

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

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 reverse side

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Vernon E. Faulconer, Inc.

3a. Address

P.O. Box 7995, Tyler, TX 75711

3b. Phone No. (include area code)

903-581-4382

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 1980' FWL

Section 25, Township 23 South, Range 26 East

5. Lease Serial No.

NM-027994-A

6. If Indian, Allottee or Tribe Name

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

NM061P35-85C537

8. Well Name and No.

MOBIL FEDERAL #1

9. API Well No.

30-015-21227

10. Field and Pool, or Exploratory Area

SOUTH CARLSBAD (MORROW)

11. County or Parish, State

EDDY CO., NEW MEXICO

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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	SURFACE COMMINGLING
	<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 recompleat 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.)

Operator wishes to install a single compressor on the State K 3328 #1 well located in Sec. 36C, Township 23S, Range 26E, Eddy Co., NM. to compress the gas from the State K 3328 #1 and the Mobil Federal #1, and Forehand Federal 25 COM #1 wells, both located in Sec 25F, Township 23S, Range 26E, Eddy Co., NM. The economies of scale will result in extending the economic life of all these wells.

A discharge sales meter will be installed downstream of the compressor and gas sales will be allocated back to each of the three wells based on individual flow percentages. The flow percentage will be calculated by dividing the individual well's metered volume (numerator) by the sum of the three well's metered volume (denominator). This procedure is done for each well to determine its flow percentage. The sales volume is then allocated back to each well by multiplying the well's flow percentage by the metered sales volume. This procedure follows standard oilfield practice.

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

Roy Sloan Jr.

Title Engineer

Signature

Date June 5, 2000

Approved by

(ORIG. SGD.) DAVID R. GLASS

PETROLEUM ENGINEER

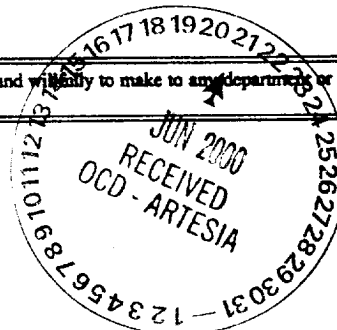
JUN 19 2000

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.

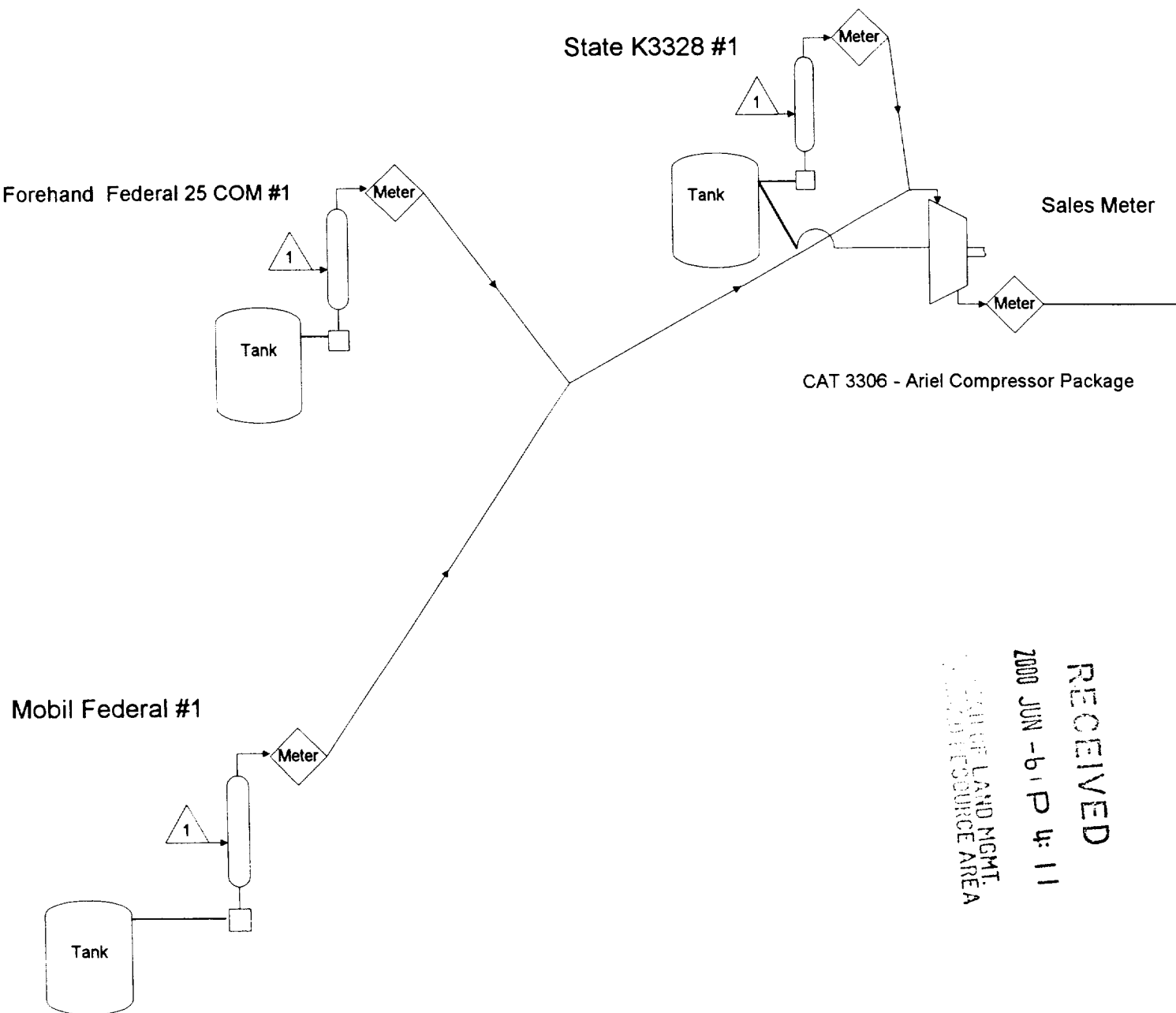
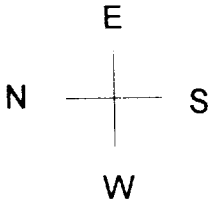
Office

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.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**



VERNON E. FAULCONER, INC.
SOUTH CARLSBAD
GATHERING SYSTEM
FLOW DIAGRAM



RECEIVED
2000 JUN -6 1 P 4: 11
SOUTH CARLSBAD
LAND MANAGEMENT
GATHERING SYSTEM SOURCE AREA

NOT TO SCALE