

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.**

5. Lease Serial No
NM-26692

6. If Indian, Allottee or Tribe Name

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)
Unit P, Sec 26, T18S, R33E, 510' FSL & 510' FEL

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

8. Well Name and No.
Federal "26A" No. 3

9. API Well No
30-025-39008

10. Field and Pool or Exploratory Area
EK; Bone Springs

11. Country or Parish, State
Lea, 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 checked="" type="checkbox"/> Other Downhole
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Commingle
	<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 recompleate 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 recompleation 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 this well in the EK; Delaware and Downhole Commingle with the EK; Bone Springs.

Please see attached procedure.

RECEIVED

MAY 12 2009

HOBBSOCD

OHC-4183

Approval Subject To Like Approval From State (NMOC)

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

Kim Tyson

Title Regulatory Analyst

Signature

Kim Tyson

Date 05/04/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

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)

APPROVED

MAY 10 2009

JAMES A. AMOS
SUPERVISOR-EPS

Recommended Bone Spring Completion Procedure

Federal 26 A No. 3

510' FSL & 510' FEL

Sec 31, T-18-S, Range 33-E

API #30-025-39008

A.F.E. No.

OBJECTIVE:

Comingle Delaware and Bone Springs

WELL DATA:

13-3/8" 48 H-40&54.5# K-55 casing:	Set at 1531.06' w/ 950 sx, circ 96 sx cement
8-5/8" 32# J-55:	Set at 3098.01' w/1050 sx, circ 209 sx cement
5-1/2" 17# J-55&N-80 LT&C casing:	Set at 9950.66', DV Tool @ 6391.59', 1 st stage cmt w/650 sx, cir. mud flush.; 2 nd stage cmt w/775 sx – TOC 2008' by TS. Marker jts @ 5192.31', 9389.55'
Current Bone Springs Perfs:	9775-90, 9468-75, 9127-32, 9075-80, 8694-8704
Tubing:	2-3/8" @ 8505'. SN @ 8469'
KB:	17.5'
TD:	9970'
PBTD:	9902.94' FC

1. Set and receive half-frac flowback tank on location. Build flowline from wellhead to workover tank.
2. RUPU. Unseat pump and POW with rods and LD pump. Visually inspect rods while POW, and LD any damaged or pitted rods. Sent pump into shop for inspection.
3. NDWH and NU 7-1/16" 3k manual BOP equipped with 2-3/8" pipe rams and blind rams.
4. Unseat TAC and POW with tubing.
5. RUWL and RIW composite plug and set at +/- 5900'. Run 2000' (minimum) of GR correlation log +/-6000'-4000' correlated to Baker Hughes Compensated Z-Densilog, Compensated Neutron Log, Spectralog, Gamma Ray Log dated 11-Aug-2008.
6. RIW with 2-3/8" collar, 2-3/8" sn, and 2-3/8" tubing to put end of tubing @ 5740'. RU pump truck and displace well with 2% KCl water and spot 500 gallons of 7-1/2% double-inhibited NEFE HCl acid containing 5 gpt Ferrotrol 300-L, 6 gpt Ferrotrol 270, 2 gpt Ferrotrol 271, 1 gpt CI-27, 1/2 gpt Claymaster 5C, 1 gpt NE 940, 2 gpt LT-21 @ 5740'. Displace spot acid with 2% KCl water. POW with tubing.
7. RUWL and perforate Delaware Cherry Canyon w/ 3-1/8" slick casing gun as follows:

5702'-30' w/ 1 JSPF, 60 degree phased, 0.40" EH, 29h

Total - 29 holes. POW w/ WL, make sure all shots fired and RDWL.

8. RU pump truck on casing and displace spot acid into perforations using 12 bbls of 2% KCl water at 3 bpm and 2000 psi maximum pressure. Record ISIP, 5", 10", & 15" shut-in pressures. Report results to Midland Office.
9. RIW with 5-1/2"x2-3/8" treating packer, SN and 2-3/8" EUE N-80 8rd tubing to +/-5650' and set packer in 14 pts compression.
10. Swab back spent acid and evaluate hourly fluid entry rates.
11. Release packer and POW with 2-3/8" tubing.

12. ND BOP, NU 5K Downing wellhead isolation tool, 5k frac valve, and flowback equipment. RU pump truck and test 9-5/8" x 5-1/2" annulus to 1,000 psi for 20". Report results to Midland Office.
13. Set 4 - 500 bbl clean frac tanks. Fill each to maximum capacity with 2% powdered KCl water.
14. RU Service Company. RU backside pump truck and pressure 5-1/2" x 9-5/8" annulus to 1000 psi and monitor throughout job. Frac Delaware in two stages via 5-1/2" casing according to frac proposal to follow. **Max allowable surface treating pressure = 4,300 psi (80% of 17#/ft J-55 IYP of 5320 psi):**

Stage 1:

- a. Frac Delaware Cherry Canyon perfs 5702' - 30' spearheading 1,000 gals of 7-1/2% HCl acid + frac design to follow. On flush spot 1,000 gallons 7-1/2% HCL acid (blend as above) at 8435'-9435'.
- b. RUWL. RIW w/ Weatherford 5-1/2" composite plug and 3-1/8" slick casing gun and set 6k composite **plug at +/- 5450'**. Perforate *Delaware Bell Canyon* as follows:

Delaware Bell Canyon @ 5356' - 87' w/1 JSPF, 60 degree phased, 0.40" EH, Total - 32 holes. Correlate perfs to GR/CCL strip log obtained from above. POW w/ WL, make sure all shots fired and RDWL.

Stage 2:

- a. Frac Delaware Bell Canyon perfs 5356'-87' spearheading 1,000 gal 7-1/2% HCl + frac design to follow. On flush spot 1,000 gallons 7-1/2% HCL acid (blend as above) at 5300'-5200'.

RUWL. RIW w/ Weatherford 5-1/2" composite plug and 3-1/8" slick casing gun and **set Weatherford 6k composite plug at +/- 5320'**. Perforate *Delaware Dolomite Stray @ 5267' - 78' w/1 JSPF, 60 degree phased, 0.40" EH, Total - 12 holes*

15. Use frac company pump truck to displace spot acid into Delaware dolomite perforations with 24 bbls 2% KCl water. Record ISIP, 5", 10", and 15" shut-in pressures. RD frac company and wireline service company. ND Frac Valve and 5-1/2" wellhead isolation tool and NU BOP.
16. RIW with 5-1/2"x2-3/8" treating packer, SN and 2-3/8" EUE N-80 8rd tubing to +/-5200' and set packer in 14 pts compression.
17. Swab back acid load and evaluate hourly fluid entry rates from *Delaware Dolomite Stray*.
18. An acid ball job recommendation will be provided if further stimulation is required. POW with tubing and packer.
19. NU BIW stripper rubber and RU reverse unit and RIW w/ 4-3/4" Smith D-2 mill, seating nipple, and tubing to top of composite plug at +/- 5320'. RU XH flowback manifold with double chokes and flowback iron with plug catcher on inlet side of manifold, and lay line to reverse pit, and test tank.
20. Drill out composite bridge plugs at 5320', 5450', and 5900'. Circulate well clean after each plug and check for sand entry while circulating. Continue RIW and clean out to

PBTD 9,902' and circulate well clean. Note flow rate and pressure after drilling each plug and report on daily drilling reports.

21. POW with tubing and LD BHA.
22. RIW with production tubing and rods according to recommendation to follow. Hang well on bridle and put well back on production.
23. Clean location and wellhead.
24. Report daily well test to Midland office on drilling reports.

CSL