note: It'allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas
than current or past production, supporting data or explanation will be required.)	88 % 89 %	% %	12 % 11%
	ADDITION	NAL DATA	
Are all working, royalty and overriding If not, have all working, royalty and over			Yes No No
Are all produced fluids from all commi		•	Yes X No
Will commingling decrease the value o	f production?		Yes NoX
If this well is on, or communitized with or the United States Bureau of Land Ma			Yes XNo
NMOCD Reference Case No. applicable	e to this well:		
Attachments:  C-102 for each zone to be comming Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty Any additional statements, data or of the statements of the statements.	at least one year. (If not available, y, estimated production rates and so or formula.  and overriding royalty interests for	attach explanation.) upporting data. r uncommon interest cases.	
	PRE-APPRO	OVED POOLS	
If application is		ne following additional information wi	ll be required:
List of other orders approving downhol List of all operators within the proposed Proof that all operators within the propo- Bottomhole pressure data.	l Pre-Approved Pools		
I hereby certify that the information	·	• •	
SIGNATURE Kim Dy	m TITLE R	egulatory Analyst	DATE 4-27-09
SIGNATURE Kim Dy,	Tyson	TELEPHONE NO. (	687-1777
	for1.com		

District I 1625 N. French Dr., Hobbs, NM 88240 District II

1301 W. Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Rd., Aztec, NM 87410 District IV

30-025-39008

<sup>4</sup> Property Code

OGRID No.

151416

1220 S. St. Francis Dr., Santa Fe, NM 87505

API Number

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Pool Code

21650

Santa Fe, NM 87505

<sup>5</sup> Property Name Federal "26A" Operator Name

Fasken Oil and Ranch, Ltd. <sup>10</sup> Surface Location

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

<sup>6</sup> Well Number

<sup>9</sup> Elevation 3823'

Fee Lease - 3 Copies

☐ AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT

EK; Bone Springs

3 Pool Name

UL or lot no. P	Section 26	Township 18S	Range	Lot le	dn Feet from the 510	North/South line South	Feet from the 510 '	East/West line East	County Lea
Τ		105		- 44 = 100 T		<u> </u>		Hase	
UL or lot no.	Section	Township				f Different From		East/West line	County
		•					'		•
<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or	r Infill	14 Consolidation	Code 15	Order No.				
80									
No allowable v division.	will be ass	signed to	this complet	tion until	all interests have	been consolidated	or a non-standar	rd unit has been app	proved by the
16			<u> </u>		<u> </u>		17 C	PERATOR CERT	TIFICATION
	ļ						I hereby certify	fy that the information contained	herein is true and complete to
	1	1					li .	knowledge and belief, and that the est or unleased mineral interest in	=
	,							tom hole location or has a right w	
	. /							contract with an owner of such a	=
	ļ						ll l	ary pooling agreement or a comp	nilsory pooling order
				+-				tered by the division.	
	ļ							Tynn	4-27-09 Date
	į						J. J	Tyson	Date
	,						Printed Name		
	,							•	
	ļ								
		<del> </del>					180110	TEXAD CEDE	TO A TOLONI
	,						ll l	VEYOR CERT ertify that the well locati	
								erny inci me wen locall ed from field notes of acti	•
	!	ļ					ll i	ler my supervision, and t	
	1						ll .	ct to the best of my belief	
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ļ		<del> </del> -					Date of Surv	vey ·	· · · · · · · · · · · · · · · · · · ·
	!						Signature ar	nd Seal of Professional Surv	veyor:
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	I			<b> }</b>		10	₩		
1	!			}		77	Certificate No	umber	

District.1
1625 N. French Dr., Hobbs, NM 88240
District.II
1301 W. Grand Avenue, Artesia, NM 88210
District.III
1000 Rio Brazos Rd., Aztec, NM 87410
District.IX

1220 S. St. Francis Dr., Santa Fe, NM 87505

### State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised October 12, 2005 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

