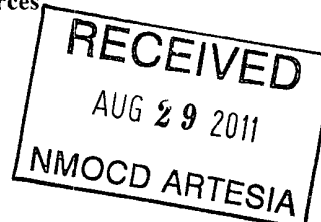


District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011

Permit



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Fasken Oil and Ranch, Ltd. 303 W. Wall St., Ste. 1800 Midland, TX 79701		² OGRID Number 151416
⁴ Property Code 18248	³ Property Name Gossett "20"	⁵ API Number 30-015-39385 ⁶ Well No. 4H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
P	20	20S	25E		930'	South	150'	East	Eddy

⁸ Pool Information

Gemetary (Yes) <i>N. SEVEN RIVERS; GLOBIETA - YES</i>	<i>87565</i> 11795
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type O	¹¹ Cable/Rotary R	¹² Lease Type <i>LP</i>	¹³ Ground Level Elevation 3503' GL
¹⁴ Multiple No	¹⁵ Proposed Depth 7223' MD; 2608' TVD	¹⁶ Formation Yes	¹⁷ Contractor Patterson Rig #101	¹⁸ Spud Date 10-15-2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surface	12 1/4"	9 5/8"	36	825'	550	Surface
Production	8 3/4"	7"	26	3050'	425	Surface
Liner	6 1/8"	4 1/2"	11.6	7214'	0	N/A

Casing/Cement Program: Additional Comments

4 1/2" liner will be run from 2800' - 7214'. It will be tied into the 7" casing at 2800'. It will utilize a packer/choport system. No cement is required.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	Schaffer
DoubleRam	3000	3000	Schaffer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ , a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ . Closed Loop pit application attached.		OIL CONSERVATION DIVISION	
Printed name Kim Tyson <i>Kim Tyson</i>		Approved By <i>[Signature]</i>	
Title Regulatory Analyst		Approved Date <i>09/02/11</i>	Expiration Date: <i>09/02/13</i>
E-mail Address: kimt@for1.com			
Date 8-26-2011	Phone: 432-687-17777	Conditions of Approval Attached <i>[Signature]</i>	

Recommended Drilling and Completion Procedure

Fasken Oil and Ranch, Ltd.
Cemetary (Yeso) Field

Gosset "20" No. #4H
Eddy County, New Mexico

SHL: 930' FSL and 150' FEL
Sec. 20, T-20-S, R-25-E
BHL: 930' FSL and 380' FWL
Sec. 20, T-20-S, R-25-E

1. Set 16" conductor casing at 40' and cement.
2. Move in rotary tools complete with closed loop drilling equipment. Receive and stock mud, LCM, downhole motors, subs, reamers, 9-5/8" casing string, and miscellaneous supplies. RU living quarters for Drilling Foreman, Mud Engineer, MWD/LWD engineers, and directional drillers.
3. PU 12-1/4" insert bit, shock sub, 1-8" dc, stabilizer, 1-8" dc, stabilizer, 2-8" dc's, crossover, and 18-6" dc's. Drill surface hole with fresh water/native mud, using both mud pumps and pumping up to 600 gpm. Lost circulation is very possible in the surface hole. Dry drill to TD if necessary using frequent high viscosity sweeps containing LCM.
4. Set 9-5/8" 36# J-55 LT&C casing at 825'. Tack weld float shoe, shoe joint, float collar, and top of second joint. Centralize casing at middle of shoe joint, top of second joint, and every fourth joint to surface.
5. Cement to surface w/ estimated 150 sx 10-2 RFC with 2% CaCl_2 and 1/8# celloflake (s.w. 14.2 ppg, yield 1.63 ft^3/sx), tailed in with 400 sx class "C" with 2% CaCl_2 and 1/8# celloflake (s.w. 14.8 ppg, yield 1.34 ft^3/sx).
6. WOC 6 hrs. Cut-off casing and install 9-5/8" SOW x 11" 3000# bradenhead. NU 11" 3000# BOP stack complete with double rams, annular preventer and rotating head assembly. Hydrotest BOP, choke manifold, kelly valves, and floor safety valves to 3000 psig, hydril to 1500 psig, and 180' of 9-5/8" casing to 2800 psig before drilling out shoe. RU mud logging unit and begin logging at surface shoe drill out. RU H_2S equipment. Do not drill out shoe joint until a total of 18 hrs. of WOC time has been achieved.
7. PU 8-3/4" bit (Smith FH39HY), stabilizer, short drill collar, stabilizer, 6" dc, stabilizer, 18-6" dc's. Drill out using fresh water pumping sweeps as needed to clean the hole. Drill 8-3/4" hole to just above the kick off point (2100'). TOH to change out BHA.
8. PU 8-3/4" Rerun same bit if it is in good condition. PU 2.38° bent housing motor, MWD, and 1100' of 4-1/2" drillpipe. Run tie in check shots while TIH. Above the drillpipe run 15 6" drill collars, then 4-1/2" drillpipe up to surface. Kick off at 2130' MD and build angle to 90° with 10' / 100' BUR holding 270° azimuth. Drill with fresh water mud w/ properties of 8.4 ppg, 32-34 vis, 15 w/l.
9. Land curve with a 91.5 deg angle at 3050' MD/2709' TVD. Short trip up through the build section and then back to bottom. LDDP. Set 7" 26# J-55 BT&C casing at 3050' and cement to surface w/ estimated 225 sx class "C" w/ 5% NaCl (s.w. 12.6 ppg, yield 2.06 ft^3/sx), tailed in with 200 sx class "C" (s.w. 14.8 ppg, yield 1.36 ft^3/sx). WOC.

