

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

MAY 18 2009

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

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.

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

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

3a. Address
303 West Wall St., Suite 1800, Midland, TX 79701

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

4 Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 3, T21S, R26E, 1180' FSL & 435' FWL

5 Lease Serial No
NM-3606

6. If Indian, Allottee or Tribe Name

7 If Unit of CA/Agreement, Name and/or No.
SW-1035

8 Well Name and No
Lake Federal No. 1

9. API Well No
30-015-21503

10. Field and Pool or Exploratory Area
Avalon; Upper Penn (Gas)

11. Country 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 type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" 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 recompletable 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 recompletable 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.)

Plugs 100' plus 10% per 1000'

Fasken Oil and Ranch, Ltd. proposed to Plug and Abandon the Lake Federal No. 1.

Please see attached procedure. *Plug Changes:*

<i>Stub</i>	<i>190'</i>	<i>8945-8775</i>	<i>Tag</i>
<i>Wolfcamp</i>	<i>180'</i>	<i>8186-8006</i>	<i>Tag</i>
<i>Spacer-BS</i>	<i>160'</i>	<i>6550-6390</i>	<i>Tag</i>
<i>BS-Shoe</i>	<i>140'</i>	<i>4270-4130</i>	<i>Tag</i>
<i>Delaware</i>	<i>120'</i>	<i>2350-2230</i>	
<i>T/Salt-shoe</i>	<i>110'</i>	<i>490-280</i>	<i>Tag</i>
<i>Surf</i>	<i>60'</i>	<i>60' - Surf</i>	

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

Kim Tyson

Title Regulatory Analyst

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Signature

Kim Tyson

Date 05/08/2009

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.

APPROVED

MAY 16 2009

JAMES A. AMOS
SUPERVISOR-EPS

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

**Recommended Procedure to Plug and Abandon
Lake Federal No. 1
1180' FSL & 435' FWL
Sec 3, T21S R26E
AFE**

OBJECTIVE:	Plug and Abandon.
WELL DATA:	API # 30-015-21503
13-3/8" 48#/ft H-40 ST&C casing:	Set at 374.61' KB Cmt w/300 sx, TOC 135' survey.
8-5/8" 24.0#/ft K-55 ST&C casing:	Set at 4212.00' KB, Cmt w/ 2185 sx, TOC 75'.
4-1/2" 11.6# & 13.5#N-80 LT&C:	Set at 11,195.59, Cmt w/450 sx. TOC 9240' by temp survey, CBL run 6/22/04 shows TOC 9290'.
Perfs:	13.5# from TD- 10,269', 11.6# from 10,269 to surface 7-30-04 w/1-11/16" SG Cnyn Lm 9324'-30' (7h), 9333'-36' (4h). 6-26-04 w/1-11/16" SG Canyon Sand @ 9502', 9500', 9498', 9481', 9472', 9470', 9468', 9462', 9460', 9456', 9454', 9441'-49', 9436', 9434', 9432', 9430', and 9428', 1 JSPF, 0°, 24 holes. Morrow, Jun 1975: 10,817'- 10,836' (76 holes)
Packer:	None
Tubing:	None
TD:	11,195.59'KB csg landed
PBTD:	8965' CIBP @ 9000 w/35' cmt 5-26-04

1. Notify New Mexico OCD office in Artesia of the intent to plug and abandon 72 hours prior to rigging up on well.
2. Make sure mast anchors have been tested and tagged in last 24 months. Need 225 4-1/2" pin end thread protectors.
3. RUPU, set rig mats, cat walk, 3 sets pipe racks and a half-frac workover tank on location.
4. Receive 9300' 2-3/8" EUE 8rd N-80 workstring and a full set of 2-3/8" N-80 tubing subs.
5. Lay flow line to workover tank. Open casing valve and bleed pressure off 4-1/2" casing.
6. ND wellhead and NU 7-1/16" 3K manual BOP with 2-3/8" pipe rams and blind rams. Will need an extra set of 4-1/2" pipe rams with BOP.
7. PU and RIW with collar, seating nipple, standing valve and 2-3/8" EUE 8rd N-80 workstring. Tag PBTD +/-8965'. RU pump truck, and test tubing to 1000 psi for 15". RIW with sandline and recover standing valve. POW with 2-3/8" workstring.
8. ND BOP. Bleed pressure off 13-3/8" X 8-5/8" annulus and 8-5/8" X 4-1/2" annulus, and ND BOP and "C" section of wellhead.
9. Load both annulus wellheads with fresh water, weld 4-1/2" lift sub on top of 4-1/2" casing, and attempt to remove 4-1/2" slips from "B" section wellhead. Casing jacks may be necessary to remove wellhead slips.
10. RUWL and 3000 psi lubricator and RIW with 4.45" OD gauge ring and tag PBTD +/-8965' (this was run 5-26-06 to set CIBP at 9000' and dump bail 35' cmt). RIW with wireline and chemical or jet cut 4-1/2" 11.6# N-80 casing @ 8900'. Be sure the 4-1/2" X 8-5/8" annulus is open and full of fresh water before cutting the casing. POW and RDWL.
11. Receive box and pin thread protectors for 8900' of 4-1/2" casing.
12. RU casing crew and LD 4-1/2" 11.6# N-80 casing. RD casing crew, clean boxes and pins, install thread protectors, and send recovered casing back to Midland.
13. NU wellhead adaptor spool and BOP. RIW with 2-3/8" tubing collar, seating nipple and 2-3/8" workstring to 8965'.