		W	ELL LO	OCATIO1	N AND ACR	EAGE DEDIC	ATION PLA	Γ	
,	API Number	r		<sup>2</sup> Pool Code			³ Pool Nan	ıe	
30-025	5-39008	}	2	1655		EK; Delawan	:e		
<sup>†</sup> Property	Code	-		]	Property Pro	Name 6A''		6	Well Number 3
'OGRID 15141				Fas	Operator i sken Oil a	Name nd Ranch, Lt	-d.	3	<sup>°</sup> Elevation 823
· · · · · · · · · · · · · · · · · · ·					<sup>10</sup> Surface	Location			
UL or lot no. P	Section 26	Township 18S	Range 33E	Lot Idn	Feet from the 510'	North/South line South	Feet from the 510 '	East/West line Eas t	County Lea
			<sup>11</sup> Bo	ottom Ho	le Location I	f Different Fron	n Surface		
UL or lot no,	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	s Joint or	r Infill "Co	onsolidation (	Code 15 Or	der 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.

16			_	17 OPERATOR CERTIFICATION  I hereby certify that the information contained herein is true and complete to
	-			the best of my knowledge and belief, and that this organization either owns a
	}			working interest or unleased mineral interest in the land including the
				proposed bottom hole location or has a right to drill this well at this location
				pursuant to a contract with an owner of such a mineral or working interest,
				or to a voluntary pooling agreement or a compulsory pooling order
				heretofore entered by the division.
				Kim Pyren 4-27-09
				Signature Date
				Kim Tyson
				Printed Name
			  -	
				<sup>18</sup> SURVEYOR CERTIFICATION
				I hereby certify that the well location shown on this plat
	1			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.
				and contain to the cost of the condi-
				Date of Survey
				Signature and Seal of Professional Surveyor:
				·
			510'	
			- •	
			1 1	
			2	Certificate Number
		<u> </u>	+	

### Fasken Oil and Ranch, Ltd.

### Federal 26 "A" No. 3

### **Application for Downhole Commingling**

### Additional Data

A production curve for the Bone Springs is attached and averaged 9 bopd and 9 mcfpd in March 2009. Production for the Delaware zone in this well is not available since it has yet to be opened. However, a production projection curve was created based upon normalized EK Delaware production and nearby offset wells (more specifically the Edith Federal No. 3). Furthermore, log calculations were performed and compared to the Federal 26 "A" No. 3 to help in predicting the expected production rates.

Based on the information stated above and shown on attached pages, the production allocation for the Delaware and Bone Springs should be as follows:

EK Delaware	65 bopd	88%	70 mcfpd	89%
EK Bone Springs	9 bopd	12%	9 mcfpd	11%

All working, royalty and overriding interests in this well are common and therefore, no notice is required.

### Recommended Bone Spring Completion Procedure Federal 26 A No. 3 510' FSL & 510' FEL Sec 31, T-18-S, Range 33-E API #30-025-39008

A.F.E. No.

**OBJECTIVE:** Comingle Delaware and Bone Springs

WELL DATA:

13-3/8" 48 H-40&54.5# K-55 casing: Set at 1531.06' w/ 950 sx, circ 96 sx cement

8-5/8" 32# J-55: Set at 3098.01' w/1050 sx, circ 209 sx cement

5-1/2" 17# J-55&N-80 LT&C casing: Set at 9950.66', DV Tool @ 6391.59', 1st stage cmt

w/650 sx, cir. mud flush.; 2<sup>nd</sup> stage cmt w/775 sx – TOC

2008' by TS. Marker jts @ 5192.31', 9389.55'

Current Bone Springs Perfs: 9775-90, 9468-75, 9127-32, 9075-80, 8694-8704

Tubing: 2-3/8" @ 8505'. SN @ 8469'

KB: 17.5' TD: 9970'