10. Retest BOP to 3000 psi and annular to 1500 psi. Test casing to 1500 psi prior to drilling out.
11. PU 6-1/8" Hughes QD406FX PDC, 4-3/4" bent housing motor, MWD, and 3-1/2" 13.3# drillpipe. Drill 6-1/8" hole while holding 91° angle, 270° azimuth to MD of 7214', TVD 2609'. Use 2% KCL water with sweeps to drill the lateral. Toward the end of the lateral raise the viscosity to a 32-34. Graphite may be added to the system to aid in sliding/drilling.
12. TOH and PU reamer assembly. TIH and ream hole to TD. Pump high vis sweeps to clean hole.
13. TOH; TIH with 4-1/2" 11.6# J-55 LT&C casing with packers and liner hanger. Set hanger and tie back at 2800'.
14. Set slips, cut-off casing, install secondary seal unit and NU 5000# WP tubinghead and flowtree.
15. Move out rotary tools.
16. Level location and set mast anchors.
17. Complete well as per completion procedure.

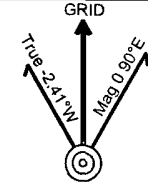
CF
8/15/2011
(Gossett20#4Hdrlgproc.doc)



Job Number: Gossett Proposal
Company: Fasken Oil and Ranch, Ltd.
Lease/Well: Gossett "20" No. 4H
Location: Sec. 20, T-20-S, R-25-E
Rig Name: Patterson Rig No. 101
State/County: NM/ Eddy
Country:
API Number:

Elevation (To MSL): 0.00 ft
RKB: 0.00 ft
Projection System: US State Plane 1927 (Exact solution)
Projection Group: Texas Central 4203
Projection Datum: CLARKE 1866
Magnetic Declination: 3.32
Grid Convergence: 2.41208 E
Date: Friday, July 15, 2011

Calculated by HawkEye Software
Minimum Curvature Method
Vertical Section Plane 270.00°
Northing: 810940.54 Easting: 3455231.48
Latitude: 31°48'43.5024" N Longitude: -95°38'50.7877" W
Direction Reference: Grid North



