

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

AMENDED

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

| | | |
|--|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-025-05283 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> |
| 2. Name of Operator Fasken Oil and Ranch, Ltd. | | 6. State Oil & Gas Lease No. |
| 3. Address of Operator 303 W. Wall, Suite 1800, Midland, TX 79701 | | 7. Lease Name or Unit Agreement Name Denton SWD |
| 4. Well Location Unit Letter <u>C</u> : <u>1980</u> feet from the <u>South</u> line and <u>990</u> feet from the <u>West</u> line Section <u>11</u> Township <u>15-S</u> Range <u>37E</u> NMPM County <u>Lea</u> | | 8. Well Number <u>6</u> |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3797' - GR</u> | | 9. OGRID Number 151416 |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> | | 10. Pool name or Wildcat Denton; Devonian |
| Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ | | |
| Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ | | |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL. ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Convert to SWD ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

8/3-08/29/07 Notified New Mexico OCD, Chris Williams, on 8/1/07 @ 3:50 pm CST of intent to convert and equip well for SWD w/ work initiating on 8/2/07. RUPU, NDWH and NU adaptor flange and BOP. RU pump truck and transport and reverse circulated well with 220 bbls of 3% Kel wtr. POW and LD tbg. Welder cut off WH bolts on tbg head. PU on "B" section of WH and found 5-1/2" x 2-5/8" csg stub looking up and NUWH Backhoe dug out wellhead, plumbed surface csg and intermediate csg valves to surface and backfilled cellar. ND BOP and 11" 3M Larkin type tbghead and NU 11" 3M x 7-1/16" 3M tbghead and BOP. Released RBP @ 9045' and POW. LD pkr and RBP. POW w/ WS. Began to fish 5-1/2" Baker Model "D" pkr @ 9093' starting moving down free. Chased pkr to 9277'. POW with WS and tools, found pieces in shoe. Continued fishing Baker Model "D" pkr @ 9277'. Recovered piece of pkr. RIW with #6 cutrite shoe; 4-5/8" smooth OD x 3-5/8" rough ID dressed with 6 diamond and 6 wire catchers and finger basket, 2 - 4-1/2" x 4' extensions, jars, DC's and SN on WS. PU swivel, NU JU stripper and continued cutting over fish (pkr) @ 9318', unable to circulate. Dry drilled on fish. LD swivel, ND JU stripper and POW w/ WS and tools. Finish RIW with bit and DC's on WS, PU swivel, NU JU stripper, circulated and drilled up remainder of fish (Baker Model "D" pkr) from 9318' - 9320'. Continued drilling cement from 9320' - 9365', circulated well clean and LD swivel. RIW with bit and DC's on WS to 10,550' and circulated well clean. Continued on attachment.

SWD-1018

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Gloria Holcomb TITLE Engineering Tech. DATE 10/04/07

