DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
4/6/09		W. Jones	4/6/09	SWD 1174	pKAA0909650560

RECEIVED
2009 APR 6 PM 1 00

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505

30-015-20906
El Paso 3
Fed. No. 1
Fasken 151416

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☒ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☒ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kim Tyson	Kim Tyson	Regulatory Analyst	4-2-09
Print or Type Name	Signature	Title	Date

kimt@forl.com
e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

FORM C-108
Revised June 10, 2003

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: Fasken Oil and Ranch, Ltd.

ADDRESS: 303 W. Wall St., Ste. 1800, Midland, TX 79701

CONTACT PARTY: Kim Tyson PHONE: 432-687-1777

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Kim Tyson TITLE: Regulatory Analyst

SIGNATURE: Kim Tyson DATE: 4-2-09

E-MAIL ADDRESS: kimt@forl.com

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well.

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;

(3) The formation name and depth with expected maximum injection rates and pressures; and,

(4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

III. Well Data

A) Tabular Well Data

1. Packer Type – 5-1/2" x 2-3/8" nickel plated Weatherford Arrowset 1-X Double Grip Casing Packer with T-2 on/off tool, 316 SS Top Sub and 2-7/8" x 1.5" "F" SS seal nipple. Packer will be set at 5660'.

B) Proposed Injection Formation Data

1. Injection Formation Name: Bone Spring.
2. Injection Interval – 5754' to 8178' perforated.
3. Original Purpose of Well – Morrow gas
4. Perforated Intervals – (see attached wellbore diagram) Delaware 3266'-3304' (to be squeezed), 5300' 4 sqz holes, 6695' 4 sqz holes: zones below cement capped cast iron bridge plugs: Wolfcamp 8320'-40', Penn 9184'-9322', Strawn 9847'-9922', Atoka 9988'-10074', Morrow 10708'-10888'
5. Next Higher Oil/Gas Productive Zone – Delaware @ 3304'
   Next Lower Oil/Gas Productive Zone – Wolfcamp @ 8320'

VII. Proposed Operation

1. Average Daily Rate – 300 BPD
   Maximum Daily Rate – 1000 BPD
   Volume of Fluids to be Injected – 6,000,000 bbls
2. This will be a closed system.
3. Average Injection Pressure – 700 psi
   Maximum Injection Pressure – 1150 psi
4. Produced water from the Delaware will be injected into the Bone Spring interval. (See attached compatibility analysis)
5. See attached Bone Spring chemical analysis.

VIII. Geologic Data

1. Formation Tops

Geologic Name	Measured Depth (ft)	Sub Sea Depth (ft)	Total Vertical Depth (ft)
Delaware	2,290	907	2,290
Bone Spring Lime	4,216	-1,012	4,216
1st Bone Spring Sand	5,745	-2,541	5,745
2nd Bone Spring Sand	6,404	-3,200	6,404
3rd Bone Spring Sand	7,800	-4,596	7,800
Wolfcamp	8,179	-4,975	8,179
Penn Lime	9,124	-5,920	9,124
Strawn	9,594	-6,390	9,594
Atoka	9,950	-6.746	9,.950
Morrow Clastics	10,539	-7,335	10,539
Barnett Shale	10,895	-7,691	10,895

2. Injection Zone Lithology

Depth From (ft)	Depth To (ft)	Thickness (ft)	Lithology
5750	5900	150	Sand
5900	6500	600	Lime/Shale
6500	6850	350	Sand
6850	7850	1000	Lime/Shale
7800	8180	380	Sand

3. Drinking water zones:
Yates Formation: Surface to 320'
Average depth to water: 89'
Information from the State Engineer's Office.

IX. Stimulation Program - 16,000 gal NEFE 7-1/2% HCL acid .

X. Logging and Test Data

1. Logging data previously filed with Commission.

2. Test Data

Wolfcamp

D.S.T. # 1, 8320' -8355'

Tool opened @ 7:05 a.m., 8-22-73. Opened w/very good blow. At end of 2 mins. on 1/2" choke had 30# surface pressure, in 10 mins. GTS on 1/2" choke w/35# surface pressure, in 15 mins. on 1/2" choke had 35# surface pressure and rate of 220 MCF/D. Shut in 105 mins., reopened for 90'mins. on 1/2" choke.
Tool shut in 180 mins., recovered 1140' of fluid (1000' or 14 bbls. 49 deg. API condensate and 140' or 0.7 bbls. drilling fluid). Condensate and drilling fluid were reversed out of drill pipe. BHT 138 deg. F., IHP 4257, IPFP 138, FPFP 184 (15 mins.), ISIP 4029 (105 mins.), IFP 184, FFP 506 (90 mins.), FSIP 3938 (180 mins.), FHP 4212. Sampler recovery: 2.6 cubic ft. gas and 650 M.L. condensate.

D.S.T. # 2, 10,020' -10,130'

Tool did not open for initial flow, initial shut in not recorded. Tool opened for 2 hrs. w/good blow, GTS in 23 mins., max. rate 37 MCF/D on1/4" choke @ 12 psig, decreased to 31 MCF/D on 1/4" ck. @ 8 psig at end of test. Shut in 4 hrs. Recovered 180' gas cut mud. IHP 5537, IFP 107, FFP 107 (2 hrs.), FSIP 5558 (4 hrs.), FHP 5474. Time breakdown: 3-1/2 hrs. conditioning mud & 20-1/2 hrs. testing.

D.S.T. # 3, 10,620' -10,735'

Preflow & ISI failed. Tool open 4 hrs. w/good blow, GTS in 25 mins. Tool shut in 4 hrs. Recovered 625' of heavy gas cut mud. IHP 5705, IFP 300, FFP 665 (4 hrs.), FSIP 4550 (4 hrs. &still building), FHP 5600.

Preflow & ISI failed. Tool open 4 hrs. w/good blow, GTS in 25 mins. Tool shut in 4 hrs. Recovered 625' of heavy gas cut mud. IHP 5705, IFP 300, FFP 665 (4 hrs.), FSIP 4550 (4 hrs. &still building), FHP 5600.

D.S.T. # 4, 10,834' -10,870'

Tool open initially for 20 mins. w/fair blow, shut in 1 hr., reopened 1 hr. w/fair blow, shut in 2 hrs. Recovered 70' of mud -no show of oil, gas, or water. IHP 5801, Preflow 87, ISIP 437, IFP 87, FFP 87, FSIP 2626 (2 hrs.), FHP 5801.

D.S.T. # 5, 10,853' -10,955' (Straddle Packer Test)

Tool open 20 mins. w/10 psig on !,;" ck., shut in 67 mins., GTS 12 mins. after shut in, tool open 30 mins., stabilized @ 2 psig on !,;" ck., gas TS1M. Shut in 1 hr. Recovered 90' drilling mud. IHP 5862, PFP 99 133, ISIP 4292 &building, IFP 133, FFP 166, FSIP 4050 &building, FHP 5862.

D.S.T. # 6, 9895' -9997'

Shut in tool leaking while setting packers, GTS immediately, leak thru shut in tool for 15 mins. at 490 MCF/D. Moved tool to open position for 15 mins., rate increased to 1210 MCF/D on!,;" ck. w/815 psig. Moved tool to shut in position, but did not close tool. Mud to surface in 5 mins., gas rate increased to 3350 MCF/D on ~" ck. w/535# in 1-3/4 hrs. after setting packers. In 2 hrs. had 3350 MCF/D on ~" ck. w/53 psig. In 3 hrs. 3550 MCF/D on ~" ck. w/565 psig. In 3-3/4 hrs. 3820 MCF/D on ~" ck. with 610 psig. Very heavy mist of liquid at surface. Shut in &unseated packers. Reversed out 10 bbls. of 54 deg. API @ 60 deg.F distillate. IHP 5383, ISIP -failed, FFP 3513 @ 3-3/4 hrs., FHP 5348.

D.S.T. # 7, 9776' -9878'

Shut in tool failed, pulled drill pipe.

D.S.T. # 8, 9710' -9880'

Tool opened w/weak blow increasing to good. GTS in 15 mins. In 26 mins., 130 MCF/D on 1/4" ck. @ 90 psig. Packers failed, shut in tool. Attempted to reset 9700-9870'. Tool did not set & packers did not inflate.

D.S.T. # 9, 9686' -9860' (straddle packer test)

Tool opened for 30 mins., opened w/fair blow increasing immediately, GTS in 18 mins., at end of 30 mins. gas flow rate was 209 MCF/D on 1/4" ck. @ 142 psig. Shut in 90 mins. Reopened 3-1/2 hrs., opened with good blow of gas. At end of test surface pressure was inc. 2-1/2 psig every 10 mins. Shut in 7 hrs. Pulled to fluid, reversed out 300' of condensate & 550' of condensate cut drlg. fluid. IHP 5140, PFP 375 -398, ISIP 4409 in 1-1/2 hrs. IFP 422, FFP 843 in 3-1/2 hrs., FSIP 4180 in 7 hrs., FHP 5117.