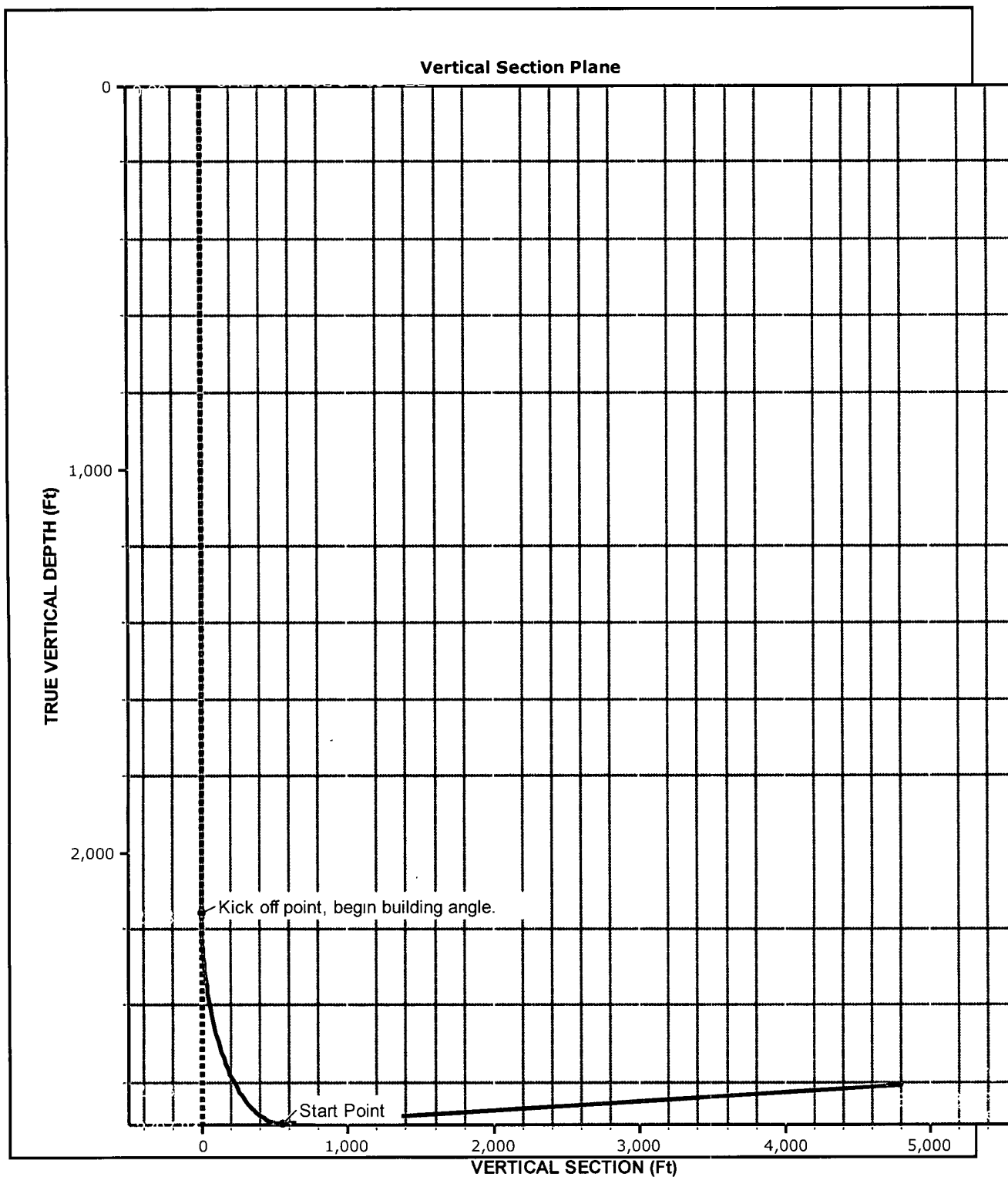
Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	EW (Ft)	NS (Ft)	VS (Ft)	Closure (Ft)	Comment	Walk Rate °/100Ft	Build Rate °/100Ft
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	SHL: 930' FSL & 150' FEL	0.00	0.00
2158.14	0.00	0.00	2158.14	0.00	0.00	0.00	0.00	Kick off point, begin building angle.	0.00	0.00
2178.14	2.08	270.00	2178.14	-0.36	0.00	0.36	0.36		-450.00	10.42
2198.14	4.17	270.00	2198.10	-1.45	0.00	1.45	1.45		0.00	10.42
2218.14	6.25	270.00	2218.02	-3.27	0.00	3.27	3.27		0.00	10.42
2238.14	8.34	270.00	2237.86	-5.81	0.00	5.81	5.81		0.00	10.42
2258.14	10.42	270.00	2257.59	-9.07	0.00	9.07	9.07		0.00	10.42
2278.14	12.50	270.00	2277.19	-13.04	0.00	13.04	13.04		0.00	10.42
2298.14	14.59	270.00	2296.63	-17.73	0.00	17.73	17.73		0.00	10.42
2318.14	16.67	270.00	2315.89	-23.11	0.00	23.11	23.11		0.00	10.42
2338.14	18.76	270.00	2334.94	-29.20	0.00	29.20	29.20		0.00	10.42
2358.14	20.84	270.00	2353.76	-35.97	0.00	35.97	35.97		0.00	10.42
2378.14	22.92	270.00	2372.32	-43.43	0.00	43.43	43.43		0.00	10.42
2398.14	25.01	270.00	2390.59	-51.55	0.00	51.55	51.55		0.00	10.42
2418.14	27.09	270.00	2408.56	-60.33	0.00	60.33	60.33		0.00	10.42
2438.14	29.18	270.00	2426.19	-69.76	0.00	69.76	69.76		0.00	10.42
2458.14	31.26	270.00	2443.48	-79.83	0.00	79.83	79.83		0.00	10.42
2478.14	33.34	270.00	2460.38	-90.52	0.00	90.52	90.52		0.00	10.42
2498.14	35.43	270.00	2476.88	-101.81	0.00	101.81	101.81		0.00	10.42
2518.14	37.51	270.00	2492.97	-113.70	0.00	113.70	113.70		0.00	10.42
2538.14	39.60	270.00	2508.61	-126.16	0.00	126.16	126.16		0.00	10.42
2558.14	41.68	270.00	2523.78	-139.19	0.00	139.19	139.19		0.00	10.42
2578.14	43.76	270.00	2538.47	-152.76	0.00	152.76	152.76		0.00	10.42
2598.14	45.85	270.00	2552.66	-166.85	0.00	166.85	166.85		0.00	10.42
2618.14	47.93	270.00	2566.33	-181.45	0.00	181.45	181.45		0.00	10.42
2638.14	50.02	270.00	2579.46	-196.54	0.00	196.54	196.54		0.00	10.42
2658.14	52.10	270.00	2592.03	-212.09	0.00	212.09	212.09		0.00	10.42
2678.14	54.18	270.00	2604.02	-228.09	0.00	228.09	228.09		0.00	10.42