PBTD: 9902.94' FC

- Set and receive half-frac flowback tank on location. Build flowline from wellhead to workover tank.
- 2. RUPU. Unseat pump and POW with rods and LD pump. Visually inspect rods while POW, and LD any damaged or pitted rods. Sent pump into shop for inspection.
- 3. NDWH and NU 7-1/16" 3k manual BOP equipped with 2-3/8" pipe rams and blind rams.
- 4. Unseat TAC and POW with tubing.
- 5. RUWL and RIW composite plug and set at +/- 5900'. Run 2000' (minimum) of GR correlation log +/-6000'-4000' correlated to Baker Hughes Compensated Z-Densilog, Compensated Neutron Log, Spectralog, Gamma Ray Log dated 11-Aug-2008.
- 6. RIW with 2-3/8" collar, 2-3/8" sn, and 2-3/8" tubing to put end of tubing @ 5740'. RU pump truck and displace well with 2% Kcl water and spot 500 gallons of 7-1/2% double-inhibited NEFE HCl acid containing 5 gpt Ferrotrol 300-L, 6 gpt Ferrotrol 270, 2 gpt Ferrotrol 271, 1 gpt Cl-27, ½ gpt Claymaster 5C, 1 gpt NE 940, 2 gpt LT-21 @ 5740'. Displace spot acid with 2% KCl water. POW with tubing.
- 7. RUWL and perforate Delaware Cherry Canyon w/ 3-1/8" slick casing gun as follows:

### 5702'-30' w/ 1 JSPF, 60 degree phased, 0.40" EH, 29h

Total - 29 holes. POW w/ WL, make sure all shots fired and RDWL.

- 8. RU pump truck on casing and displace spot acid into perforations using 12 bbls of 2% KCl water at 3 bpm and 2000 psi maximum pressure. Record ISIP, 5", 10", & 15" shut-in pressures. Report results to Midland Office.
- 9. RIW with 5-1/2"x2-3/8" treating packer, SN and 2-3/8" EUE N-80 8rd tubing to +/-5650' and set packer in 14 pts compression.
- 10. Swab back spent acid and evaluate hourly fluid entry rates.
- 11. Release packer and POW with 2-3/8" tubing.

- 12. ND BOP, NU 5K Downing wellhead isolation tool, 5k frac valve, and flowback equipment. RU pump truck and test 9-5/8" x 5-1/2" annulus to 1,000 psi for 20". Report results to Midland Office.
- 13. Set 4 500 bbl clean frac tanks. Fill each to maximum capacity with 2% powdered KCI water.
- 14. RU Service Company. RU backside pump truck and pressure 5-1/2" x 9-5/8" annulus to 1000 psi and monitor throughout job. Frac Delaware in two stages via 5-1/2" casing according to frac proposal to follow. Max allowable surface treating pressure = 4,300 psi (80% of 17#/ft J-55 IYP of 5320 psi):

### Stage 1:

- a. Frac *Delaware Cherry Canyon* perfs 5702' 30' spearheading 1,000 gals of 7-1/2% HCl acid + frac design to follow. On flush spot 1,000 gallons 7-1/2% HCL acid (blend as above) at 8435'-9435'.
- b. RUWL. RIW w/ Weatherford 5-1/2" composite plug and 3-1/8" slick casing gun and set 6k composite plug at +/- 5450'. Perforate *Delaware Bell Canyon* as follows:

Delaware Bell Canyon @ 5356' - 87' w/1 JSPF, 60 degree phased, 0.40" EH, Total - 32 holes. Correlate perfs to GR/CCL strip log obtained from above. POW w/ WL, make sure all shots fired and RDWL.

### Stage 2:

a. Frac *Delaware Bell Canyon* perfs 5356'-87' spearheading 1,000 gal 7-1/2% HCl + frac design to follow. On flush spot 1,000 gallons 7-1/2% HCL acid (blend as above) at 5300'-5200'.

RUWL. RIW w/ Weatherford 5-1/2" composite plug and 3-1/8" slick casing gun and set Weatherford 6k composite plug at +/- 5320'. Perforate Delaware Dolomite Stray @ 5267' - 78' w/1 JSPF, 60 degree phased, 0.40" EH, Total - 12 holes.