D.S.T. # 10, 9314' -9435'

Opened tool w/ good blow, lost packer seat after 1 min. & shut in tool, GTS in 2 mins., reset packers 9274' -9395'. Opened tool -packers did not hold, shut in tool. Pulled DST #

10. Recovered 1000' of heavy gas cut drlg. fluid. Found both top packers (7") busted. Ran bit to 10,500' & circulated and conditioned hole.

D.S.T. # 11, 9156' -9399'

Tool open initially for 30 mins. w/good blow increasing to 20 psig on 1/4" ck. at end of 30 mins. SI for 105 mins. GTS in 6 mins. after shut in. Reopened tool for 90 mins., gas flow rate 78 MCF/O on 1/4" ck. w/40 psig surface pressure. SI 180 mins. Recovered 483' condensate & gas cut drlg. mud. IHP 4827, PFP 138 -184, ISIP 3549 in 105 mins., IFP 184, FFP 230, FSIP 3801 in 180 mins. (increasing), FHP 4804.

XI. Affirmative Statement

Upon examination of the available geologic and engineering data, no evidence of open faults or any other hydrologic connection between the proposed disposal zone and any underground sources of drinking water.

Stonnie Pollock

El Paso "3" Federal No. 1

Current as of: Dec 20, 2008

Well TA'd

GL: 3188.6'

KB: 3204'

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

Location: 489' FNL and 195' FEL of Lot 11 (old #ing)
2870' FEL & 2723.9' FNL Sec 3, T21S, R26E
Eddy County, NM

Compl.: 9/27/1973

API #: 30-015-20906

TD: 11,240'

PBTD: 9,762' Nov'03 (CIBP@9797' 'w/35' cmt)
10,480' Jan '93 (CIBP @ 10,500'w/2sx cmt)
10,945' Orig

Casing: **13-3/8" 48# H-40 @ 346'**
w/200sx Lite+100sx"C"+4yds rdymix
TOC surf

8-5/8" 24# K-55 @ 2267'
w/800sx Lite+300sx"C"+140 sx by1" tbg
TOC surf

5-1/2" @ 10,997'
w/ 650 sx "C"
5-1/2" primary TOC 6796' by CBL

Remedial: CR 5100', sqz holes(4) 5300',
Cmt w/525sx Super"H" (13.2 ppg, yld 1.64 cf/sk)
5-1/2" remed.TOC 2084' by CBL

Tbg: Layed down tbg 12-20-08

Perfs & plugs:

Delaware 3266-71', 88'-90', 3302'-04' (Dec 16, 2008)

CmtRet 5100' pmp 525 sx (Dec 14,2008)

Sqz holes 5300' (4 spf, Dec 13,2008)

Plug 1 40sx 8194'-7828' (dec 12, 2008)

Plug 2 25sx 6694'-6436' (dec 12, 2008)

Sqz holes 6695' (4 spf, Dec 12,2008)

CIBP 8250' w/cmt (Dec 11, 2008) tag 8194'

Wolfcamp 8320'-8340' 1jspf (Dec '03)

CIBP 9090' w/35' cmt (Dec 10, 2008)

Cisco 9184'-9188' 1 JSPF (Feb '07) 776 psi Nov '93
9221'-9228' 1 JSPF (Feb '07)
9312'-9322' 1 JSPF (Feb '07)

Strawn 9847'-9855' 1JSP2F (Oct '73)
9910'-9922' 1JSP2F (Oct '73)

Atoka 9,988-93' 2JSPF (Nov '93)
10,069-74' 2JSPF (Nov '93)

CIBP 10500' w/20' cmt

Morrow 10,708'-10,726' (Oct '73)
10788'-94' (Jan '93)
10878'-94' (Jan '93)

Delaware Sd 2297

Bone Spr Lm 4216

1st Bone Spr Sd 5745

2nd Bone Spr Sd 6404

3rd Bone Spr Sd 7800

Wolfcamp 8179'

Penn Lm 9124

L Strwn 9594

Atoka 9950

Morrow 10575

Hole Sizes: 17-1/2" 346'
12-1/4" 2267'
7-7/8" 11,240'

Status: TA's (12-20-08)

13-3/8" 48# H-40 @ 346'
TOC surf

5-1/2" remed.TOC 2084' by CBL

8-5/8" 24# K-55 @ 2267'
TOC surf

Delaw 3266-71', 88'-90', 3302'-04' (Dec 16, 2008)

CmtR 5100' pmp 525 sx (Dec 14,2008)
Sqz h 5300' (4 spf, Dec 13,2008)

Plug 1 25sx 6694'-6436' (dec 12, 2008)
Sqz h 6695' (4 spf, Dec 12,2008)

AMT ?

5-1/2" primary TOC 6796' by CBL

Plug 1 40sx 8194'-7828' (dec 12, 2008)

CIBP 8250' w/cmt (Dec 11, 2008) tag 8194'
Wolfcar 8320'-8340' 1jspf (Dec '03)

CIBP 9090' w/35' cmt (Dec 10, 2008)
Cisco 9184'-9188' 1 JSPF (Feb '07) 776 psi Nov '
9221'-9228' 1 JSPF (Feb '07)
9312'-9322' 1 JSPF (Feb '07)

PBTD: 9,762' Nov'03 (CIBP@9797' 'w/35' cmt)

Strawr 9847'-9855' 1JSP2F (Oct '73)
9910'-9922' 1JSP2F (Oct '73)

Atoka 9,988-93' 2JSPF (Nov '93)
10,069-74' 2JSPF (Nov '93)

CIBP 10500' w/20' cmt

Morro 10,708'-10,726' (Oct '73)
10788'-94' & 10878-88' OA (Jan '93)

TD: 11,240'
5-1/2" @ 10,997'
w/ 650 sx "C"
5-1/2" primary TOC 6796' by CBL

cwb
3-23-09
EP1 WB diag.xls

El Paso "3" Federal No. 1

PROPOSED
SWD
GL: 3188.6'
KB: 3204'

Operator: **Fasken Oil and Ranch, Ltd.**
Location: 489' FNL and 195' FEL of Lot 11 (old #ing)
2870' FEL & 2723.9' FNL Sec 3, T21S, R26E
Eddy County, NM
Compl.: 9/27/1973
API #: 30-015-20906

TD: 11,240'
PBTD: 9,762' Nov'03 (CIBP@9797' 'w/35' cmt)
10,480' Jan '93 (CIBP @ 10,500'w/2sx cmt)
10,945' Orig

Casing: **13-3/8" 48# H-40 @ 346'**
w/200sx Lite+100sx"C"+4yds rdymix
TOC surf
8-5/8" 24# K-55 @ 2267'
w/800sx Lite+300sx"C"+140 sx by1" tbg
TOC surf
5-1/2" @ 10,997'
w/ 650 sx "C"
5-1/2" primary TOC 6796' by CBL

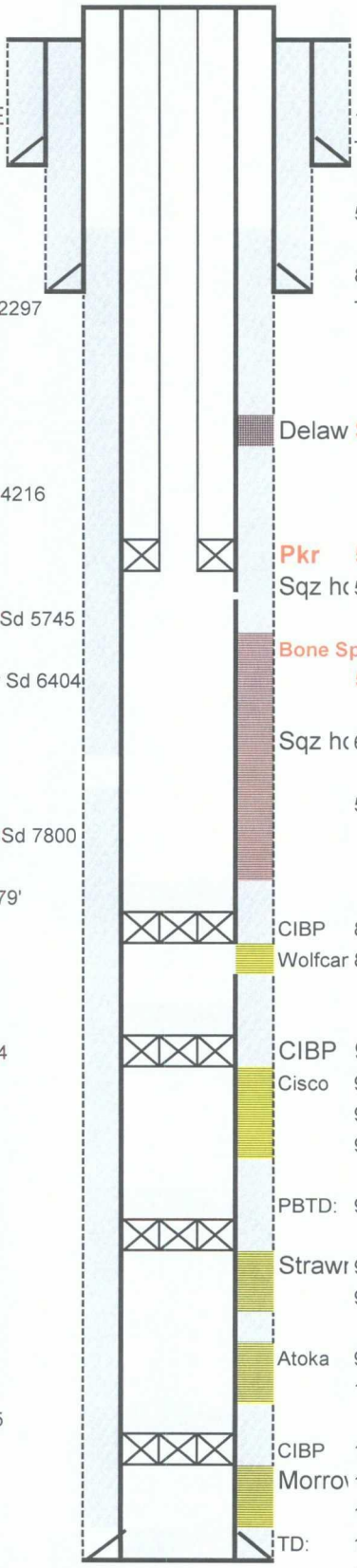
Remedial CR 5100', sqz holes(4) 5300',
Cmt w/525sx Super"H" (13.2 ppg, yld 1.64 cf/sk)
5-1/2" remed.TOC 2084' by CBL