Type or print name Gloria Holcomb

E-mail address: gloriah@forl.com

Telephone No. (432) 687-1777

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____

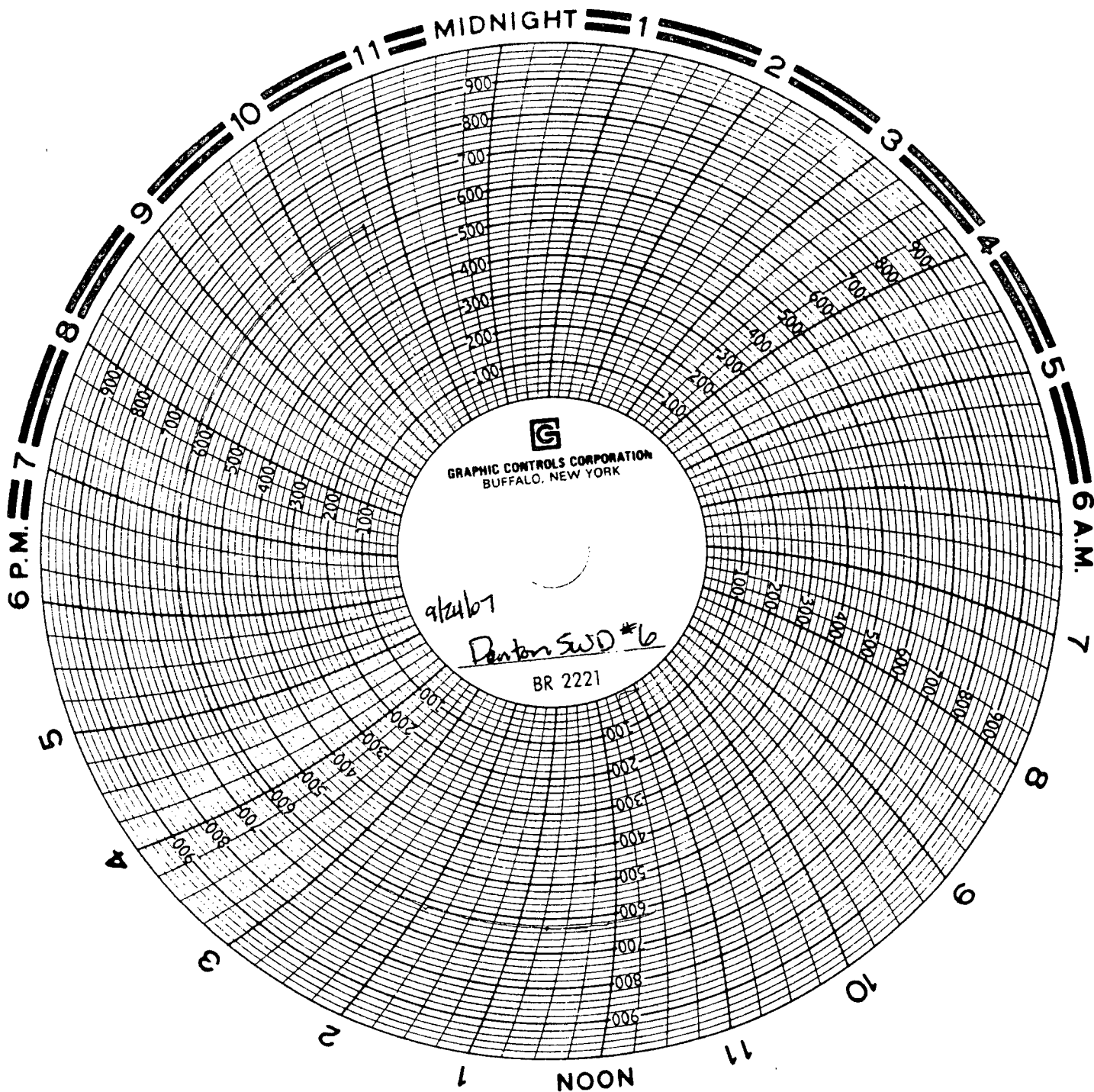
AMENDED

Denton SWD No. 006

30-025-05283

C-103 continued

8/17-09/24/07 ND JU stripper and POW. Loaded and pressured 5-1/2" csg and established injection rate of 1-1/2 bpm @ 600 psi into perfs @ 9147' - 9308' and released pressure. RIW with 5-1/2" CICR, SN, 286 jts 2-7/8" WS and 2-7/8" x 10' N-80 8rd tbg sub. Set CICR @ 9034' and pressured tbg to 3000 psi with no leak off. Pressured tbg/csg annulus to 500 psi with no leak off. RU Halliburton and tested lines to 3500 psi and pressured tbg/csg annulus to 500 psi. Pressured tbg and established injection rate of 2 bpm @ 800 psi into perfs @ 9147' - 9308'. Pumped 5 bbls of FW spacer, 500 gals of FLO-CHEK A, 5 bbls of FW spacer, 10 bbls of 10% Calcium Chloride water, 5 bbls of FW spacer, 200 sx Premium Cement with 0.4% Halad R-322 (s.w. 15.6 ppg, yield 1.19 ft³, 42 bbls of slurry), plus 200 sx Premium Cement with 5 lb/sk Microbond (s.w. 15.6 ppg, yield 1.25 ft³/sk, 45 bbls of slurry). Displaced cement with 20 bbls of FW (total tbg displacement = 52 bbls) and squeezed perfs to 3500 psi. Stung out of CICR, POW to 8060' and reversed out 54 sx of cement with 1200 psi circulating pressure and RD Halliburton. Squeezed 247 sx of cement under CICR and 99 sx of cement left on top of CICR. POW. RIW and washed and drilled soft cement from 8085' - 9034' and drilled CICR from 9034' - 9037', drilled cement from 9037' - 9309' and fell out of cement. Circulated well clean. Pressured 5-1/2" csg to 600 psi for 30" w/ no pressure loss. RIW with bit and csg scraper to 10,501'. RU pump truck and chart recorder and pressured csg to 600 psi for 1 hr with no pressure loss. Bled pressure off casing and RD chart recorder. Pickled tbg w/ 500 gals of 15% acid and reversed out acid and displaced well w/ 250 bw. RD pump truck. RU pump truck on tbg and spotted 500 gals 15% NEFE DI acid @ 10,120' and displaced acid with 54 bbw. POW and loaded well with BW and RD pump truck. RUWL and ran GR-CCL strip log from 10,380' - 9380' correlated to Lane Wells GR/Neutron Log dated 12/5/52 and set 5-1/2" CIBP @ 10,350'. POW and LD tools. RIW w/ dump bailer and capped CIBP with 35' of cement. New PBTD @ 10,315' and POW, LD bailer and RDWL truck. RUWL and full lubricator and made 15 perforating runs with 3-1/8" expendable csg guns loaded with 4 JSPF 120 degree phased, correlated to Lane Wells GR/Neutron Log dated 12/5/52 and perforated 5-1/2" csg from top/down @ 9700' - 9860' and 9895' - 10,120' (1540 holes total). RD lubricator and WL truck. RIW with tools and tagged up @ 