- 15. Use frac company pump truck to displace spot acid into Delaware dolomite perforations with 24 bbls 2% KCl water. Record ISIP, 5", 10", and 15" shut-in pressures. RD frac company and wireline service company. ND Frac Valve and 5-1/2" wellhead isolation tool and NU BOP.
- 16. RIW with 5-1/2"x2-3/8" treating packer, SN and 2-3/8" EUE N-80 8rd tubing to +/-5200' and set packer in 14 pts compression.
- 17. Swab back acid load and evaluate hourly fluid entry rates from Delaware Dolomite Stray.
- 18. An acid ball job recommendation will be provided if further stimulation is required. POW with tubing and packer.
- 19. NU BIW stripper rubber and RU reverse unit and RIW w/ 4-3/4" Smith D-2 mill, seating nipple, and tubing to top of composite plug at +/- 5320'. RU XH flowback manifold with double chokes and flowback iron with plug catcher on inlet side of manifold, and lay line to reverse pit, and test tank.
- 20. Drill out composite bridge plugs at 5320', 5450', and 5900'. Circulate well clean after each plug and check for sand entry while circulating. Continue RIW and clean out to PBTD 9,902' and circulate well clean. Note flow rate and pressure after drilling each plug and report on daily drilling reports.

- 21. POW with tubing and LD BHA.
- 22. RIW with production tubing and rods according to recommendation to follow. Hang well on bridle and put well back on production.
- 23. Clean location and wellhead.
- 24. Report daily well test to Midland office on drilling reports.

CSL

# EK Delaware Log Characteristics

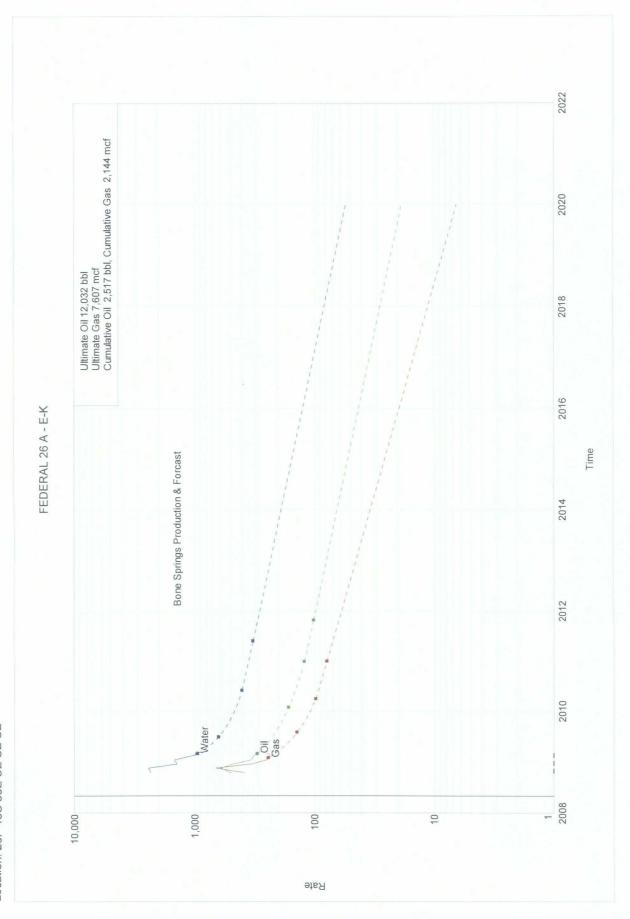
Well Name	Depth SS	First Production Date	Cum Oil to 11/2008	Cum Gas Cum Wfr to 11/2008 to 11/2008	Cum Gas Cum Wtr to 11/2008 to 11/2008	Daily Oil Average 11/2008	Pay >10% Por	Deep Resistivity	Avg	Sw	Ē	Frac Sizes	Relationship to Fed 26A3
Federal 26 A 3	-1860						28	13	12.06 48.5	48.5			
McElvain 5		3/8/2004	94669	1238454	49756	20	90	15	13	42.1			Better
McElvain 6	-1770	12/22/2006	54467	111139	2037	92	63	6	15	47.1	34690#	47.1 84690#   66108 gallons   Better	Better
McElvain 7 (Bell Canyon)	-1507	11/5/2007	59214	42412	708	119	24	6.5	20	41.6	20 41.6 79000#	54544 gallons Better	Better
McElvain 8		12/14/2007	3803	3688	10181	6					#00092	56552 gallons	Unknown
McElvain 9	-1737	11/8/2007	8329	61010	456	21	12	15	11	49.8			Worse
Archie Federal 1	-1720	2/27/2004	12842	7019	19445	3	10	15	9	09	122000#	60 122000# 58000 gallons	Worse
Edith Federal 3	-1726	8/18/2000	59681	47666	4645	10	34	13	12	49		17800 gallons   Equal	Equal
Edith Federal 4	-1771	4/14/2003	142004	155914	7940	37	84	10-16	10-16 10-15		122000#	48 122000# 58000 gallons   Worse	Worse