PROPOSED
Tbg: 2-7/8" Poly lined
Pkr 5-1/2" Arrowset I @ 5660'

Perfs & plugs:
Bone Spr P 5754'-8178' SWD
Delaware 3266-71', 88'-90', 3302'-04' (Dec 16, 2008)
Sqz holes 5300' (4 spf, Dec 13,2008)
Sqz holes 6695' (4 spf, Dec 12,2008)
CIBP 8250' w/cmt (Dec 11, 2008) tag 8194'
Wolfcamp 8320'-8340' 1jspf (Dec '03)
CIBP 9090' w/35' cmt (Dec 10, 2008)
Cisco 9184'-9188' 1 JSPF (Feb '07) 776 psi No
9221'-9228' 1 JSPF (Feb '07)
9312'-9322' 1 JSPF (Feb '07)
Strawn 9847'-9855' 1JSP2F (Oct '73)
9910'-9922' 1JSP2F (Oct '73)
Atoka 9,988-93' 2JSPF (Nov '93)
10,069-74' 2JSPF (Nov '93)
CIBP 10500' w/20' cmt
Morrow 10,708'-10,726' (Oct '73)
10788'-94' (Jan '93)
10878'-94' (Jan '93)

Hole Sizes 17-1/2" 346'
12-1/4" 2267'
7-7/8" 11,240'

Delaware Sd 2297
Bone Spr Lm 4216
1st Bone Spr Sd 5745
2nd Bone Spr Sd 6404
3rd Bone Spr Sd 7800
Wolfcamp 8179'
Penn Lm 9124
L Strwn 9594
Atoka 9950
Morrow 10575



13-3/8" 48# H-40 @ 346'
TOC surf
5-1/2" remed.TOC 2084' by CBL
8-5/8" 24# K-55 @ 2267'
TOC surf
Delaw **Sqzd 3266'-3304'**
Pkr 5-1/2" Arrowset I @ 5660'
Sqz h 5300' (4 spf, Dec 13,2008)
Bone Spr Perfs
5754'-8178' SWD
Sqz h 6695' (4 spf, Dec 12,2008)
5-1/2" primary TOC 6796' by CBL
CIBP 8250' w/cmt (Dec 11, 2008) tag 8194'
Wolfcar 8320'-8340' 1jspf (Dec '03)
CIBP 9090' w/35' cmt (Dec 10, 2008)
Cisco 9184'-9188' 1 JSPF (Feb '07) 776 psi Nov '
9221'-9228' 1 JSPF (Feb '07)
9312'-9322' 1 JSPF (Feb '07)
PBTD: 9,762' Nov'03 (CIBP@9797' 'w/35' cmt)
Strawr 9847'-9855' 1JSP2F (Oct '73)
9910'-9922' 1JSP2F (Oct '73)
Atoka 9,988-93' 2JSPF (Nov '93)
10,069-74' 2JSPF (Nov '93)
CIBP 10500' w/20' cmt
Morro 10,708'-10,726' (Oct '73)
10788'-94' & 10878-88' OA (Jan '93)
TD: 11,240'
5-1/2" @ 10,997'
w/ 650 sx "C"
5-1/2" primary TOC 6796' by CBL

cwb
3-23-09
EP1 WB diag.xls

Side 1

INJECTION WELL DATA SHEET

OPERATOR: Fasken Oil and Ranch, Ltd. 303 W. Wall St., Ste. 1800, Midland, TX 79701

WELL NAME & NUMBER: El Paso "3" Federal No. 1

WELL LOCATION:	2724' FNL & 2870' FEL	K	3	21S	26E
	FOOTAGE LOCATION	UNIT LETTER	SECTION	TOWNSHIP	RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17 1/2" Casing Size: 13 3/8", 48# @ 346'

Cemented with: 300 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4" Casing Size: 8 5/8", 24# @ 2267'

Cemented with: 1240 sx. *or* _____ ft³

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2", 17 & 20# @ 10,997'

Cemented with: 1275 sx. *or* _____ ft³

Top of Cement: 2084' Method Determined: Cement Bond Log

Total Depth: 11,240'

Injection Interval

5754' feet to 8178'

(Perforated or [redacted]; indicate which)

Side 2

INJECTION WELL DATA SHEET

Tubing Size: 2 3/8" Lining Material: Polylined

Type of Packer: Arrowset I

Packer Setting Depth: 5660'

Other Type of Tubing/Casing Seal (if applicable): --

Additional Data

1. Is this a new well drilled for injection? ____ Yes X No

   If no, for what purpose was the well originally drilled? Morrow Gas Well

2. Name of the Injection Formation: Bone Spring

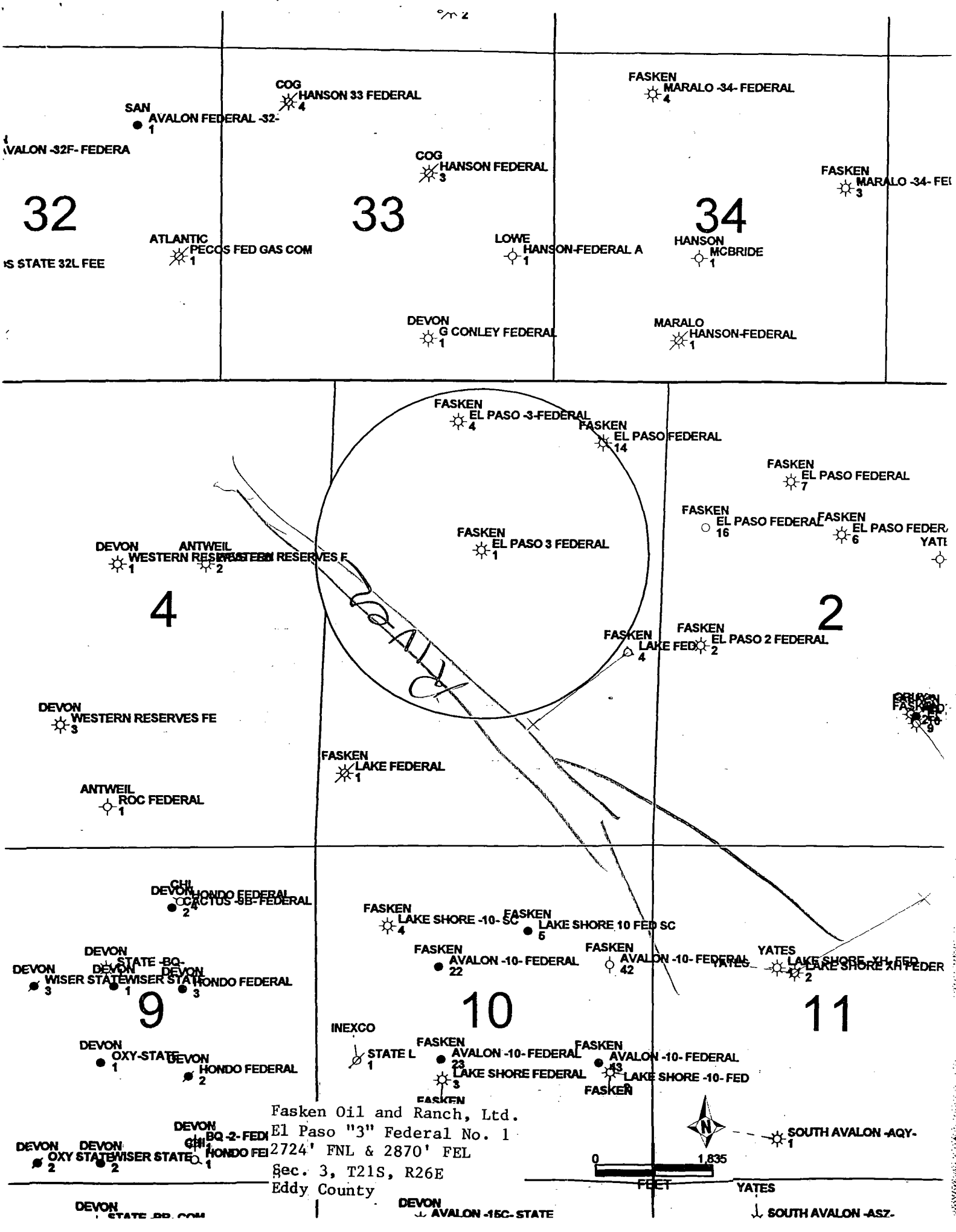
3. Name of Field or Pool (if applicable): Avalon

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Yes, see attached wellbore schematic.

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area:

   Brushy Canyon Delaware 3266' - 3304'

   Wolfcamp T / 8179' (8320' - 8340' productive interval)



Fasken Oil and Ranch, Ltd.
El Paso "3" Federal No. 1
2724' FNL & 2870' FEL
Sec. 3, T21S, R26E
Eddy County

Fasken Oil and Ranch, Ltd.