9154' (squeezed perfs @ 9147' - 9308'), RD pump truck. RIW and milled out tight spot from 9154' - 9155' (squeezed perfs @ 9147' - 9308'). RIW to 10,306' with no other tight spots found. POW. RIW and tagged up @ 9154'. Unable to work tools through tight spot. POW and LD pkr and RBP. RIW and set RBP @ 10,160' and set pkr @ 9605'. RU pump truck, loaded tbg/csg annulus with 12 bbw and pressured csg to 600 psi for 30" with no pressure loss. Released pressure, released pkr and reset @ 9865'. Pumped 25 bbw down tbg/csg annulus and attempted to load with no success; perfs 9700'-9860' on vacuum. Pumped 12 bbw down tbg and established injection rate of 3 bpm @ 400 psi into perfs at 9895'-10,120' and released pressure. RD pump truck. RU Rising Star Services and tested lines to 4000 psi. RU pump truck to pump on tubing casing annulus and pumped 1 bpm during acid job. Acidized perfs 9895'-10,120' with 5000 gals 15% DI NEFE acid and 4000# graded rock salt. Average injection rate 4.2 bpm @ 1160 psi. ISIP- vacuum. Pumped 95 bbw down tbg/csg annulus @ 1 bpm at 720 psi during acid job. Released pkr and RIW and tagged salt bridge @ 9969'. RU pump truck on tubing and washed out salt bridges from 9969'-10,120'. RIW and engaged and released RBP @ 10,160'. POW and reset RBP @ 9876' and set pkr @ 9865' and tested RBP to 1000 psi for 30" with no pressure loss. Released pressure and reset pkr @ 9605', loaded tbg/csg annulus and pressured csg to 650 psi with no pressure loss. Acidized perfs 9700'-9860' with 5000 gals 15% NEFE acid and 3300# graded rock salt. Average injection rate 4.3 bpm @ 1100 psi. ISIP- vacuum. Released pkr and tagged salt bridge @ 9842', pumped down tbg with no circulation and washed out salt bridges from 9842'-9860'. RIW and released RBP @ 9876' and POW to 8818'. POW and LD 2-7/8" WS and tools. RIW with 5-1/2" x 2-7/8" x 4-1/2" OD nickel plated IPC Arrow Set 1X pkr with pump out plug (set at 9623'), 2-7/8" x 2.31" ID SS profile nipple, 5-1/2" x 2-7/8" x 4-1/2" OD nickel plated IPC T-2 TOSSD, 2-7/8" 8rd pin x 3-1/2" 8rd box x 4-1/2" OD nickel plated IPC x-over on 9 jts 3-1/2" 9.30# L-80 EUE 8rd tbg. Tubing set @ 9625.60'. ND BOP. RU pump truck and loaded 5-1/2" x 3-1/2" tbg/csg annulus w/ 2 bbw and pressure tested packer and annulus to 600 psi for 30" with no pressure loss. RU on 3-1/2" tbg and loaded tubing w/ 84 bbw and NDWH and released TOSSD. Circulated well w/ 120 bbls brine water containing pkr fluid. Engaged TOSSD and NUWH; pressured tbg/csg annulus to 600 psi for 30" w/ no pressure loss. Released pressure. RU pump truck and chart recorder and pressured tubing casing annulus to 620 psi for 30" with no pressure loss - Chris Williams w/NMOCD approved - 09/24/07. Chart attached.