14. Plug #1 (bottom plug): Mix and spot a 25 sx Class "H" cement plug at 8965'. Displace cement to 8850' with fresh water water.
15. POW to 8700' and WOC 2 hours. RIW with tubing and **TAG** cement plug and notify Midland Office and NMOCD of the results. If TOC is below 8850', spot additional cement to achieve a TOC above 8850'. Circulate hole with an estimated 660 bbls of 9.5# salt gel mud with a minimum of 12.5 pounds of gel per barrel. POW to 6550' laying down +/-2300' of workstring
16. Plug #2: Mix and spot a 40 sx Class "C" cement plug at 6550', displacing cement to 6450' with a 5 barrel fresh water spacer and mud laden brine water. POW to 4270' laying down +/-2300' workstring.
17. Plug #3 (8-5/8" shoe plug): Mix and spot a 40 sx Class "C" with 2% CaCl_2 cement plug at 4270', displacing cement to 4160' with a 5 barrel fresh water spacer and mud laden brine water. POW to +/-4000' and WOC 2 hrs. RIW with tubing and **TAG** cement plug and notify Midland Office and NMOCD of the results. If TOC is below 4160', spot additional cement to achieve a TOC above 4160'. POW to 2350' laying down +/-1900' of workstring
18. Plug #4: Mix and spot a 30 sx Class "C" cement plug at 2350', displacing cement to 2240' with a 5 barrel fresh water spacer and mud laden brine water. POW to 390' laying down +/-1950' workstring.
19. Plug #5 (13-3/8" shoe plug): Mix and spot a 30 sx Class "C" with 2% CaCl_2 cement plug at 390', displacing cement to 280' with a 5 barrel fresh water spacer and mud laden brine water. POW to +/-200' and WOC 2 hrs. RIW with tubing and **TAG** cement plug and notify Midland Office and NMOCD of the results. If TOC is below 280', spot additional cement to achieve a TOC above 280'. POW to 60' laying down +/-330' of workstring
20. Plug #6: Mix and spot a 17 sx Class "C" cement plug at 60', displacing cement to surface.
21. Dig out wellheads and cut-off below "A" section. Weld cap and dry hole marker on top of well. Install 1" 2000 psi valve welded into top of marker joint. Remove valve handle and close valve.
22. Send wellheads to Midland office. Clean location, RDPU and release all rental equipment.

Lake Federal No. 1

Current as of 5-26-2006

GL: 3183'

KB: 3199'

Operator: **Fasken Oil and Ranch, Ltd.**

Location: 1180' FSL and 435' FWL
Sec 3, T21S, R26E
Eddy County, NM

Compl.: 05/30/1975 released rig

API #: 30-015-21503

TD: 11212'

PBTD: 8965' (CIBP 9000'w/35' cmt)
CIBP @ 9000' Apprvd by D Glass/BLM 5-25-06

Casing: 13-3/8" 48# H-40 @ 338'
w/200sx"Lite"+100sx"C"+8yds rdymx
TOC surf

8-5/8" 32# & 24# @ 4212' KB
w/1600sx HowcoLite + 200sx "C"
Did not circ, TOC 540' by Temp
TOC 75' KB after 1" w/400 sx
4-1/2" 13 5&11.6# N-80 @ 11,197'
top 13 5# at 10289'
Cmt w/450 sx Class "H"
TOC 9240' by TS, 9290' Jun '04 CBL

Tubing: Tbg pulled 5-24-06

Pkr: Pkr pulled 5-24-06

Tops

Delaware 2292'

Bone Spring 4250'

Wolfcamp 8186'

13-3/8" 48# H-40 @ 338'
TOC surf

8-5/8" 32# btm 1537' & 24# top 2675'

8-5/8" 32# & 24# @ 4212' KB
TOC 75' KB after 1" w/400 sx

Proposed Plugs

Perfs & plugs:

CIBP 9000' w/35' cmt, 5-26-06
Canyon

Lime: 9324'-30' 7 hls 7-30-04
9333'-36' 4 hls 7-30-04

Sand: 9428'-36' 5 hls 6-26-04
9441'-9449' 16 hls 6-26-04
9454'-9502' 11 hls 6-26-04