El Paso "3" Federal No.1

Table of Well Data within ½ Mile

Operator	Well Name and Number	API Number	Oil or Gas	Spud Date	Total Depth	Formation and Perfs
Fasken Oil and Ranch, Ltd.	El Paso "3" Federal No. 4	30-015-21305	Gas	10/02/1974	11,206	Morrow 10,648' – 10,870' Strawn (Unsuccessful Completion) 9766' – 9879'
Location:	660' FNL 1980' FWL Sec. 3, T21S, R26E					
Casing:	13 3/8" at 346' w/ 300 sx – TOC @ Surface 8 5/8" at 4260' w/ 1850 sx – TOC @ Surface 4 ½" at 11,015', DV Tool @ 6990' w/ 1800 sx – TOC @ 3750' Temp. Survey					
Fasken Oil and Ranch, Ltd.	El Paso Federal No. 14	30-015-31721	Gas	6/08/2001	11,006'	Morrow 10,900' – 10,935'
Location:	990' FNL 990' FEL Sec. 3, T21S, R26E					
Casing:	13 3/8" at 426' w/ 540 sx – TOC @ Surface 9 5/8" at 2218' w/ 800 sx – TOC @ Surface 5 ½" at 11,003', DV Tool @ 8230 & 4989' w/ 2481 sx – TOC @ 2050' Temp. Survey					

Below DV = ? Calc To CIRC

Fasken Oil and Ranch, Ltd.
El Paso "3" Federal No. 1
SWD Application
List of Notified Parties

Offset Operators within a ½ mile radius:

Fasken Oil and Ranch, Ltd.
303 W. Wall St., Ste. 1800
Midland, TX 79701

Devon Energy Production Co., LP
20 North Broadway, Suite 1500
Oklahoma City, OK 73102-8202

Robert H. Angevine
202 Helen Greathouse Circle
Midland, TX 79707

Burnett Oil Co., Inc.
Burnett Plaza – Suite 1500
801 Cherry Street – Unit #9
Fort Worth, TX 76102

Marbob Energy Corp.
P.O. Box 227
Artesia, NM 88211

Sacramento Partners, Ltd.
105 South 4th Street
Artesia, NM 88210

Surface Owner:

Bureau of Reclamation
Albuquerque Area Office
555 Broadway Northeast Street, Suite 100
Albuquerque, NM 87102-2352

Other Notified Parties:

New Mexico Oil Conservation Division
1301 West Grand Avenue
Artesia, NM 88210-1729

Bureau of Land Management
620 E. Greene Street
Carlsbad, NM 88220-6292

Martin Water Laboratories, Inc.

Analysts & Consultants since 1953
Bacterial & Chemical Analysis

April 1, 2009

Mr. Carl Brown
Fasken Oil & Ranch, Ltd.
303 W. Wall, Suite 1800
Midland, TX 79701

Dear Mr. Brown:

In hypothetically evaluating the Bone Springs water represented by the analysis #W74-759 performed by Halliburton with the Delaware sample represented by the Endura Products analysis for compatibility, we see one area of concern. A 50/50 mixture of these two waters would result in a water that is over the saturation point to calcium sulfate. No significant barium sulfate scale would occur.

Sincerely,

Greg Ogden, B.S.

(432) 683-4521 * 709 W. Indiana, Midland, Texas 79701 * (fax) 682-8819
Remit to Address: P.O. Box 98, Midland, Texas 79702
Visit our Website @: www.martinwaterlabs.com

H, IBURTON DIVISION LABORAT(

HALLIBURTON COMPANY

LOVINGTON, NEW MEXICO

LABORATORY WATER ANALYSIS

No. W74-759

To David Fasken

807 1st National Bank Building

Midland, Texas 79701

Date 10-14-74

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management; it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Company.

Submitted by 4 — Date Rec. 10-14-74

Well No. El Paso Federal #9 — Depth 5400' — Formation Bone Springs

County Eddy — Field W.C. — Source DST #1

	Sampler	Tool Top	Top of Fluid
Resistivity	0.058 @ 70°F.	0.058 @ 70°F.	0.136 @ 70°F.
Specific Gravity	1.119		
pH	6.8		
Calcium (Ca)	2,500		*MPL
Magnesium (Mg)	120		
Chlorides (Cl)	108,000	108,000	35,000
Sulfates (SO_4)	4,650		
Bicarbonates (HCO_3)	2,440		
Soluble Iron (Fe)	Nil		

Pit Sample - Res. @ 70°F. - 1.36 Chlorides, mpl - 2,100

Remarks:

*Milligrams per liter

JBH
RMA
FILE

Respectfully submitted,

Analyst: Brewer

cc:

HALLIBURTON COMPANY

By W. L. Brewer
CHEMIST

NOTICE

This report is limited to the described sample tested. Any user of this report agrees that Halliburton shall not be liable for any loss or damage, whether it be to act or omission, resulting from such report or its use.

Endura Products Corp.
P.O. Box 3394 Midland, Texas 79706
Phone (915) 684-4233 * Fax (915) 684-4277

WATER ANALYSIS

Date: **05/05/2000** Endura Rep.: **Greg Archer** Code: **W-21684**
Sampling Point/Date: State: **New Mexico**
Company: **Fasken Oil and Ranch, LTD.** County: **Eddy**
Lease: **El Paso Federal** Well: **12**

DISSOLVED SOLIDS

CATIONS	mg/l	me/l
Sodium, Na+ (Calc.)	**70,311**	**3,057**
Total Hardness as Ca++	**11,600**	**0**
Calcium, Ca++	**9,680**	**484**
Magnesium, Mg++	**1,171**	**98**
Barium, Ba++	**0**	**0**
Iron (Total) Fe+++*	**84**	**5**
ANIONS		
Chlorides, Cl-	**127,500**	**3,592**
Sulfate, SO4-	**2,400**	**50**
Carbonate, CO3-	**0**	**0**
Bicarbonates, HCO3-	**122**	**2**
Sulfide, S-*	**0**	**0**
Total Dissolved Solids (Calc.)	**211,268**	

OTHER PROPERTIES

pH*	**6.019**	R_w = 0.056 @ 77°F
Specific Gravity, 60/60 F.	**1.130**	
Turbidity	**641**	

Rw 2.69 @ 77°F

SCALING INDICIES

TEMP. F.	CA CO3	CASO4*2H2O	CA SO4	BA SO4
80	**0.0851**	**0.3484**	**0.0580**	**-29.3940**
120	**0.5173**	**0.3412**	**0.2313**	**-29.5686**
160	**1.1780**	**0.3188**	**0.3815**	**-29.7912**

PERFORATIONS

Endura Products Corporation

P.O. Box 3394, Midland, Texas 79702
Phone (432) 684-4233 Fax (432) 684-4277

Fresh Water Well

WATER ANALYSIS

Date	3/22/2004	Endura Rep	Greg Archer
Sampling Point/Date	Fresh H2O Well 3/18/2004		
Company	Fasken Oil & Ranch, LTD		
Formation		Lease	Lake Shore 10 Federal SC

Code	101012143
State	New Mexico
County	Eddy
Well	#3 Fresh H2O Well

DISSOLVED SOLIDS

CATIONS	mg/l	me/l
Sodium, Na+ (Calc.)	230	10
Total Hardness as Ca++	250	0
Calcium Ca++	189	9
Magnesium, Mg++	37	3
Barium, Ba++	0	0
Iron (Total) Fe+++*	1	0
ANIONS		
Chlorides, Cl-	200	6
Sulfate, SO4-	525	11
Carbonate, CO3-	0	0
Bicarbonates, HCO3-	293	5
Sulfide, S-*	0	0
Total Dissolved Solid	1,475	

OTHER PROPERTIES

pH*	7.252
Specific Gravity,60/60 F.	1.001
Turbidity	0

SCALING INDICIES

TEMP, F	CA CO3	ASO4*2H2O	CA SO4	BA SO4
80	0.2425	-0.7755	-0.9177	-27.8588
120	0.4788	-0.7906	-0.7525	-28.0676
160	0.7355	-0.7522	-0.5413	-28.1841

PERFORATIONS

Affidavit of Publication

NO. 20616

STATE OF NEW MEXICO

County of Eddy:

GARY D. SCOTT being duly

sworn,says: That he is the **PUBLISHER** of The

Artesia Daily Press, a daily newspaper of general

circulation, published in English at Artesia, said county

and county and state, and that the here to attached

Legal Notice

was published in a regular and entire issue of the said

Artesia Daily Press,a daily newspaper duly qualified

for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication March 26, 2009

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

26 Day March 2009

OFFICIAL SEAL
Jo Morgan
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 6/26/2012

Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Fasken Oil and Ranch, Ltd., 303 West Wall, suite 1800, Midland Texas 79701, is filing Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division seeking administrative approval for a salt water disposal well. The proposed well, El Paso "3" Federal No. 1, is located 2724' FNL, 2870' FEL, Section 3, T21S, R26E, Eddy County, New Mexico. Disposal water will be sourced from area wells producing from the Delaware formation. The disposal water will be injected into the Bone Spring formation at a depth of 5754' - 8178', at a maximum surface pressure of 1150 psi and a maximum rate of 1000 BPD. Any interested party who has an objection to this application must give notice in writing to the Oil Conservation Division, 1220 South Saint Francis Street, Santa Fe, New Mexico, 87505, within fifteen (15) days of this notice. Any interested party with questions or comments may contact Kim Tyson at Fasken Oil and Ranch, Ltd., 303 West Wall, and Suite 1800, Midland, Texas 79701, or call (432) 687-1777.