505/396-1840

Armando Ruete

Stone Outfield Sexs

9-24-07

432/557-1800
Chubby Smith
FASVEN ON AND FASVEN, LTD
9/24/07

District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-145
Permit 57198

Change of Operator

10/18/07
STILL NO LOGS

Previous Operator Information

OGRID: 240974
Name: LEGACY RESERVES
OPERATING, LP
Address: P. O. BOX 10848
Address:
City, State, Zip: MIDLAND, TX 79702

New Operator Information

Effective Date: 7/1/2007
OGRID: 151416
Name: FASKEN OIL & RANCH LTD
Address: 303 West Wall, Suite 1800
Address:
City, State, Zip: Midland, TX 79701

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

New Operator

Signature: Paul T. Home
Printed Name: Paul T. Home
Title: UP - Operations
Date: 7/13/07 Phone: 432 682-9988

Signature: Mark B Merritt
Printed Name: Mark Merritt
Title: Oil and Gas Manager
Date: 7/13/07 Phone: 432 687-1777

NMOCD Approval

Electronic Signature: Paul Kautz, District 1
Date: July 13, 2007

C104A Report

✓ District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form E-145
Permit 27076

Change of Operator

Previous Operator Information

OGRID: 2936
Name: BROTHERS PROD CO INC
Address: PO BOX 7515
Address:
City, State, Zip: MIDLAND, TX 79708

New Operator Information

Effective Date: 4/1/2006
OGRID: 240974
Name: LEGACY RESERVES OPERATING, LP
Address: 303 W WALL
Address: SUITE 1600
City, State, Zip: MIDLAND, TX 79701

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Previous Operator

Signature: Travis McGraw
Printed Name: Travis McGraw
Title: Vice President
Date: 5/3/06 Phone: 432-682-2516

New Operator

Signature: Paul T. Horne
Printed Name: Paul T. Horne
Title: Vice President - Operations
Date: 5/2/06 Phone: 432-682-2516

