Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

| D. | TIDEALLOE LAND MARIA | CEMENT | | | Expire | 3. July 31, 2010 | |
|--|---|--|--|---|--|---|---------------------------------------|
| BUREAU OF LAND MANAGEMENT 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. NMNM36975 | | | | |
| | | | 6. If Indian, Allottee or Tribe Name | | | | |
| SUBMIT IN TRIPLICATE - Other instructions on reverse side. | | | | 7. If Unit or CA/Agreement, Name and/or No. | | | |
| 1. Type of Well Oil Well Gas Well Other | | | | 8. Well Name and No. SALT DRAW 28 FEDERAL 1 | | | |
| 2. Name of Operator Contact: KIM TYSON FASKEN OIL & RANCH LIMITED E-Mail: kimi@forl.com | | | | | 9. API Well No. 30-015-26142-00-S1 | | |
| 3a. Address | TED E-Wan. Killile Ion. | · | o. (include area code | <u>.) </u> | 10. Field and Pool, of | | |
| | | | Ph: 432.687.1777 | | WILLOW LAKE | | |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) | | | , | | 11. County'or Parish | , and State | |
| Sec 28 T24S R28E SENE 1980FNL 660FEL | | | | | EDDY COUNT | ΓY, NM | |
| 12. CHECK APPI | ROPRIATE BOX(ES) TO | O INDICATI | E NATURE OF | NOTICE, RI | L EPORT, OR OTHI | ER DATA | · · · · · · · · · · · · · · · · · · · |
| TYPE OF SUBMISSION | | | ТҮРЕ О | F ACTION | | | |
| | ☐ Acidize | ☐ Dec | pen | ☐ Product | ion (Start/Resume) | ☐ Water Sh | nut-Off |
| Notice of Intent | ☐ Alter Casing | | ture Treat | ☐ Reclam | ation | ☐ Well Inte | |
| ☐ Subsequent Report | ☐ Casing Repair | - , <u>-</u> | | ☐ Recomp | | Other | , |
| ☐ Final Abandonment Notice | ☐ Change Plans | ☐ Plu | g and Abandon | Tempor Te | arily Abandon | | |
| | ☐ Convert to Injection | _ · · . | | Disposal | | | |
| 13. Describe Proposed or Completed Ope If the proposal is to deepen directiona Attach the Bond under which the wor following completion of the involved testing has been completed. Final Ab determined that the site is ready for final | ally or recomplete horizontally, rk will be performed or provide operations. If the operation re pandonment Notices shall be fil | give subsurface the Bond No. o sults in a multip | locations and measured file with BLM/BIA le completion or recompletion or reco | ared and true ve A. Required sub completion in a r | rdical depths of all perti- osequent reports shall b new interval, a Form 31 n, have been completed | inent markers and e filed within 30 c 60-4 shall be filed , and the operator | zones. days d once has |
| Fasken Oil and Ranch, Ltd. re Draw "28" Federal No. 1 well. accommodate water from a ne economic changes the possibi The extra time requested is fo approved sundry notice appro- | Previously the future pla we horizontal Bone Spring lity of a horizontal lateral r acquiring alternate SWI ving the initial request for | n was to prep g well in the E from this well accommoda a TA extens | pare this well for 1/2 of Section 28 Ibore may be mo ations. Please so on for this well | SWD to With the rest economic ecattached | ecent :. | FOIL CONS ARTESIA D MAR 3 0 | ISTRICT 2015 |
| well must be P-8A9d or recompleted by | | | lear. | RECEIV | √ED | | |
| well must b | oe P-8A9d | or rec | omplete | ed by | 05/08 | 5/2014 | , 2 |
| 14. I hereby certify that the foregoing is Comm Name (Printed/Typed) KIM TYSC | #Electronic Submission # For FASKEN OI itted to AFMSS for proces | L & RANCH L | MIŤED, sent to t IFER SANCHEZ o | he Carlsbad | , (15JAS0252SE) | | |
| | | | | | | | |
| Signature (Electronic S | | | Date 03/23/2 | | LADDOVE | $\mathbb{N}_{\mathbb{N}}$ | |
| | THIS SPACE FO | R FEDERA | L OR STATE | OFFICE US | SE/ | 7/7/ | / . |
| Approved By | | | Title | | MAR 2 6 201 | Day | |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or ertify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | | Office | BUREA | OVE LAJONIZACI | a Alle | 29 |
| Fitle 18 U.S.C. Section 1001 and Title 43 U.S.C. States any false fictitious or fraudulent si | J.S.C. Section 1212, make it a | crime for any pe | rson knowingly and | whitefly to ma | ke to any department of | ragency of the Un | iited |

Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

Operator Copy

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

5. Lease Serial No. NM-36975

| 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. | | | 6. If Indian, Allottee or Tribe Name | | | |
|---|---|--|--|--|--|-----------------------------|
| SUBM | IT IN TRIPLICATE - Other | r instructions on page 2. | | 7. If Unit of CA/Agree | ement, Name and/or No. | |
| I. Type of Well | | | | | | |
| Oil Well Gas Well Other | | | 8. Well Name and No. Salt Draw "28" Federal No. 1 | | | |
| 2. Name of Operator Fasken Oil and Ranch, Ltd. | | | | 9. API Well No. 30-015-26142 | | |
| 3a. Address | | 3b. Phone No. (include area c | ode) | 10. Field and Pool or E | Exploratory Area | |
| 6101 Holiday Hilt Road Midland, TX 79707 | | 432-687-1777 Salt Draw; Atoka (Gas) | | | | |
| 4. Location of Well (Footage, Sec., T.,R.,M., or Survey Description) 1980 FNL 8 660 FEL, Sec. 28, 1245, R286 | | | 11. County or Parish, State | | | |
| | | | Eddy, New Mexico | | | |
| 12. CHE | CK THE APPROPRIATE BO | X(ES) TO INDICATE NATU | RE OF NOTI | CE, REPORT OR OTHE | ER DATA | |
| TYPE OF SUBMISSION | | T | YPE OF AC | TION , | | • ; ; |
| Notice of Intent | Acidize | Deepen Deepen | Pro | duction (Start/Resume) | Water Shut-Off | |
| V Notice of Intent | Alter Casing | Fracture Treat | Rec | lamation | Well Integrity | |
| Subsequent Report | Casing Repair | New Construction | Rec | omplete | Other | |
| Suissequent Report | Change Plans | Plug and Abandon | Temporarily Abandon | | | |
| Final Abandonment Notice | Convert to Injection | Plug Back | Wat | ter Disposal | | |
| 13. Describe Proposed or Completed C the proposal is to deepen direction Attach the Bond under which the following completion of the invol testing has been completed. Final determined that the site is ready for | hally or recomplete horizontal work will be performed or proved operations. If the operation Abandonment Notices must be final inspection.) | ly, give subsurface locations and ovide the Bond No. on file with on results in a multiple completion be filed only after all requirements. | d measured a BLM/BIA. on or recomp ets, including | and true vertical depths of Required subsequent republication in a new interval, greelamation, have been | f all pertinent markers and zor orts must be filed within 30 d, a Form 3160-4 must be filed completed and the operator h | nes. lays once las |
| Fasken Oil and Ranch, Ltd. respec | | | | | | |

whether to plug and abandon this well or recomplete it as a Bone Springs horizontal or a Delware SWD well. Please find attached a procedure and current -100' above top most per w/25 x cement and proposed Temporary Abandonment wellbore diagrams.

NM OIL CONSERVATION

ARTESIA DISTRICT

MAR 3 0 2015

RECEIVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

| | • | |
|---|-----------------------|---------------------------|
| 14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) | | Man and |
| Kim Tyson Tit | le Regulatory Analyst | Approved |
| Signature / Jum Jum | te 09/05/2014 | ACCEPTED FOR RECORD |
| THIS SPACE FOR FEDERA | L OR STATE OFFICE USE | Nov 8 3 |
| Approved by | Title | TOTALI DE LAND MANAGEMENT |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certife that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | Office | CARLSBAD FIELD OFFICE |

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)

NM OIL CONSERVATION

ARTESIA DISTRICT

MAR 3 0 2015

Recommended Procedure Salt Draw Fed"28" No. 1 1980' FNL & 660' FEL Sec 28, T24S R28E AFE NA