Measured Depth (Ft)	INC Deg	AZM Deg	TVD (Ft)	EW (Ft)	NS (Ft)	VS (Ft)	Closure (Ft)	Comment	Walk Rate °/100Ft	Build Rate °/100Ft
2698.14	56.27	270.00	2615.43	-244.52	0.00	244.52	244.52		0.00	10.42
2718.14	58.35	270.00	2626.23	-261.35	0.00	261.35	261.35		0.00	10.42
2738.14	60.44	270.00	2636.41	-278.56	0.00	278.56	278.56		0.00	10.42
2758.14	62.52	270.00	2645.96	-296.14	0.00	296.14	296.14		0.00	10.42
2778.14	64.60	270.00	2654.87	-314.04	0.00	314.04	314.04		0.00	10.42
2798.14	66.69	270.00	2663.11	-332.26	0.00	332.26	332.26		0.00	10.42
2818.14	68.77	270.00	2670.69	-350.77	0.00	350.77	350.77		0.00	10.42
2838.14	70.86	270.00	2677.59	-369.54	0.00	369.54	369.54		0.00	10.42
2858.14	72.94	270.00	2683.81	-388.55	0.00	388.55	388.55		0.00	10.42
2878.14	75.02	270.00	2689.32	-407.77	0.00	407.77	407.77		0.00	10.42
2898.14	77.11	270.00	2694.14	-427.18	0.00	427.18	427.18		0.00	10.42
2918.14	79.19	270.00	2698.25	-446.76	0.00	446.76	446.76		0.00	10.42
2938.14	81.28	270.00	2701.64	-466.47	0.00	466.47	466.47		0.00	10.42
2958.14	83.36	270.00	2704.31	-486.28	0.00	486.28	486.28		0.00	10.42
2978.14	85.44	270.00	2706.26	-506.19	0.00	506.19	506.19		0.00	10.42
2998.14	87.53	270.00	2707.49	-526.15	0.00	526.15	526.15		0.00	10.42
3018.14	89.61	270.00	2707.99	-546.14	0.00	546.14	546.14		0.00	10.42
3022.00	90.01	270.00	2708.00	-550.00	0.00	550.00	550.00		0.00	10.42
3027.00	90.51	270.00	2707.98	-555.00	0.00	555.00	555.00		0.00	9.90
3032.00	91.01	270.00	2707.91	-560.00	0.00	560.00	560.00		0.00	10.00
3035.56	91.37	270.00	2707.84	-563.56	0.00	563.56	563.56	Land curve, run 7" casing. Drill out and hold angle.	0.00	10.00
7221.85	91.37	270.00	2608.03	-4748.66	0.00	4748.66	4748.66	TD Well, 7222' MD, 2608' TVD.	0.00	0.00
7223.19	91.50	270.00	2608.00	-4750.00	0.00	4750.00	4750.00	BHL: 930' FSL, 380' FWL	0.05	10.00