Published in the Artesia Daily Press, Artesia, NM March 26, 2009
Legal No. 20616

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 3745 1351

Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS — Postmark Here

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

ROBERT H ANGEVINE
202 HELEN GREATHOUSE CIR
MIDLAND TX 79707-6106

PS Form 3800, January 2001 — See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 3745 1344

Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS — Postmark Here

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

DEVON ENERGY PRODUCTION CO
20 N BROADWAY STE 1500
OKLAHOMA CITY OK 73102-8202

PS Form 3800, January 2001 — See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 3745 1375

Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS — Postmark Here

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

MARBOB ENERGY CORP
PO BOX 227
ARTESIA NM 88211-0227

PS Form 3800, January 2001 — See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 3745 1368

Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS — Postmark Here

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

BURNETT OIL CO INC
BURNETT PLAZA STE 1500
801 CHERRY ST UNIT 9
FORT WORTH TX 76102-6881

PS Form 3800, January 2001 — See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 3745 1399

Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS — Postmark Here

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

BUREAU OF RECLAMATION
ALBUQUERQUE AREA OFFICE
555 BROADWAY NE ST STE 100
ALBUQUERQUE NM 87102-2352

PS Form 3800, January 2001 — See Reverse for Instructions

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

7001 0320 0004 3745 1382

Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS — Postmark Here

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

SACRAMENTO PARTNERS LTD
105 S 4TH ST
ARTESIA NM 88210-2177

PS Form 3800, January 2001 — See Reverse for Instructions

7001 0320 0004 3745 1412

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS

Postmark Here

Sent To: BUREAU OF LAND MANAGEMENT
Street, Apt. No.; or PO Box No.: 620 E GREEN ST
City, State, ZIP+: CARLSBAD NM 88220-6292

PS Form 3800, January 2001 — See Reverse for Instructions

7001 0320 0004 3745 1405

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

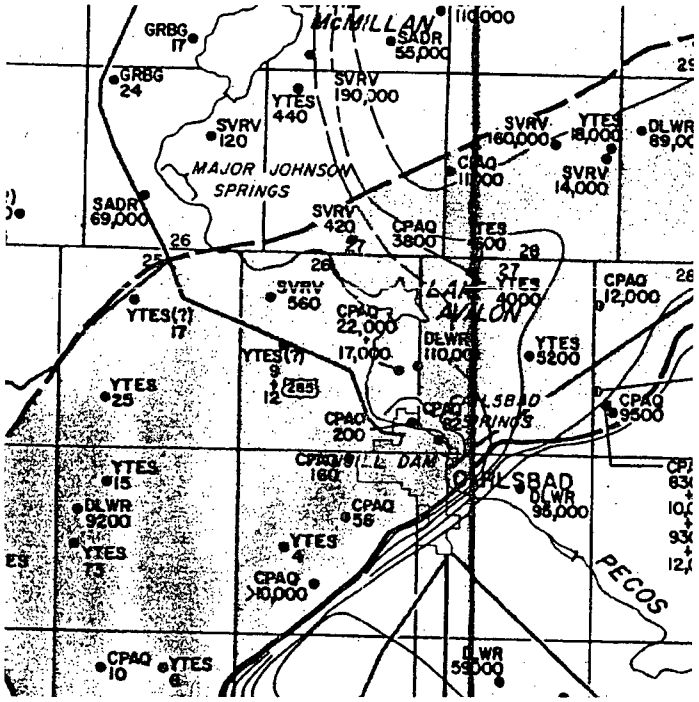
Postage	$ 1.34
Certified Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.24

MIDLAND TX DOWNTOWN STATION APR 2 2009 USPS

Postmark Here

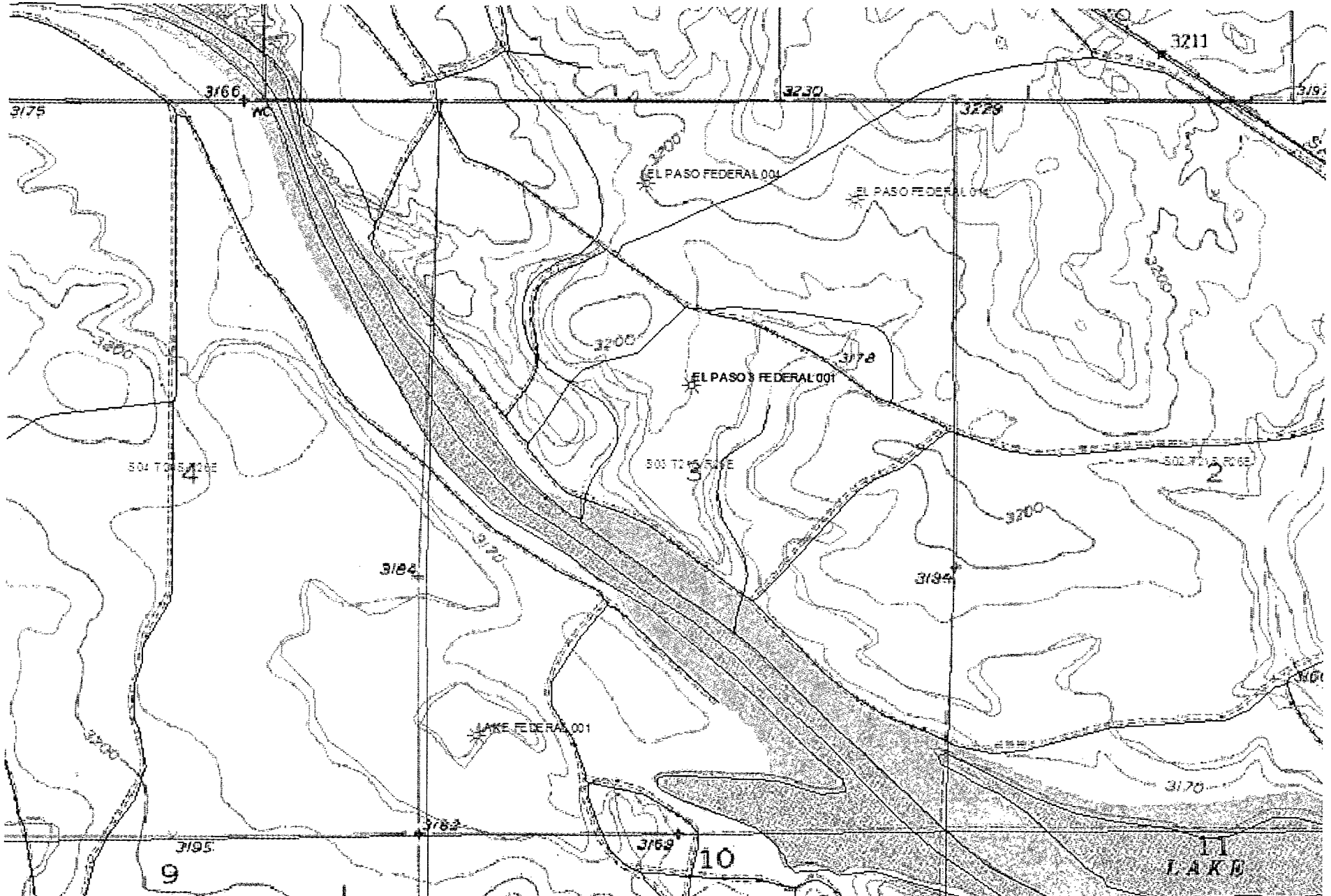
Sent To: STATE OF NEW MEXICO
Street, Apt. No.; or PO Box No.: OIL CONSERVATION DIVISION
City, State, ZIP+: DISTRICT II
1301 W GRAND AVE
ARTESIA NM 88210