NMOCD Approval

Electronic Signature: Paul Kautz, District 1

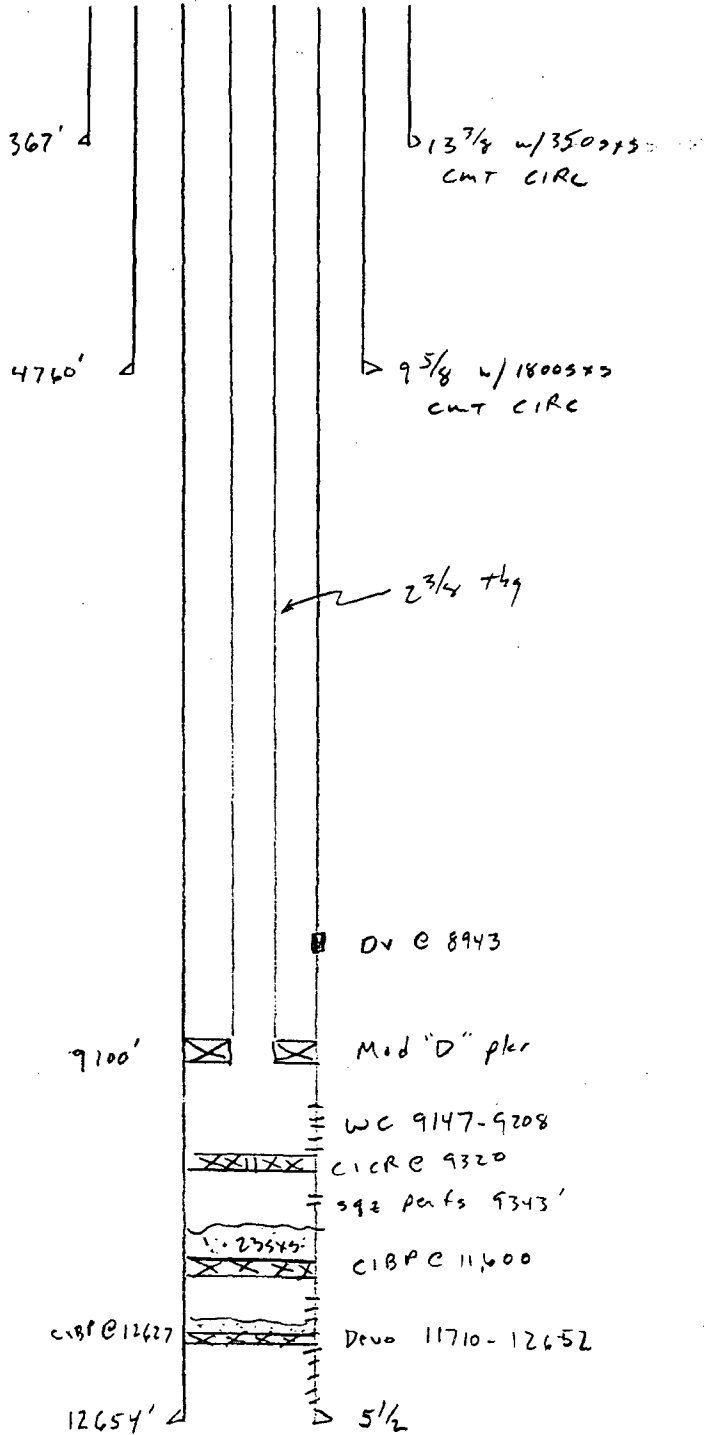
Electronic Signature: Carmen Reno, District 2

