

State of New Mexico
Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



April 2, 2012

Fasken Oil and Ranch, Ltd.
Attn: Jimmy D. Carlile
303 West Wall, Suite 1800
Midland, TX 79701

Email: jimmyc@forl.com

**Notice of Termination of Authority to Inject into the El Paso "3" Federal Well No. 1
(API #30-015-20906), Administrative Order SWD-1174**

Dear Operator:

On May 27, 2009, the Oil Conservation Division issued Administrative Order SWD-1174 (hereinafter, "Disposal Order") to Fasken Oil and Ranch, Ltd. (hereinafter, "Fasken"), authorizing injection into the El Paso "3" Federal #1. Division records show Fasken as the operator of record of the well.

The Disposal Order provides that the disposal authority granted by the Disposal Order shall terminate one year after the effective date of the Disposal Order if the operator has not commenced injection operations into the well unless the division, upon written request mailed by the operator prior to the termination date, has granted an extension.

Additionally, Division Rule 19.15.26.12.C NMAC states:

C. Abandonment of injection operations.

- (1) Whenever there is a continuous one year period of non-injection into all wells in an injection or storage project or into a salt water disposal well or special purpose injection well, the division shall consider the project or well abandoned, and the authority for injection shall automatically terminate ipso facto.
- (2) For good cause shown, the director may grant an administrative extension or extensions of injection authority as an exception to Paragraph (1) of Subsection C of 19.15.26.12 NMAC, provided that any such extension may be granted only prior to the end of one year or [sic] continuous non-injection, or during the term of a previously granted extension.

Division records show that the division approved Fasken's written request to extend the deadline of the Disposal Order beyond the one year deadline to commence injection operations. The division extended the deadline to commence injection operations to May 27, 2011. Division records do not show any other written requests to extend the deadline further.


Division records (a copy of which is enclosed) do not show the commencement of injection operations into the El Paso "3" Federal Well No. 1. Division records show the El Paso "3" Federal #1 as plugged, site released. The last injection reports that were filed for the El Paso "3" Federal #1 were for the August 2009 reporting period. No injection reports have been filed for subsequent reporting periods.

Therefore, Administrative Order SWD-1174 has terminated pursuant to its own terms and Division Rule 19.15.26.12.C NMAC.

If Fasken wishes to inject into the well, it will have to apply for authority to inject with the Division's Engineering Bureau. Please contact Will Jones in the Division's Engineering Bureau at (505) 476-3448 or william.v.jones@state.nm.us to discuss this matter further.

Please feel free to contact me at (505) 476-3493 or daniel.sanchez@state.nm.us if you have any questions.

Sincerely,



Daniel Sanchez
New Mexico Underground Injection Control Program Director

cc: Richard Inge, OCD Artesia
Randy Dade, OCD Artesia
William Jones, OCD Santa Fe
Theresa Duran-Saenz, OCD Santa Fe
Jimmy Davis, jimmyd@forl.com

30-015-20906 EL PASO 3 FEDERAL #001 [18192]**General Well Information****Status:** Plugged, Site Released**History****Comments****Operator**

Company: [151416] FASKEN OIL & RANCH LTD
Address: 303 West Wall, Suite 1800
Midland, TX 79701
Country: U.S.A.
Main Phone: 432-687-1777

Central Contact Person

Name: Jimmy D. Carlile
Phone: 432-687-1777
Cell: 432-349-0369
E-Mail Address: jimmyc@forl.com

Title: Regulatory Affairs Coordinator
Fax: 432-687-1570

Hobbs Contacts

Name: Jimmy Davis
Phone: 432-687-1777
Cell: 432-557-5668
E-Mail Address: jimmyd@forl.com

Title:
Fax: 432-687-1570

Artesia Contacts

Name: Jimmy Davis
Phone: 432-687-1777
Cell: 432-557-5668
E-Mail Address: jimmyd@forl.com

Title:
Fax: 432-687-1570

Pits**Casing****Well Completions**

[71080] AVALON;STRAWN (GAS)	Status: Zone Permanently Plugged	Last Produced: 11/1/2003
[73695] CALABAZA DRAW;ATOKA (GAS)	Status: Zone Permanently Plugged	Last Produced: 11/1/2003
[97320] AVALON; WOLFCAMP SOUTHEAST	Status: Zone Permanently Plugged	Last Produced: 2/1/2004
[97043] FOSTER DRAW; DELAWARE (OIL)	Status: Zone Permanently Plugged	Last Produced:
[71040] AVALON;UPPER PENN, NORTH (GAS)	Status: Zone Permanently Plugged	Last Produced: 4/1/2008

Financial Assurance**Compliance**

Note that Financial Assurance and Inactive Well Compliance are documented in separate reports ([Inactive Well Report](#), [Financial Assurance Report](#)).

Also note that some compliance issues are addressed at the operator level so not listed under each well.

Complaints, Incidents and Spills

No Incidents Found

Please note that incidents that impact ground water are recorded along with "facilities" which may not be wells, so although the initial report may be recorded here as a spill, information related to the abatement plans, remediation plans and ground water impact information are not yet part of this application.

Orders

ACO - Inactive Wells ACOI-109-0

Downhole Commingling DHC-1179-0

Salt Water Disposal SWD-1174-0

Non-Standard Location NSL-604-C

Non-Standard Location NSL-604-A

Non-Standard Location NSL-604-0

Non-Standard Location NSL-604-B

Production / Injection

[Show All Production](#)
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Earliest Production in OCD Records: 12/1992					Last 4/2008				
Time Frame	Production				Injection				
	Oil(BBLS)	Gas(MCF)	Water (BBLS)	Days P/I	Water (BBLS)	Co2(MCF)	Gas(MCF)	Other	Pressure
1992 Cumulative	25837	737574	1838	99	0	0	0	0	0
1993	363	30205	529	362	0	0	0	0	0
1994	721	119506	127	699	0	0	0	0	0
1995	216	74513	113	730	0	0	0	0	0
1996	903	59062	1109	722	0	0	0	0	0
1997	323	45821	543	716	0	0	0	0	0
1998	232	34549	250	714	0	0	0	0	0
1999	201	28201	252	708	0	0	0	0	0
2000	228	23809	267	720	0	0	0	0	0
2001	119	18218	59	706	0	0	0	0	0
2002	84	18269	65	710	0	0	0	0	0
2003	856	15111	51	659	0	0	0	0	0
2004	80	104	0	2	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0
2007	16	800	126	101	0	0	0	0	0
2008	0	169	0	61	0	0	0	0	0
2009									
AVALON;UPPER PENN, NORTH (GAS)									
Jan	0	0	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0	0
Jul	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0
Sep	0	0	0	0	0	0	0	0	0
Oct	0	0	0	0	0	0	0	0	0
Nov	0	0	0	0	0	0	0	0	0
Dec	0	0	0	0	0	0	0	0	0
Pool Total:	0	0	0	0	0	0	0	0	0
Annual Total:	0	0	0	0	0	0	0	0	0
2010									
AVALON;UPPER PENN, NORTH (GAS)									
Jan	0	0	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0	0	0
Mar	0	0	0	0	0	0	0	0	0
Apr	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0
Jun	0	0	0	0	0	0	0	0	0

Jul	0	0	0	0	0	0	0	0	0
Aug	0	0	0	0	0	0	0	0	0
Pool Total:	0	0	0	0	0	0	0	0	0
Annual Total:	0	0	0	0	0	0	0	0	0
Grand Total:	30179	1205911	5329	7709	0	0	0	0	0

Transporters
