

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA
FOR APPROVAL
OMB NO. 1004-0135
Expires: July 31, 2010

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.
NMNM13624 ✓

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
AVALON FEDERAL 1

9. API Well No.
30-015-21814-00-S1 ✓

10. Field and Pool, or Exploratory
BURTON FLAT

11. County or Parish, and State
EDDY COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
FASKEN OIL & RANCH LIMITED ✓ Contact: ADDISON LONG
E-Mail: addisonl@forl.com

3a. Address
6101 HOLIDAY HILL ROAD
MIDLAND, TX 79707

3b. Phone No. (include area code)
Ph: 432-556-8661

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 1 T21S R26E SESE 803FSL 350FEL ✓

12. CHECK 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other ShutIn Notice
	<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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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. requests a shut in status for the Avalon Federal No. 1. It is uneconomic to be re-activated as a producer. Please see the attachment of the production/injection history from the last 12 months it was producing. All the surface/subsurface equipment is still on site. We plan to return the well to production when it becomes economically feasible to produce.

Accepted for record
NMOCD *RF*
4/5/17

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

WATER OIL CONSERVATION
ARTESIA DISTRICT
APR 04 2017

RECEIVED

Shut-In Status accepted until 03/10/2018

14. I hereby certify that the foregoing is true and correct.
**Electronic Submission #354663 verified by the BLM Well Information System
For FASKEN OIL & RANCH LIMITED, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 10/13/2016 (17PP0029SE)**

Name (Printed/Typed) ADDISON LONG Title REGULATORY ANALYST

Signature (Electronic Submission) Date 10/3/2016

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____ Title _____ Date **MAR 10, 2017**
PK Swarth

Office **BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.

Annual Production by Battery by Month

Printed: 9/15/2016 10:53:50 AM
Page 1

Battery	Product	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Avalon 1 Federal No 1	Oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Avalon 1 Federal No 1	Gas	439	212	67	34	69	82	431	608	80	14	14	14	1,942
Avalon 1 Federal No 1	Wtr	0	8	0	0	0	0	0	0	0	0	0	0	80
	Total Oil	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Gas	439	212	67	34	69	82	431	608	80	14	14	14	1,942
	Total Wtr	0	8	0	0	0	0	0	0	0	0	0	0	80

Report based on the following criteria:
Wells = Avalon Federal # 1.

Annual Production by Battery by Month

January, 2016

Printed: 9/15/2016 10:54:34 AM
Page 1

Battery	Product	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Avalon 1 Federal No 1	Oil	0	0	0	0	0	0	0	0	0	0	0	0	0
Avalon 1 Federal No 1	Gas	127	53	66	106	2	0	0	0	0	0	0	0	354
Avalon 1 Federal No 1	Wtr	6	0	0	0	0	0	0	0	0	0	0	0	6
	Total Oil	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total Gas	127	53	66	106	2	0	0	0	0	0	0	0	354
	Total Wtr	6	0	0	0	0	0	0	0	0	0	0	0	6

Report based on the following criteria:
Wells = Avalon Federal # 1.

Conditions of Approval for Shut-In Gas Well

**Fasken Oil & Ranch Limited
Avalon – 01, API 3001521814
T21S-R26E, Sec 01, 803FSL & 350FWL
March 10, 2017**

- 1) A gas well with acceptable justification may be granted shut-in status for a specified renewable time (usually one year).
- 2) Submit for this well a Lease Operating Statement (L.O.S.) for the last 12 consecutive producing months showing the per month revenue with operating and maintenance expense.
- 3) A well production test, reservoir evaluation, and MIT will usually be required compliance by the Authorized Officer for renewal of shut-in status.
- 4) Submit a BLM witnessed Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established and within three months of shut-in status being accepted by BLM.
 - a) The minimum MIT pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with a minimum 200 psig differential between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test.
 - b) Document the pressure test on a one hour full rotation chart recorder (calibrated within the last 6 months) registering within 35 to 75 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
 - c) Make arrangements 24 hours before the test for BLM to witness. In Eddy County 575-361-2822. If no answer, leave a voice mail or email with the API#, workover purpose, and a call back phone number
 - d) A “Best Management Practice” is to maintain the annulus full of packer fluid at atmospheric pressure. Equipment that will display on site, continuous open to the air fluid level above the casing vent is necessary to achieve this goal.
 - e) Excessive (+5 bbls/month) gain or loss of annular fluid volume requires BLM notification.