

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCDA Artesia

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

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

5. Lease Serial No.
NM-101856

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
Shell Federal No. 1

2. Name of Operator
Fasken Oil and Ranch, Ltd.

9. API Well No.
30-015-10881

3a. Address
6101 Holiday Hill Road
Midland, TX 79707

3b. Phone No. (include area code)
432-687-1777

10. Field and Pool or Exploratory Area
Cemetery; Morrow (Gas)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit Letter K, Sec. 5, T21S, R24E, 1980' FSL & 1980' FWL

11. County or Parish, State
Eddy, New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 Shell Federal No.1 from the Cemetery; Morrow (Gas) Pool to an Atoka zone considered by the NMOCD as a wildcat. Please see attached procedure and current and proposed wellbore diagrams for the recompletion.

NM OIL CONSERVATION
ARTESIA DISTRICT

Accepted for record

JUN 20 2014

NMOCD 105
6-23-14 RECEIVED

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Submit C-102

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Kim Tyson

Title Regulatory Analyst

Signature

Kim Tyson

Date 05/09/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title
Office

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 entitle the applicant to conduct operations thereon.



Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

Well: **Shell Federal No. 1**
 Operator: **Fasken Oil and Ranch, Ltd.**
 Location: 1980' FSL and 1980' FWL
 Sec 5, T21S, R24E
 Eddy County, NM
 Spudded: 10/30/1966
 API #: 30-015-10881

TD: 9901'
 PBDT: 9688'
 Casing: 13-3/8" 48# H-40 ST&C @ 310'
 w/325sx Incor w/ 2% CaCl₂
 circulated to surface
 8-5/8" 24# J-55 ST&C 8rd thd @ 3100'
 w/1100sx Incor w/ 4% gel + 330 sx neat w/2% CaCl₂
 circulated 276 sx to surface
 4-1/2" 11.6# N-80&J-55 @ 9900'
 450 sx Incor

TOC: TOC 7750' by Temp survey
 4-1/2" 11.6# N-80: Surf-1750'
 4-1/2" 11.6# J-55: 1750'-7450'
 4-1/2" 11.6# N-80: 7450'-9900'

Tubing: proposed

JTS	
1	WL entry guide 2-3/8" Arrowset I 10k pkr, TOSSD w/1,875"
1	"F" PN
272	2-3/8" EUE 8rd N80 tbg

Propose #hls	
9181'-87'	(1)jspf, 1-11/16" SG) 7
9193'-9200'	(1)jspf, 1-11/16" SG) 8
9336'-46'	(1)jspf, 1-11/16" SG) 11
9406'-22'	(1)jspf, 1-11/16" SG) 17
	43

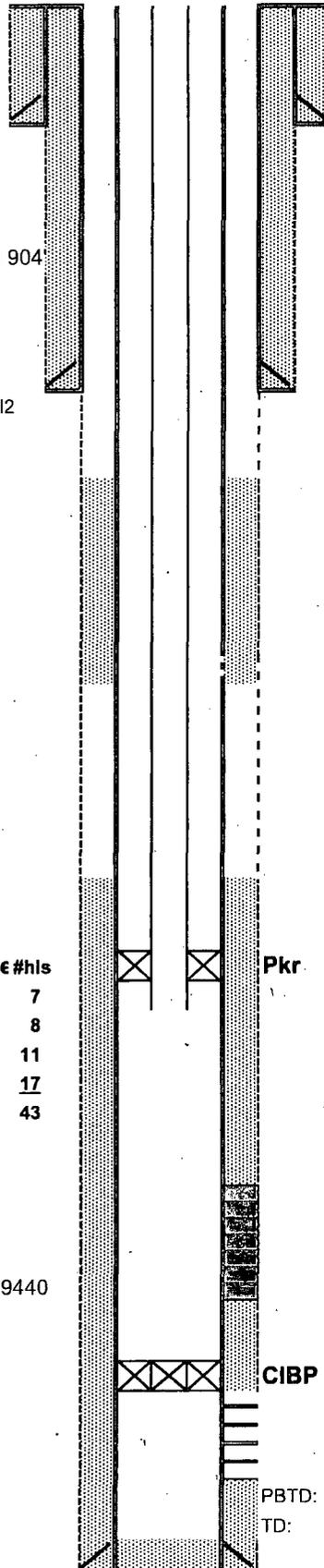
Proposed

CIBP 9560' Morr CL 9440

Perfs: Morrow
 9570'-9572' 4 JSPF Original
 9657'-9662' 2 JSPF 11-10-93
 9727'-9731' 2 JSPF 11-10-93

Hole Sizes 17-1/2" 310', 12-1/4" 3100', 7-7/8" 9901'

Status: Morrow gas producer, 7 mcf/d.