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| | ALE IVA |
|---|--|
| OBJECTIVE: | Temporary Abandonment |
| WELL DATA: | • |
| 20" 106.5# K-55 ST&C casing: | Set at 600'. Cmt w/ 2405 sx + 7 yds of gravel to surface |
| 13-3/8" 54.5#K55 ST&C casing: | Set at 2540'. Cmt w/ 3600 sx "C" to surface |
| 9-5/8"43.5#&53.5# N-80,S-95,&P-110 csg: | Set at 9800'. Cmt w/ 1575 sx. TOC 5730' by TS |
| 5-1/2" 23# N-80 & P-110 Liner: | Set @ 13,450' to 9,313'. Cmt w/ 1650 sx to top of liner (0.0211 bbl/ft) |
| Tubing: | (See WB diagram and 1-26-12 (tbg) & 12-17-12 (rods) pull rpts): Bull plug (0.45'), 3.5" Mother Hubbard Slotted gas anchor (31.0'), 2-3/8" x 9-5/8" TAC (35K shear) (2.90'), 2-3/8" cup type SN (1.10'), 266 jts 2-3/8" EUE AB modified N-80 tubing (8492.24'). EOT 8543, 22' KB. |
| Perforations: | 2 nd Bone Spring 8594'-8628' (69h, 2spf, 60° ph, 0.41" EHD) (12-14-11) |
| Cmt Plug: | 9182'-9850' w/ 848' cement (125 sx "H") (12-13-11) |
| CIBP: | 11,500' with 4sx "H" (52') cement (12-10-11) |
| | Atoka/Strawn: 11,566'-11,572', 11,604'-14', 11,660'-11,667' 45 holes, |
| CIBP: | 11,690' with 7' cement (3-14-09) |
| Perforations: | Atoka/Strawn: 11,695'-704'; 11,708'-14'; 11,720'-30', 11759'-63' (51 total holes) |
| CIBP: | 12,250' with 35' cement |
| Perforations: | Morrow: 12,625'-45', 12,663'-68' |
| TD: | 13,610' |
| PRTD: | 9182' with frac sand fill to 8989' |

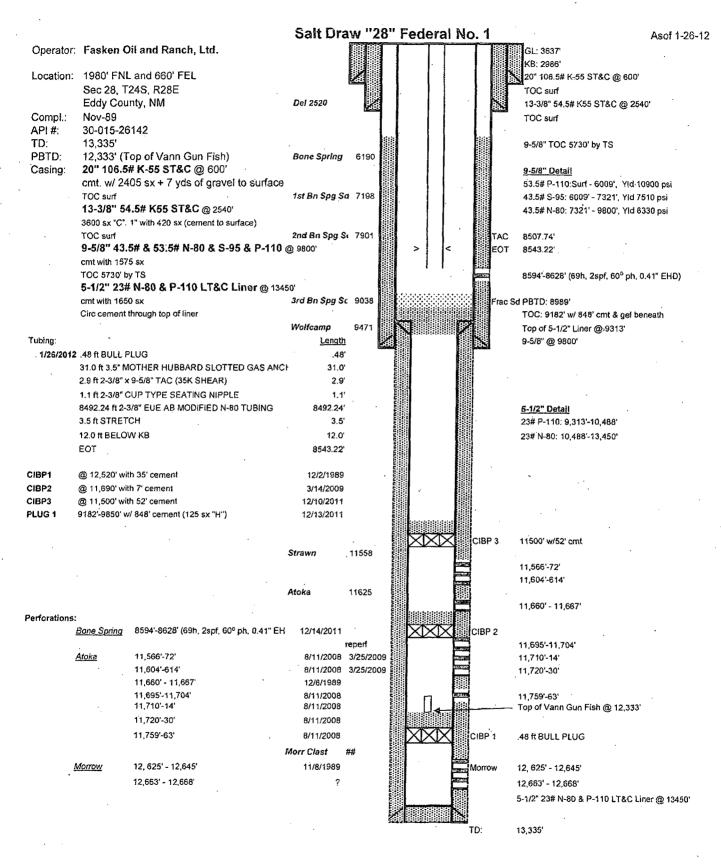
- 1. Notify OCD of intent to rig up and start workover. Need to give 48 hours notice prior to starting work. Make sure we have a pit permit issued prior to starting this workover.
- 2. Receive 250 bbl steel half-frac workover tank with gas buster, 7-1/6" x 10K hydraulic BOP with 11" 10K X 7-1/16" adaptor spool with 2-3/8" pipe rams and blind rams.
- 3. RUPU. Build steel flowline from wellhead to blow down tank. Bleed pressure off tubing and tubing/casing annulus to blowdown tank.
- 4. POW laying down 1-1/4"x26' PR / 1-1/2"x14' liner, 1- 7/8" N-97 pony rod (8.0'), 128-7/8" N-97 rods, 204-3/4" N-97 rods, 13-1.5" Flexbar C sinker bars, 21k Shear tool, 1-1.5" Flexbar C sinker bar, 1-2"x1.25"x24' RXBM pump.
- 5. NDWH and remove 11" wrap around, NU 11" 10K X 7-1/16" 10K spool and NU 7-1/16" 10K hydraulic BOP. (NDWH and NU DSA 11" 10M x 11" 5M, Spool 11" 5M x 11" 3M x 14" tall, BOP. 11", 3M, 2-3/8" pipe rams and blind rams: per 12-6-11 WO report summary AFE 2321).
- 6. Release TAC, POW with 266 its 2-3/8" EUE 8rd AB modified N-80 tubing, SN, TAC, 3.5" Mother Hubbard Slotted Gas Anchor, Bull Plug.
- 7. RU Gray WL and full lubricator. RIW with 8-3/8" OD gauge ring (53.5# 9-5/8" surf-6009' 8.379" drift, 43.5# too 9800' 8.599" drift) and junk basket to 8550'. POW with gauge ring, and RIW with 9-5/8" CIBP and set @ 8,500'. Dump 14 sx (35') "H" cement on CIBP. RDWL.
- 8. RU pump truck and test 9-5/8" casing, and CIBP to 500 psi.