Date: June 08, 2006

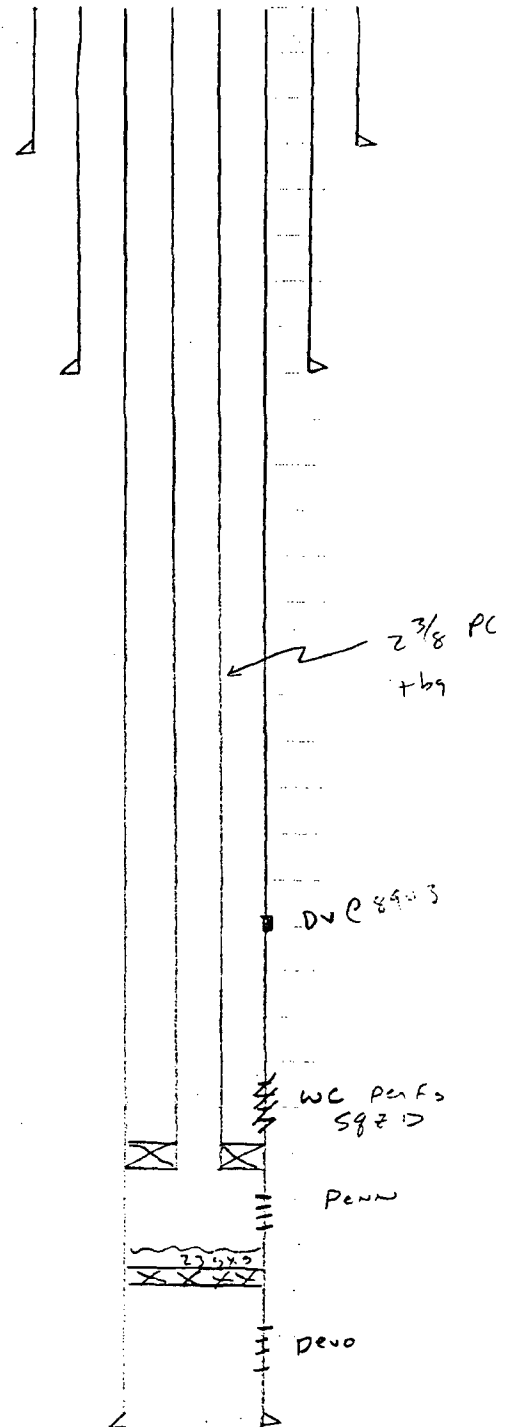
Submitted 5/9/06

BROTHERS PRODUCTION CO., INC.
J.M. DENTON # 9
1980 FSL 990 FNL sec 11

BEFORE



AFTER



Jones, William V., EMNRD

From: Prichard, Sharon, EMNRD
Sent: Tuesday, October 23, 2007 2:49 PM
To: Jones, William V., EMNRD
Subject: FASKEN J M DENTON #9 - 30-025-05283

Will, we received a copy of the logs you requested for re-instatement of Order SWD-1018. They have been scanned into the log files for this API and I am forwarding you the hard copy of them.

Thanks,

Sharon

10/24/2007

Jones, William V., EMNRD

From: Jimmy Carlile [jimmyc@forl.com]
Sent: Monday, October 22, 2007 2:49 PM
To: Jones, William V., EMNRD
Cc: Mull, Donna, EMNRD; Sanchez, Daniel J., EMNRD; Ezeanyim, Richard, EMNRD; Williams, Chris, EMNRD
Subject: RE: Denton SWD Wells

First, the J. M. Denton No. 9 (30-025-05283) is the well under consideration. Fasken will re-name and number the well to the Denton SWD No. 6 after we get all the permitting and other paperwork straightened up.

Rule 701(B)(2) - Brothers Production Company's notice in their September 14, 2005 application is still accurate. The surface owner is Darr Angell. The offset operators are Fasken, Legacy (formerly Brother's) and Americo. Journey was also noticed in 2005, but Legacy has acquired all Journey's interests in the Denton area.

There have been no new wells drilled within the 1/2 mile area of review.

Rule 40 eligibility is ok. Fasken (embarrassingly) has 4 wells out of our 136 total on the inactive list. We did an MIT on one two weeks ago and filed the paperwork last week. That well should be off the list shortly. Two others were missed in our monthly check and will be tested Wednesday, October 24 (BLM has approved our MIT request on these two). One other has been scheduled for a recompletion attempt but it just wasn't high enough on the priority list (marginal economics) to get to it yet. Hopefully in the next month.

As to SWD-1018 requirements, the CIBP and cement were placed in the well on 9/12/07. The initial static fluid level in the well is 1200 psi. The MIT was run on 9/25/07. The only things we were missing was the submittal of logs to the Hobbs office and the bradenhead test. Logs are in the mail today, and the bradenhead test has been scheduled through Chris Williams for tomorrow (Tuesday) at 1:30 pm.

I hope this data will allow for your quick review and authorization to begin injection. We have done all the necessary well work to get the well bore ready for disposal. The flowline is being laid and should be complete by tomorrow, Tuesday, October 23. This well is important in our effort to take some of the stress off the Denton SWD System by adding additional capacity. Obviously we would hope to begin disposal into this well bore in the next week or so. Reality is we are the only ones liable for not verifying the extension of Order SWD-1018.

Please let me know if you need any information concerning this effort. I will be glad to provide any other data.

Jimmy D. Carlile
Regulatory Affairs Coordinator
Fasken Oil and Ranch, Ltd.
(432) 687-1777

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Wednesday, October 17, 2007 9:32 AM
To: jimmyc@forl.com
Cc: Mull, Donna, EMNRD; Sanchez, Daniel J., EMNRD; Ezeanyim, Richard, EMNRD
Subject: RE: Denton SWD Wells

Hello Jimmy:
Sounds like the #9 well is the one? If so...