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Rig Name: Patterson Rig No. 101
State/Country: NM

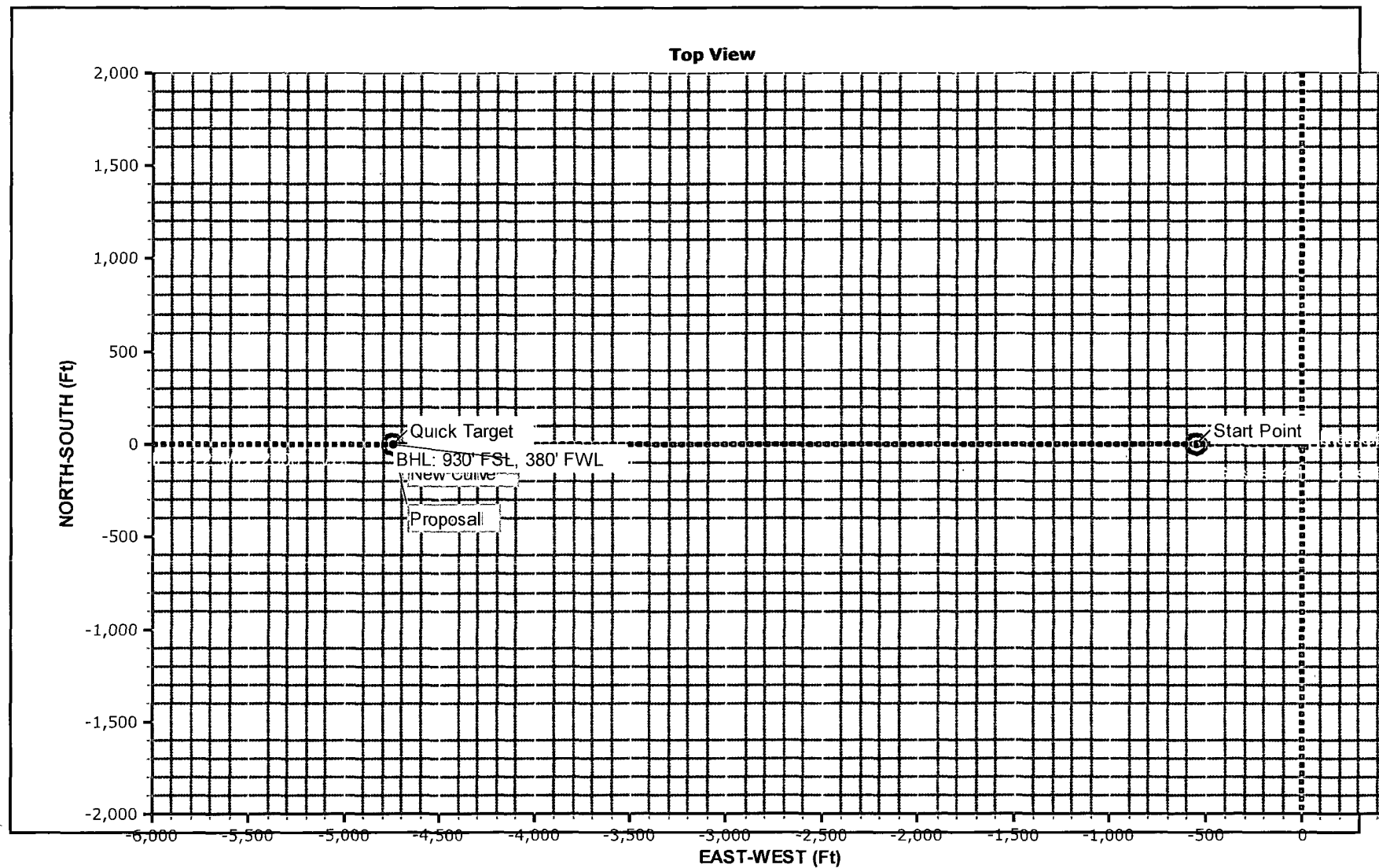
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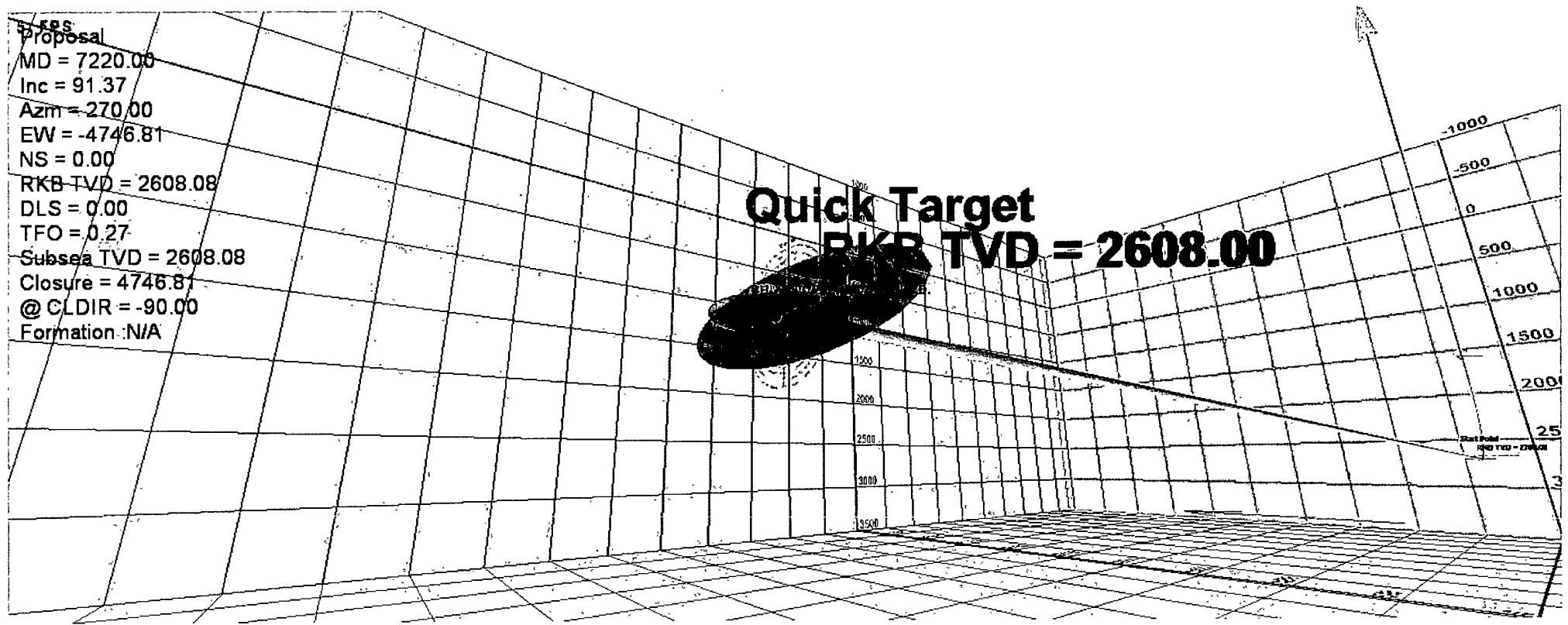
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Declination: 0.00
Grid: Grid North
File Name: N/A
Date/Time: 7/15/2011 11:23 33 AM



5 FPS
Proposal
MD = 7220.00
Inc = 91.37
Azm = 270.00
EW = -4746.81
NS = 0.00
RKB TVD = 2608.08
DLS = 0.00
TFO = 0.27
Subsea TVD = 2608.08
Closure = 4746.81
@ CLDIR = -90.00
Formation: N/A

Quick Target
RKB TVD = 2608.00



Fasken Oil and Ranch, Ltd.

- ① 4" Series 900 Valves
- ② Series 900 Annular preventor
- ③ Series 900 Ram type preventor
- ④ 2" Series 900 Check Valve
- ⑤ 2" Series 900 choke
- ⑥ 2" Series 900 Valves
- ⑦ 3" Series 900 Valves