PS Form 3800



Reef is above
Injection-interval
but Protected from
injection

RBDMS Map

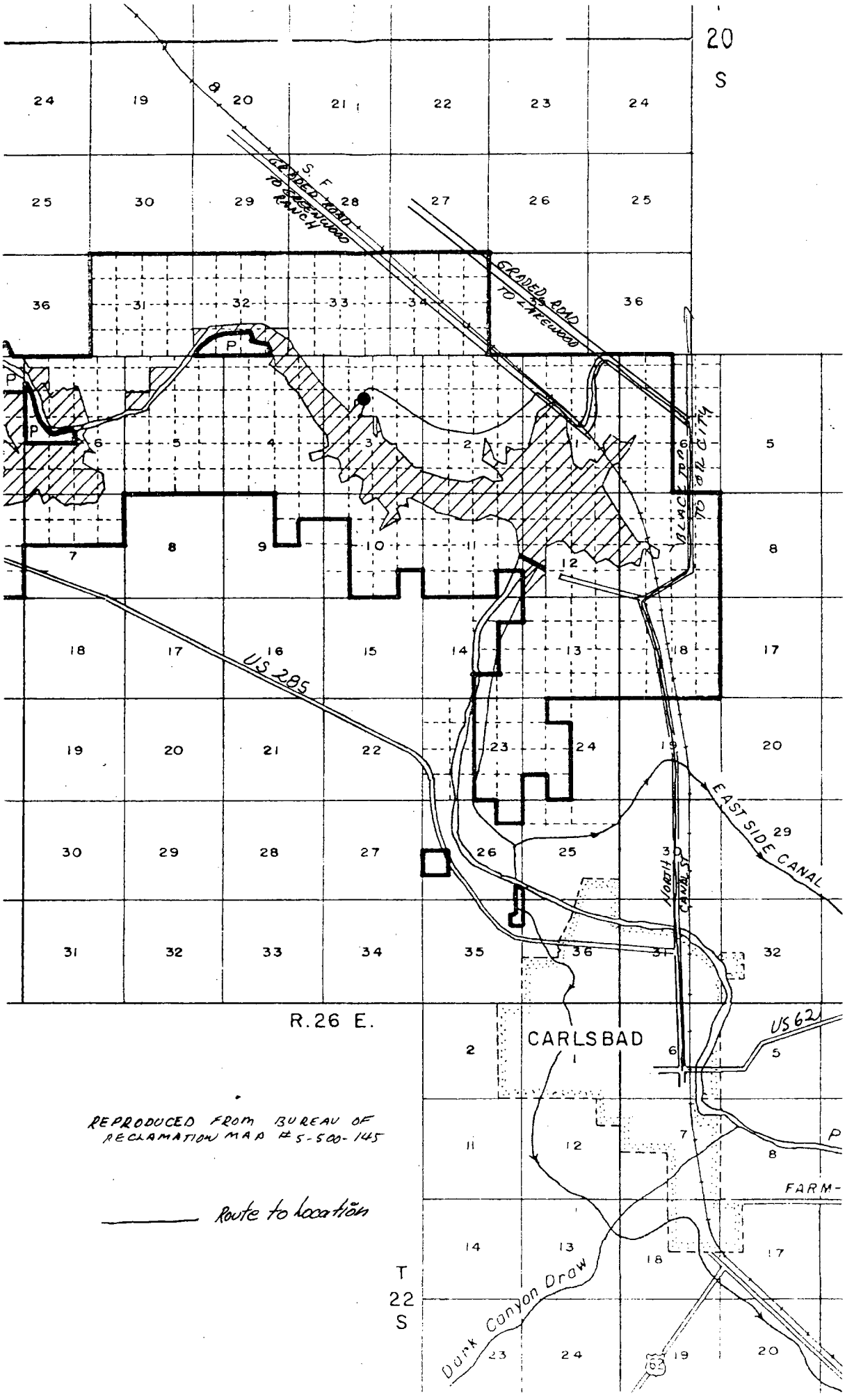


Oil Conservation Division

MapNotes

DrawnBy

4/7/2009 5:38:39 PM



REPRODUCED FROM BUREAU OF RECLAMATION MAP # S-500-145

——— Route to location

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 14-65

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
DAVID FASKEN	EL PASO "3" FEDERAL	1

Unit Letter	Section	Township	Range	County
Lot 11	3	21 S.	26 E.	EDDY

Actual Footage Location of Well:
2,723.9 feet from the North line and 2,870.0 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3189	Morrow	Wildcat	40 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

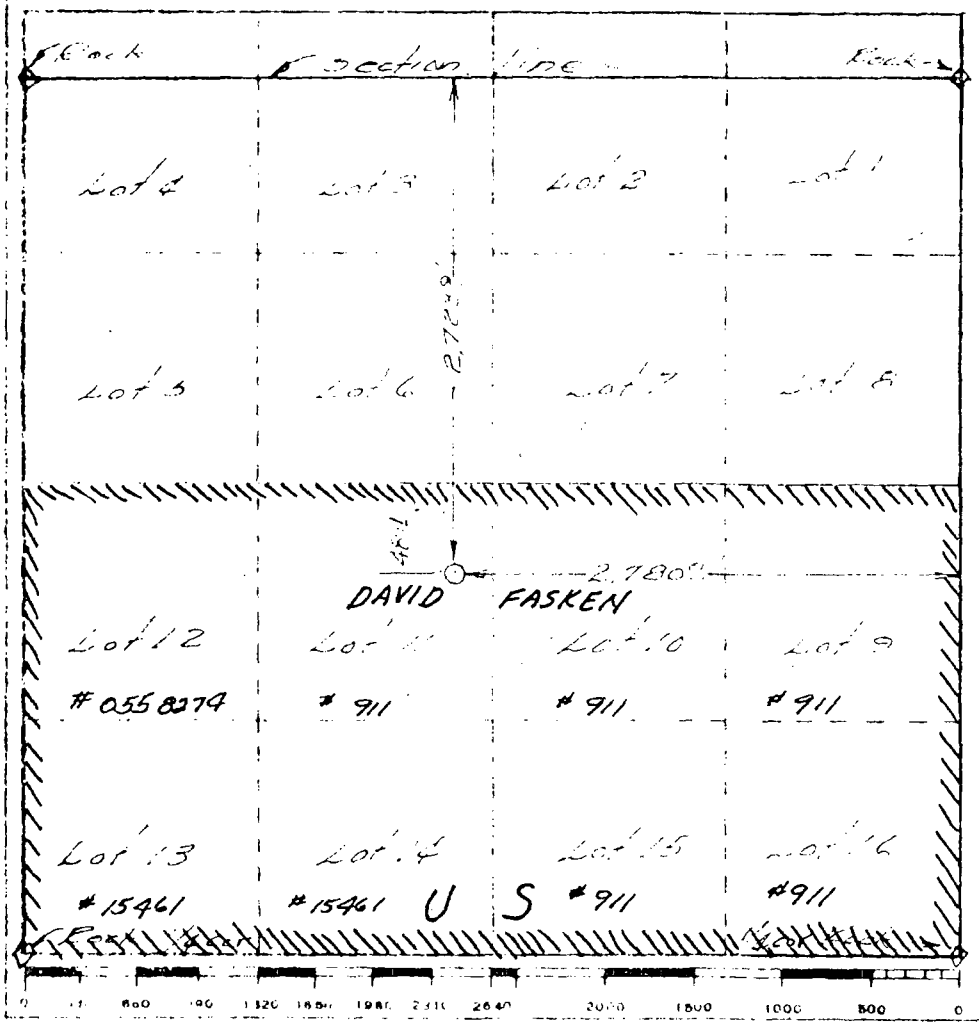
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

X Yes ( ) No If answer is "yes," type of consolidation Communitization - Agreement circulating