One of the first things would be for you to check the NEW wording of Rule 701B(2) which is the AOR notice requirements. The first question I would have is if you compare the original notices sent by Brothers (see the imaged file SWD-1018) to the new notice requirements (your landman research) and see if any new parties would be notified. Let me know what you find out.

10/22/2007

Next, check and see if any new wells have been drilled in the 1/2 mile AOR in the past two years - we must check cement tops on those wells.

Next, check Fasken's RULE 40 eligibility for injection permits - inactive wells must be less than a certain number to qualify for new injection permits.

The other thing is if you read SWD-1018, it has some requirements, such as turn logs over to Hobbs, estimate current pressure in the injection formation - that have not yet been done.

Then, let me know the estimated date you MUST have this well on for injection. If there is a definite time crunch, and the above items are addressed, then we could work with you.

Regards,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

From: Jimmy Carlile [mailto:jimmyc@forl.com]
Sent: Wednesday, October 17, 2007 8:18 AM
To: Jones, William V., EMNRD; gloriah@forl.com
Cc: Ezeanyim, Richard, EMNRD; Sanchez, Daniel J., EMNRD; Mull, Donna, EMNRD
Subject: RE: Denton SWD Wells

Will,

I have been out Monday and Tuesday and got your email this morning. We are checking into this problem. But I will venture a guess as to what happened.

Fasken and Legacy Reserves (formerly Brothers Production Company) are partners in the Denton SWD System. In order to add capacity to the existing SWD System and relieve pressures on the system Legacy offered to donate a well to the system. As a result Fasken acquired the J M Denton No. 9 (30-025-05283) from Legacy to convert into a disposal well for the Denton SWD System. Legacy had permitted the well under Order SWD 1018 approved on December 29, 2005. Legacy informed us that the order had been extended until December 29, 2007.

Legacy had also permitted their J M Denton No. 6 (30-025-05280) under Order SWD 1017. Legacy had informed us that this order was also extended until December 29, 2007.

It appears that Legacy only applied for an extension for SWD 1017. We are checking with Legacy to see if they have proof of both extensions.

Again, this is my best guess at the moment as to what has occurred. At any rate, we have performed the well work on the J M Denton No. 9 in preparation for use as a disposal well. However, the disposal line has not been laid and we have not begun disposal into the well.

As soon as I have concrete information, I will give you a call so we can discuss the next steps we need to make.

Jimmy D. Carlile
Regulatory Affairs Coordinator
Fasken Oil and Ranch, Ltd.
(432) 687-1777

-----Original Message-----

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]

10/22/2007

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, October 16, 2007 5:10 PM
To: 'gloriah@forl.com'
Cc: Jimmy D. Carlile (jimmyc@forl.com); Ezeanyim, Richard, EMNRD; Sanchez, Daniel J., EMNRD; Mull, Donna, EMNRD
Subject: Denton SWD Wells

Hello Gloria:

The OCD in Hobbs received a detailed sundry from you showing work to convert on of the Denton wells to injection.

There may be a confusion with whether this well number is 6 or is 9 - maybe because of a mistaken API and Location?

The well no. 6 was permitted for injection with SWD-1017 and the deadline extended to the end of 2007. The well no. 9 was permitted with SWD-1018 and the deadline never extended - so that order has expired and that well can not be converted to injection without a new SWD permit being issued. Your sundry shows the API number and well location for well no. 9 but does show well no. 6.

Please review the permits, the well names, locations, and API numbers, and decide which well this work really happened on and send Donna in Hobbs a corrected Sundry with the correct well number, and API number and well location.

If this work was really done on well no. 9 and injection started, then please notify Jimmie Carlisle about the injection violation and ask him to contact Daniel Sanchez or myself in Santa Fe.

Thank You,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

10/16/2007

Jones, William V., EMNRD

Full Name: Jimmy D. Carlile
Last Name: Carlile
First Name: Jimmy
Job Title: Regulatory Affairs Coordinator
Company: Fasken Oil and Ranch, Ltd.

Business Address: 303 West Wall Avenue
Suite 1800
Midland, TX 79701-5116

Business: (915) 687-1777
Mobile: (915) 349-0369

E-mail: jimmyc@forl.com
E-mail Display As: Jimmy D. Carlile (jimmyc@forl.com)