Proposed Atoka Recompletion

RKB: 3383'

13-3/8" 48# H-40 ST&C @ 310'
 circulated to surface

8-5/8" 24# J-55 ST&C 8rd thd @ 3100'
 circulated 276 sx to surface

TOC 7750' by Temp survey

Pkr 8550

Proposed Atoka Perfs

9181'-87'
 9193'-9200'
 9336'-46'
 9406'-22'

CIBP 9560'

9570'-9572' 4 JSPF Original
 9657'-9662' 2 JSPF 11-10-93
 9727'-9731' 2 JSPF 11-10-93

PBDT: 9688'

TD: 9901'

4-1/2" 11.6# N-80&J-55 @ 9900'

Recommended Recompletion Procedure
Shell Federal No. 1
1980' FSL & 1980' FWL
Sec 5, T21S, R24E
Eddy County, New Mexico
A.F.E. No. 2749

OBJECTIVE:	Atoka Recompletion
WELL DATA:	
13-3/8" 48#/ft H-40 ST&C casing:	Set at 310' KB Cmt w/325 sx to surf.
8-5/8" 24.0#/ft J-55 ST&C 8rd thd casing:	Set at 3100' KB Cmt w/1100sx incor w/4% gel + 330 sx neat w/2% CaCl ₂ to surf.
4-1/2" 11.6# N-80&J-55 casing:	Set at 9,900' KB Cmt w/450 sx TOC 7750' by temp survey. 10.73' marker joint @ 9260.38'
Tubing:	2-3/8" 8rd Bull Plug (0.50'); 2-3/8" perforated sub (4.05'); 2-3/8" 8rd Mechanical SN w/cplg (0.73'); 2-3/8" EUE 8rd N-80 pc tbg (32.45'); 9 jts 2-3/8" EUE 8rd 6.5 #/ft N-80 tbg (282.31'); 4-1/2" x 2-3/8" TAC w/ 35K Shear (3.00'); 297 jts 2-3/8" EUE 8rd 6.5#/ft N-80 tbg (9326.77'); 2-5' 2-3/8" EUE 8rd N-80 subs (10.00') AJL 31.40'
TD:	9,901'
PBTD:	9,688' KB fill

Atoka

Recomplete to Strawn

1. Test and tag mast anchors and have tank permits in hand before RUPU and notify NMOCD 24 hrs. before starting.
2. Set pipe racks and rig mats. Set flow back tank with gas buster and lay steel line from tank to wellhead with choke manifold installed.
3. RUPU, unseat pump and POW laying down rods and pump.
4. Pump 2% Kcl water containing clay stabilizer if needed for well control. NDWH and release TAC and NU BOP.
5. POW laying down (+/- 35 joints from bottom of string) enough 2-3/8" EUE 8rd N-80 tbg to recomplete to Strawn with a packer at +/-8550'.
6. RUWL with 5000 psi lubricator. RIW with 3.87" gauge ring to 9540'. RIW with a 4-1/2" 10K CIBP and set at 9560'. POW and RDWL. *See COA*
7. RIW with 4-1/2" Arrowset I 10K pkr, TOSSD with 1.81" "F" profile nipple, 2-3/8" EUE 8rd N-80 tbg testing in well to 9000 psi above slips and set packer at +/-8550' and set packer in 12 pts compression.
8. Release TOSSD and circulate 2% KCL water containing packer fluid and clay stabilizers (1/2% corrosion inhibitor by volume and 1 gal/1000 gals clay stabilizer), Re-engage TOSSD. Pressure test annulus to 1500 psi and CIBP to 1500 psi. Notify Midland office of results before continuing with the procedure.
9. ND BOP. NU 3K double valved flow tree with wing valve and choke. Swab down well to 7500' FS.
10. RUWL with 5000 psi lubricator. Perforate Atoka zone with 1 JSPF with 1-11/16" strip gun at 9181'-87' (7h), 9193-9200' (8h), 9336-46/ (11h), 9406'-22' (17h); total 43 holes correlated to Schlumberger GR/Sonic log dated 12-15-66. POW and verify all shots fired and RDWL.
11. Flow back and evaluate.
12. RDPU.
13. If stimulation is warranted. RU acid stimulation company, nitrogen service, tree saver and pump truck. Trap 1500 psi on backside and monitor throughout job. Acidize perforations (9181'-9422', 43 holes, 39 feet) with 1250 gallons

of 7-1/2% HCl with 1000 scf/bbl N₂ dropping 100 1.3 sg ball sealers evenly dispersed throughout job for diversion. Max rate 5 bpm. Max pressure 9000 psi (80% x 11,200 psi 2-3/8" EUE N-80 4.7# burst = 8960 psi). Acid Additives (Baker Hughes, old BJ, products) or equivalent:
2gpt CI-27, 1 gpt Ne-940 Non-emulsifier, 1 gpt Inflo-150 Surface Tension reducer, 6 gpt FE-270 Iron Control, 2 gpt FE-271 Iron Control activator, .5 gpt Clay Master-5C Clay Control. Flush with 2% KCl water containing .5 gpt Clay Master-5C.

14. Flow back and evaluate.

15. Return well to production.

CWB/cwb/SRF

5/30/14

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Shell Fed 1
30-015-10881
Fasken Oil and Ranch, Ltd.
Conditions of Approval

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by September 12, 2014.

- 1. Operator shall set a CIBP at 9560' and dump 35 feet. of Class H cement. Tag required. The top of the Morrow is at 9440' and must be covered with a 200' plug prior to placing a plug over the Atoka.**
- 2. Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. Notify BLM if test fails.**
- 3. If CIT passes, recompletion is approved as written.**
4. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
5. Surface disturbance beyond the originally approved pad must have prior approval.
6. Closed loop system required.
7. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. Operator to have H2S monitoring equipment on location.
9. A minimum of a 3000 (3M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

10. Subsequent sundry required detailing work done, a C-102 form, and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.

CRW 061214

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. **Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.