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

James B. Henry

Name: James B. Henry

Position: Agent

Company: DAVID FASKEN

Date: 5-24-73

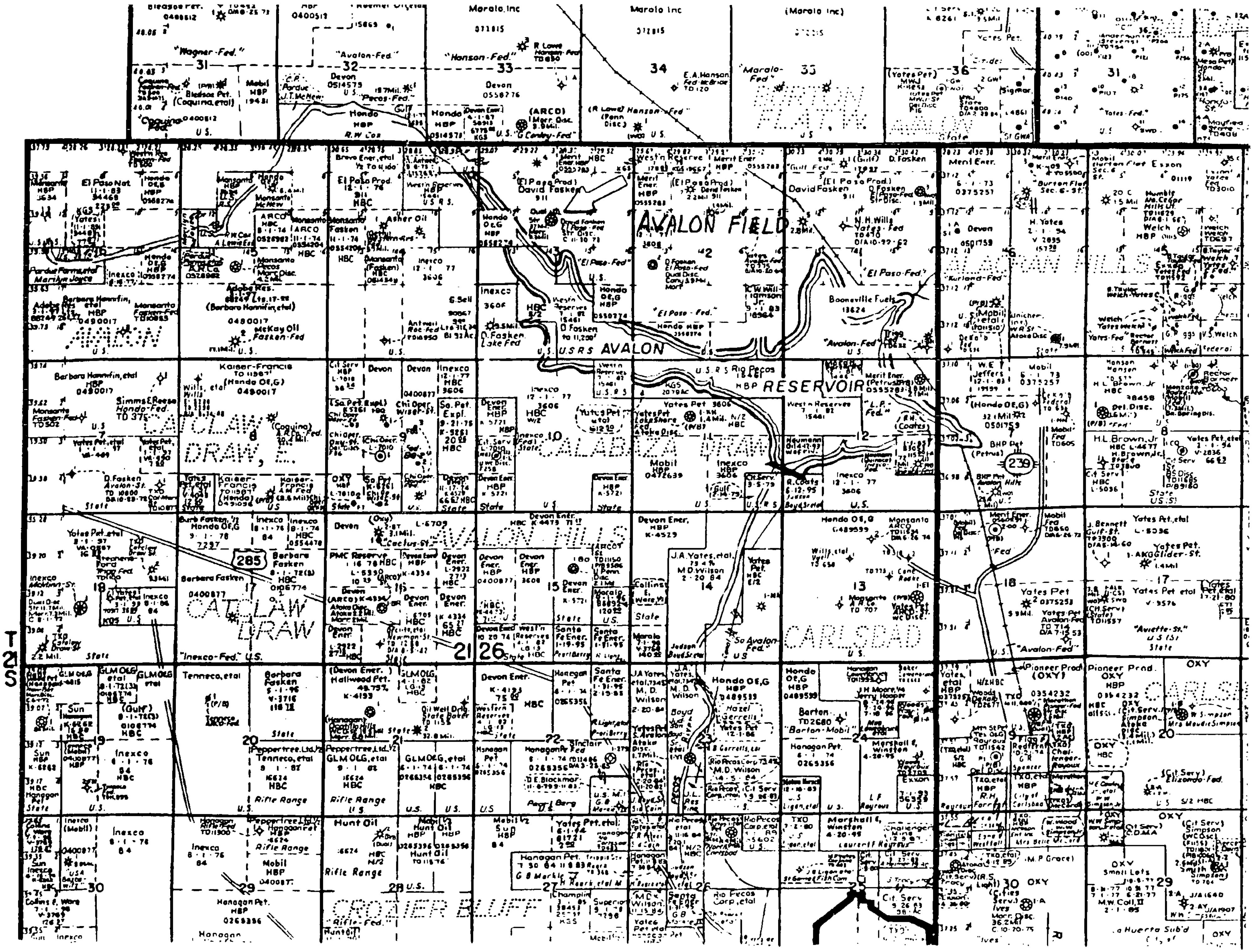
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: May 21, 1973

Registered Professional Engineer and/or Land Surveyor

Certificate No. 3640

HERSCHEL JONES
3640
REGISTERED LAND SURVEYOR
STATE OF NEW MEXICO



T
21
S
AVALON FIELD
AVALON
RESERVOIR
CATCLAW DRAW, E.
CALABAZA DRAW
AVALON HILLS
CATCLAW DRAW
CARLSBAD
CROZIER BLUFF
285
239

Injection Permit Checklist (7/8/08)

Case ____ R-____ SWD 1174 WFX____ PMX____ IPI____ Permit Date ____ UIC Qtr (A M J)

Wells ___ Well Name: EL PASO #3 "Federal" #1 Irregular

API Num: (30-)015-20906 Spud Date: 9/1973 New/Old: O (UIC primacy March 7, 1982)

Footages ~~489 FNL / 195 FEL~~ 2310 FEL 2724 FNL Unit (UNIT K) Sec 3 Tsp 21S Rge 26E County Eddy

Operator: Forel Oil & Ranch, Ltd. Contact Kim Tyson

OGRID: 151416 RULE 40 Compliance (Wells) 2/134 (Finan Assur) OK

Operator Address: 303 W. Wall St., Suite 1800, Midland, TX 79701

Current Status of Well: TA'ED

Planned Work to Well: ____ Planned Tubing Size/Depth: 2 3/8 @ 9,660'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing ✓ Surface	17 1/2 – 13 3/8	346'	300	Surf
Existing ✓ Intermediate	12 1/4 – 8 5/8	2267	1240	Surf ~~6796 CBL~~
Existing ✓ Long String	7 7/8 – 5 1/2	10,997	650	~~TOC~~

~~DV Tool~~ ____ ~~Liner~~ ____ ~~Open Hole~~ ____ Total Depth 11240 (8,194 PBTD)

Well File Reviewed ✓

Diagrams: Before Conversion ✓ After Conversion ✓ Elogs in Imaging File: ✓

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)	2290	Del.	
Above (Name and Top)	4216	BS	
Injection..... Interval TOP:	5754	Bone S.	
Injection..... Interval BOTTOM:	8178	" "	
Below (Name and Top)	8179	W.C.	

1151 PSI Max. WHIP

~~Open Hole (Y/N)~~

~~Deviated Hole?~~

Sensitive Areas: Capitan Reef (Protected) ~~Cliff House~~ Salt Depths ____

.... Potash Area (R-111-P) NO ~~Potash Lessee~~ ~~Noticed?~~

Fresh Water: Depths: 89'-320' Wells(Y/N) ✓ Analysis Included (Y/N): ✓ Affirmative Statement ✓

Salt Water: Injection Water Types: Del Analysis? ✓

Injection Interval....Water Analysis: ✓ Hydrocarbon Potential ~~Production~~

5754 / 11508

Notice: Newspaper(Y/N) ✓ Surface Owner B of Reclamation Mineral Owner(s) BLM

3/26/09

RULE 701B(2) Affected Parties: Devon / Anglo / Burnett / Marbob / Sacramento Partners

Area of Review: Adequate Map (Y/N) ✓ and Well List (Y/N) ✓

Active Wells 2 Num Repairs 0 Producing in Injection Interval in AOR NO

P&A Wells 0 Num Repairs ____ All Wellbore Diagrams Included? ____

Pot Ca SO4 Scale

Questions to be Answered:

work

SQZ pd perfs.

Be careful to stay away From WC @ ~~8320-8355~~

Send Post SQZ Report w/ Vols & Tops

Required Work on This Well: ____ Request Sent ____ Reply: ____

AOR Repairs Needed: ____ Request Sent ____ Reply: ____

____ Request Sent ____ Reply: ____

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, April 07, 2009 6:34 PM
To: 'kimt@forl.com'
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Reeves, Jacqueta, EMNRD; VonGonten, Glenn, EMNRD; Bonham, Sherry, EMNRD
Subject: Disposal application from Fasken: El Paso 3 Federal #1 30-015-20906 Lot 11, Sec 3, T21S, R26E, Eddy County Bone Spring Disposal

Hello Kim Tyson:
Thank you for this application,
It appears this well is within ½ mile of Lake Avalon or the Pecos River and on Bureau of Reclamation surface acreage.
Just a few questions:

1) Please let me know what changes to the surface well location will occur as a result of this well being used for disposal and what you have talked about with the Bureau of Reclamation (as the surface owner). Will you install a pipeline to this well from surrounding production? What measures will Fasken take to ensure waste water spills do not occur and do not migrate into the Pecos River?
2) How does Fasken intend to control the possible CaSO4 scale caused by mixing the Delaware and Bone Spring waters? Where would scale inhibitor be injected?
3) We have recorded in Division well file, an intention to replace some upper 5-1/2 inch casing, squeeze cement from around 6700 feet, and perf and test the upper Delaware. However, there is no record of completion of this work. Please send to the Artesia district office a complete sundry of recent work done on this well. If you have already done this, please send a copy here to my attention as it has not yet made it into the Division's well file.
4) Is there any chance of production from this Bone Spring interval? Have you a mudlog over this interval, or done water saturation calculations or do you intend to swab test?
5) Fasken appears to be in compliance with Division Rule 5.9 - Thank You.

In keeping with our goal to resolve applications within 30 days of receipt, please reply to these questions as soon as possible and no later than April 15.

Thank You,

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

Jones, William V., EMNRD

From: Carl Brown [carlb@forl.com]
Sent: Wednesday, May 27, 2009 4:01 PM
To: Jones, William V., EMNRD
Cc: Jimmy Carlile; Kim Tyson
Subject: Disposal application from Fasken: El Paso 3 Federal #1 30-015-20906 Lot 11, Sec 3, T21S, R26E, Eddy County Bone Spring Disposal
Attachments: EP1 Delaware Completion sundry.pdf

Mr. William V. Jones,

I have answered your questions below in red. I'll be available for further clarifications as needed.