CIBP 10585' w/35' cmt 6-23-04
Perfs. Morrow
10817'-10836' 76 hls Jun 1975

Penn Lime 9135'

Canyon 9320'

Strawn 9590'

Atoka 9952'

Morrow 10560'

PBTD: 8965' (CIBP 9000'w/35' cmt)
CIBP 9000' w/35' cmt, 5-26-06

TOC 9240' by TS, 9290' Jun '04 CBL

9324'-30'
9333'-36'
9428'-36'
9441'-9449'
9454'-9502'

CIBP 10585' w/35' cmt 6-23-04

10817'-10836'

Hole Sizes 17-1/2" 339' 12-1/4" 4215' 7-7/8" 11,212'

Status. Temporarily Abandoned

TD. 11212'

4-1/2" 13.5&11.6# N-80 @ 11,197'
Cmt w/450 sx Class "H"

cwb

5/8/2009

LakeFed1 wb diagram.xls

Lake Federal No. 1

Proposed P&A

GL 3183' KB. 3199'

Operator: **Fasken Oil and Ranch, Ltd.**

Location: 1180' FSL and 435' FWL
Sec 3, T21S, R26E
Eddy County, NM

Compl.: 05/30/1975 released rig

API #: 30-015-21503

TD: 11212'

PBTD: 8965' (CIBP 9000'w/35' cmt)
CIBP @ 9000' Apprvd by D Glass/BLM 5-25-06

Casing: 13-3/8" 48# H-40 @ 338'
w/200sx"Lite"+100sx"C"+8yds rdy mx
TOC surf

8-5/8" 24 & 32# @ 4212' KB
w/1600sx HowcoLite + 200sx "C"
Did not circ, TOC 540' by Temp
TOC 75' KB after 1" w/400 sx
4-1/2" 13.5&11.6# N-80 @ 11,197'
top 13 5# at 10289'
Cmt w/450 sx Class "H"
TOC 9240' by TS, 9290' Jun '04 CBL

Tubing: Tbg pulled 5-24-06

Pkr: Pkr pulled 5-24-06

Tops

T/Salt 440'

Delaware 2292'

Bone Spring 4250'

Wolfcamp 8186'

Surface Plg

30 sx "C"
TAG

30 sx "C"

40 sx "C"
TAG

40 sx "C"

25 sx "H"

TAG

Surf plg 0'-60'

13-3/8" 48# H-40 @ 338'

TOC surf

30 sx 280'-390'

30 sx 2240'-2350'

8-5/8" 32# btm 1537' & 24# top 2675'

8-5/8" 24 & 32# @ 4212' KB
TOC 75' KB after 1" w/400 sx

40 sx 4270'-4160'
caliper 4212-4300' 10.5"

40 sx 6450'-6550'
caliper 6450-6550' 9.5"

25 sx 8965'-8850'
4-1/2" cutoff +/-8900'

caliper 8900-8800' 9"

PBTD: 8965' (CIBP 9000'w/35' cmt)
CIBP 9000' w/35' cmt, 5-26-06

TOC 9240' by TS, 9290' Jun '04 CBL

9324'-30'

9333'-36'

9428'-36'

9441'-9449'

9454'-9502'

Proposed Plugs

17 sx "C"	0-60'	Surface Plug
30 sx "C"	280'-390'	13-3/8" shoe plg, TAG
30 sx "C"	2240'-2350'	Plg #4 Penn Lime 9135'
40 sx "C"	4270'-4160'	8-5/8" shoe plg, TAG
40 sx "C"	6450'-6550'	Plg #2 Canyon 9320'
25 sx "H"	8965'-8850'	Stub plg, TAG
Cutoff	4-1/2" @ +/-8900'	

Perfs & plugs:

CIBP	9000' w/35' cmt, 5-26-06	
	Canyon	Strawn 9590'
Lime:	9324'-30' 7 hls 7-30-04	
	9333'-36' 4 hls 7-30-04	Atoka 9952'
Sand:	9428'-36' 5 hls 6-26-04	
	9441'-9449' 16 hls 6-26-04	
	9454'-9502' 11 hls 6-26-04	
CIBP	10585' w/35' cmt 6-23-04	Morrow 10560'
Perfs:	Morrow	
	10817'-10836' 76 hls Jun 1975	

Hole Sizes 17-1/2" 339' 12-1/4" 4215' 7-7/8" 11,212'

Status: Temporarily Abandoned

TD 11212'

4-1/2" 13.5&11.6# N-80 @ 11,197'
Cmt w/450 sx Class "H"

cwb

5/8/2009

LakeFed1 wb diagram xls

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

Permanent Abandonment of Federal Wells
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 the approval date of this Notice of Intent to Abandon.

If you are unable to plug 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. 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 plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed prior to commencing any plugging operation. 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 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. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

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. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging 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 well was plugged.

8. **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.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.