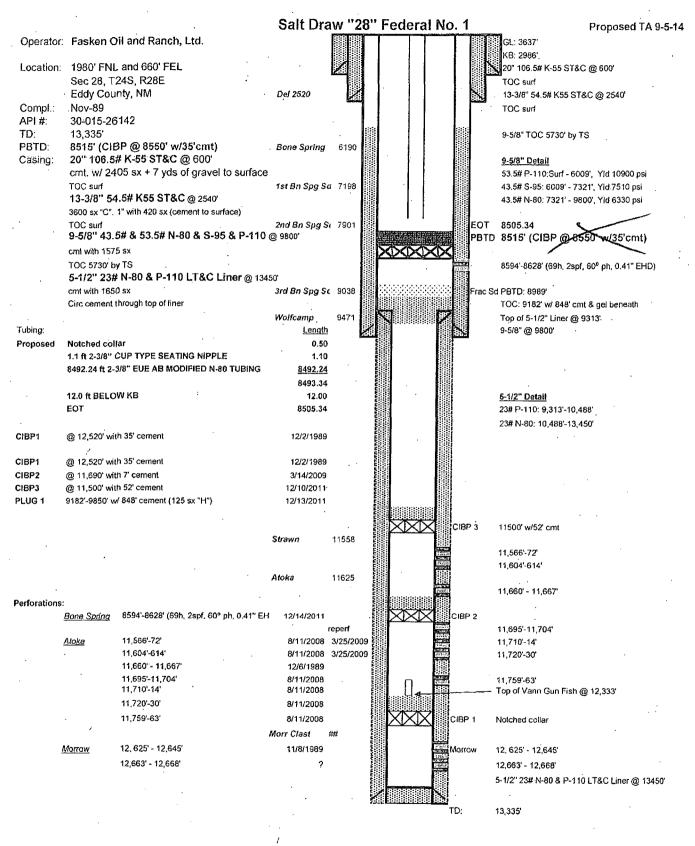
min 50 above top 9. RIW with 2-3/8" notched collar, SN and 2-3/8" EUE 8rd AB mod N-80 tubing to CIBP @ 8550. Establish circulation with pump truck. Circulate well with fresh water containing clay stabilizer, oxygen scavenger, and inhibitor.

- 10. ND BOP and NUWH.
- 11. Call BLM representative and set up a MIT test time and date. Run MIT test on casing to 500 psi for 30 minutes with chart recorder. Release pressure. Shut well in as Temporarily Abandoned.

CWB

9-5-14
M:\Common\WELLFILE\S\Salt Draw 28 Fed 1\Engineering\SaltDraw28Fed1 TA proc 9-5-14.doc





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

Approved for a period of 6 months ending 05/05/2015 subject to conditions of approval.

Temporary Abandonment of Wells on Federal Lands Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

- 1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
- 2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
- 3. Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

- 1. Submits a subsequent Sundry Notice (Form 3160-5) requesting TA approval with well bore diagram with all perforations and CIBP's and tops of cement on CIBP's.
- 2. Describes the temporary abandonment procedure.
- 3. Attaches a clear copy or the original of the pressure test chart.
- Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

- 1. A procedure to repair the casing so that a TA approval can be granted.
- 2. A procedure to plug and abandon the well.

Salt Draw 28 Federal 1

- 1. Well is approved to be TA/SI for a period of 12 months or until 05/05/2015
- 2. This will be the last TA approval for this well.
- Must submit NOI to recomplete or NOI to P&A. Must be submitted by 05/05/2015
- 4. COA's met at this time.