Lease Name: FEDERAL 26 A (3) County, ST: LEA, NM Location: 26P 18S 33E SE SE

Project: j:\piapps\dwights\ptools90\projects\cs\federal 26 a 3.mdb

Date: 4/15/2009 Time: 2:48 PM

Operator: FASKEN OIL AND RANCH LTD Field Name: E-K



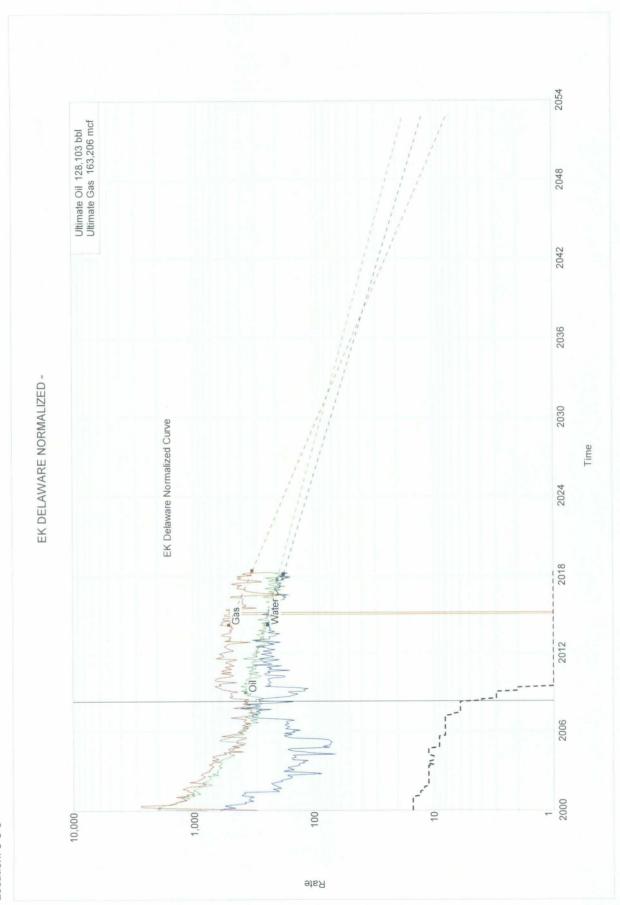
Project: j:\piapps\dwights\ptools90\projects\cs\rfederal 26 a 3.mdb

Date: 4/15/2009 Time: 3:36 PM

Lease Name: EK DELAWARE NORMALIZED () County, ST: ,

Location: 0-0-0

Operator: Field Name:

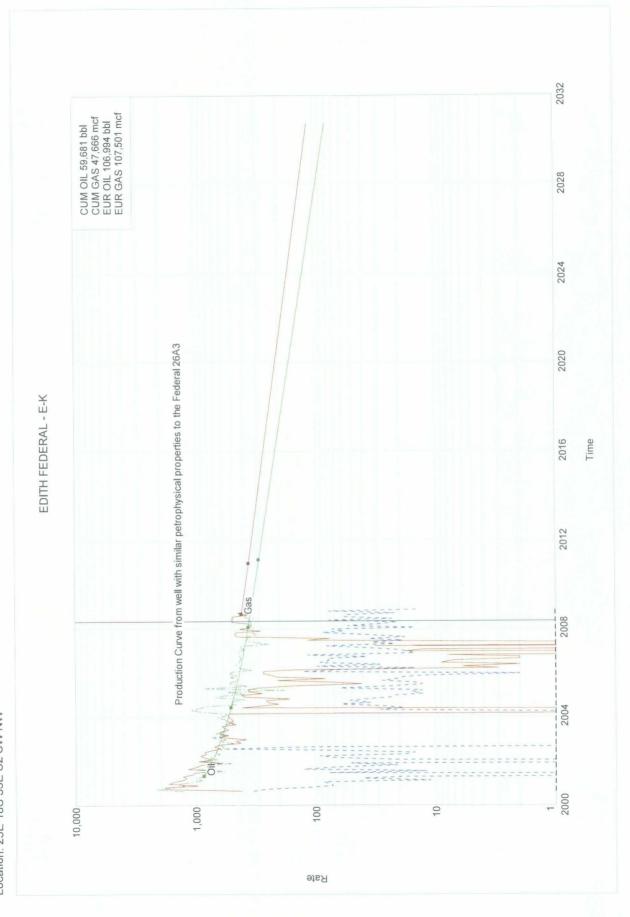


Lease Name: EDITH FEDERAL (3) County, ST: LEA, NM Location: 25E 18S 33E S2 SW NW

Project: j:\piapps\dwights\ptools90\projects\cs\lfederal 26 a 3.mdb

Date: 4/15/2009 Time: 3:49 PM

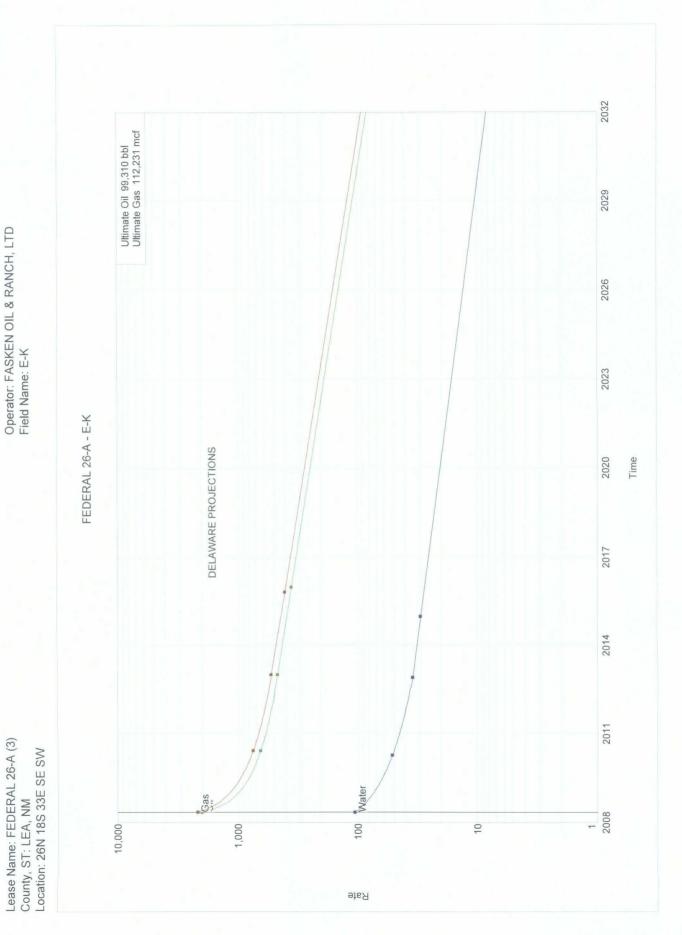
Operator: CHESAPEAKE OPERATING INCORPORATED Field Name: E-K



Project: j:\piapps\dwights\ptools90\projects\cs\\federal 26 a 3.mdb

Date: 4/15/2009 Time: 3:56 PM

Operator: FASKEN OIL & RANCH, LTD Field Name: E-K



U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

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Restricted Delivery Fee (Endorsement Required)
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See, Reverse for Instructions