Sincerely,
Carl Brown
Fasken Oil and Ranch, Ltd.
303 W. Wall, Suite 1800
Midland, TX 79701
432-687-1777 office
432-557-6810 cell
432-687-1570 fax

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, April 07, 2009 7:34 PM
To: kimt@forl.com
Cc: Ezeanyim, Richard, EMNRD; Warnell, Terry G, EMNRD; Reeves, Jacqueta, EMNRD; VonGonten, Glenn, EMNRD; Bonham, Sherry, EMNRD
Subject: Disposal application from Fasken: El Paso 3 Federal #1 30-015-20906 Lot 11, Sec 3, T21S, R26E, Eddy County Bone Spring Disposal

Hello Kim Tyson:
Thank you for this application,
It appears this well is within ½ mile of Lake Avalon or the Pecos River and on Bureau of Reclamation surface acreage.
Just a few questions:

1) Please let me know what changes to the surface well location will occur as a result of this well being used for disposal and what you have talked about with the Bureau of Reclamation (as the surface owner). **The only changes are the addition of a water tank and injection pump. BOR received a copy of this application and did not raise any concerns about our project.** Will you install a pipeline to this well from surrounding production? **Yes**. What measures will Fasken take to ensure waste water spills do not occur and do not migrate into the Pecos River? **Containment berm around tank location. High tank level alarm/shutdown. Low discharge pump pressure alarm/shutdown.**
2) How does Fasken intend to control the possible CaSO4 scale caused by mixing the Delaware and Bone Spring waters? **The compatibility report in the application was based on a Bone Spring DST in an offset well. In conversation with Martin Water labs it is believed the sulfate in the DST sample is higher than is generally expected in the Bone Spring due to drilling fluid influence. However, we will not have another water sample in the immediate are until we do a swab test of the proposed SWD perforation intervals.** Where would scale inhibitor be injected? **If needed, we will add scale inhibitor upstream of the pump on the suction side.**
3) We have recorded in Division well file, an intention to replace some upper 5-1/2 inch casing, squeeze cement from around 6700 feet, and perf and test the upper Delaware. However, there is no record of completion of this work. Please send to the Artesia district office a complete sundry of recent work done on this well. **See attached BLM sundry notice will be sent to Artesia district office this week.** If you have already done this, please send a copy here to my attention as it has not yet made it into the Division's well file. **See attached BLM sundry notice of the Delaware recompletion. Since the work was unsuccessful, BLM required only a sundry. However, we have not received an approved or accepted for record response from BLM.**
4) Is there any chance of production from this Bone Spring interval? **This wellbore has little potential for commercial hydrocarbons. The nearest Bone Spring production is 2 miles north. Fasken's 3 section lease hold in the Avalon area**

has had only one Bone Spring DST (El Paso Fed #4 in Unit C of this same section) 5150'-5400' which recovered 634' GCFW with a diminshing gas rate 47-21 mcfd. The area is not considered prospective in the Bone Spring. Have you a mudlog over this interval, or done water saturation calculations or do you intend to swab test? **A mud log was not run above 8900' on this well. An offset mudlog in El Paso Fed #14 (Unit A same section) contains generally poor shows. The 3rd Bone Spring interval in EP14 at 8200'-8250' had gas units to 194, but the porosity is at or only slightly above the 8% xplot porosity cutoff with calculated saturations above 60%. We intend to swab test mainly for a representative water sample.**

5) Fasken appears to be in compliance with Division Rule 5.9 - Thank You.

In keeping with our goal to resolve applications within 30 days of receipt, please reply to these questions as soon as possible and no later than April 15.

Thank You,

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

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

5. Lease Serial No.
NM-911

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
El Paso "3" Federal No. 1

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

9. API Well No.
30-015-20908

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

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

10. Field and Pool or Exploratory Area
Foster Draw (Delaware Oil)

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
2724' FNL & 2670' FEL, Sec. 3, T21S, R26E

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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☑ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Recompletion to the Delaware
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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.)

12-9-08 - 12-11-08

Pumped 40 bbls. 2% Kcl down tbg and 230 bbls. 2% Kcl down csg with no pressure. NDWH and NU BOP, released pkr. and POW w/ 25 jts. tbg. Left csg open on 24/64" choke to blow down tank and SDON.

RIW w/ 5-1/2" CIBP and set @ 9090', POW and bailed 35' Class "H" cmt on top of CIBP. RIW and set 5-1/2" CIBP @ 8250' and POW w/ tools.

RIW and dump bailed 35' Class "H" cmt on top of CIBP. Loaded casing w/ 106 bbls. 2% Kcl and RIW w/ CBL and logged from 7050' to 6050' finding TOC @ 6796'. Ran csg inspection log from 7050' to surface w/ log indicating all casing in good condition. Tested csg to 500 psi for 20 min. with 5 psi pressure loss. Left csg open to blow down tank on 24/64" choke and SDON.

Please see attachment for further details.

RECEIVED
JAN 1 2009
FASKEN OIL AND RANCH, LTD.

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

Title Regulatory Analyst

Signature Kim Tyson

Date 12/23/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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.

(Instructions on page 2)

Fasken Oil and Ranch, Ltd.
El Paso "3" Federal #1
Recomplete to the Delaware
Sundry Notice Attachment

12-12-08 - 12-20-08

RIW w/ csg gun and perforated @ 6695' w/4 JSPF and POW w/ WL. Pressured csg with kill truck and established injection rate of 1.7 bpm at 1100 psi with very weak returns from 8-5/8" x 5-1/2" annulus. Pumped 25 bbls and SD with csg pressure holding at 900 psi. Released pressure and RIW w/ 2-3/8" tbg and tagged cmt at 8194'. RU Halliburton and pumped 40 sx Class "H" (s.w. 15.6 ppg, yield 1.19 ft^3/sx) and POW leaving estimated TOC at 7828'. POW to 6694' and pumped 25 sx Class "C" with 2% $CaCl_2$ (s.w. 14.8 ppg, yield 1.35 ft^3/sx) and POW w/ 15 stands leaving estimated TOC at 6436'. RD Halliburton, SWI and SDON.

RIW w/ csg gun and perforated 5300' 4 JSPF and POW w/ WL. Pumped 50 bbls 2% Kcl down 5-1/2" csg with kill truck and established rate of 2.5 bpm at 350 psi with good returns from 8-5/8" csg. RIW w/ 163 jts 2-3/8" tbg, sn, and 5-1/2" BJ CICR and set retainer at 5100'. Tested tbg to 2000 psi w/ no pressure loss, stung out and back into cement retainer. RD kill truck, SWI and SDON.

RU Halliburton and tested lines to 3500 psi. Established injection rate of 3 bpm @ 990 psi and pumped 20 bfw, 500 gals Superflush, 10 bfw, 525 sx Super "H" w/ 0.5% LAP-1, 0.4% CFR-3, ¼#/sk D-AIR 3000, 1#/sk salt, 3#/sk gilsonite (s.w. 13.2 ppg, yield 1.64 cuft/sk) and 100 sx Class "C" w/ 5#/sk Microbond/sk (s.w. 14.6 ppg, yield 1.35 cuft/sk). Displaced w/ 20.4 bfw at 3 bpm at 1800 psi. Stung out of retainer and LD 1 jt. and reverse circulated 40 bfw and recovered 0 bbls cement slurry. POW and LD 162 jts tbg, SWI and SDON. Ran temperature survey after 8 hrs and found TOC at 2190' FS.

RU Gray WL. RIW w/ GR and CBL and ran CBL from 2700' to 1450' and found TOC at 2084' FS. RIW w/ 3-1/8" casing gun and perforated from 3266'-71' (11h) and 3288'-90'(5h) and 3302'-04' (5h) with 2 JSPF, 60 degree phasing 0.42 EHD total of 21 holes. POW and LD guns w/ all shots fired. Left csg open on 10/64" choke to blow down tank and SDON.

RU BJ pump trucks and spotted 126 gallons of 7-1/2% HCL containing BJ additives of 8 gpt Ferrotrol 280-L, NE 940, 1 gpt CI-27 and 1 gpt Claymaster 5C.

NU tree and broke formation down at 1851 psi and acidized w/ 1500 gal HCL plus additives and dropped 42 ball sealers at 4.5 bpm and 1600 psi. Flushed with 20 bbls. 2% Kcl, balled off at 3000 psi, surged and finished flush. ISIP 718 psi; 5 min 712 psi; 10 min 708 psi; 15 min 706 psi. Made 7 swab runs and recovered 34 bw IFL- surface, EFL-

3100' FS, waited 30 min w/ 300' fluid entry. No hydrocarbon show, LLTR- 22 bbls. Left tbg open on 10/64" choke to blow down tank and SDON.

Well dead, IFL- 400' FS, made 10 swab runs in 9 hrs and recovered 17 bw. Last 6 hrs made 1 run each hr and recovered 5 bbl, EFL- 3100' FS, LLTR-5 bbls. Slight show of oil in water samples. Left tbg open on 10/64" choke to blow down tank and SDON.

Well dead, IFL- 1300' FS, made 10 swab runs in 9 hrs and recovered 6 bw. Last 6 hrs made 1 run each hr and recovered 1 bbl, EFL- 3100' FS, LLTR- 0 bbls. Slight oil rainbow in water samples. Left tbg open on 10/64" choke to blow down tank and SDON.

Well dead, IFL- 1900' FS, made 6 swab runs in 5 hrs and recovered 4 bw. Last 4 hrs made 1 run each hr and recovered 1 bbl, EFL-3100' FS. Had skim of oil in water samples. Released pkr and LD tbg, total tbg on location is 292 jts. ND BOP, NU tree, SWI and RD PU, and cleaned location. Well is temporarily abandoned.