

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 25 2012

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.

1 Type of Well <input checked="" type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7 If Unit of CA/Agreement, Name and/or No
2 Name of Operator Fasken Oil and Ranch, Ltd		8 Well Name and No Please see below
3a Address 303 West Wall St, Suite 1800, Midland, TX 79701		9 API Well No Please see below
3b Phone No (include area code) 432-687-1777		10 Field and Pool or Exploratory Area Please see below
4 Location of Well (Footage, Sec T, R, M or Survey Description) Please see below		11 Country or Parish, State Eddy, NM

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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Request to Flare
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Casinghead Gas & Gas
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	Well Gas

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat 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. requests permission to flare casinghead gas and gas well gas from the wells listed below. DCP is performing a detailed review and analysis of it's gathering system due to significant growth. DCP discovered the D-10 pipeline has 12 miles of high pressure pipeline that is operating over the pipeline's corrosion allowance adjusted MAOP between the Burton Flat Booster Station and Winchester Booster Station. DCP has immediately shut off gas coming into the Burton Flat, Penroc, and Rambo Booster Stations to maintain the safety and stability of the system. DCP will hydro-test the pipeline to determine if it can safely operate at a higher corrosion allowance adjusted MAOP or whether the pipeline will have to be replaced with higher rated pipe. Please see attached e-mail. Fasken is not sure of the time period for this request, but DCP will keep us informed.

Avalon "10" Federal No. 22 - API No. 30-015-31653, NM - 3606, F, Sec 10, T21S, R26E, 1980' FNL & 1980' FWL, Catclaw Draw, Delaware, East Pool - This well will flare an estimated 20 mcf per day

Avalon "10" Federal No. 23 - API No. 30-015-31545, NM - 3606, K, Sec 10, T21S, R26E, 1980' FSL & 1980' FWL, Catclaw Draw, Delaware, East Pool - This well will flare an estimated 10 mcf per day

Lakeshore "10" Federal SC No. 5 - API No. 30-015-33234, NM - 3606, Lot 5, Sec 10, T21S, R26E, 1500' FNL & 1980' FEL, Catclaw Draw, Delaware, East Pool - This well will flare an estimated 10 mcf per day

Slingshot "35" Federal No. 1 - API No. 30-015-32278, NM - 103877, J, Sec 35, T20S, R28E, 2100' FSL & 1980' FEL, Burton Flat, Morrow (Pro Gas) Pool - This well will flare an estimated 40 mcf per day

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

Kim Tyson

Title Regulatory Analyst

Signature

Kim Tyson

Date 09/14/2012

APPROVED

SEP 22 2012

/s/ JD Whitlock Jr

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Approved by

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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.

Kim Tyson

From: Jimmy Carlile [jimmyc@forl.com]
Sent: Friday, September 14, 2012 7:42 AM
To: kimt@forl.com
Subject: FW: DCP D-10 Line Exceeding MAOP - Mandatory Shut-In
Importance: High

See Odie's note below. Please respond to him and me, and get the flaring paperwork started.

From: Odie Roberts [mailto:odier@forl.com]
Sent: Thursday, September 13, 2012 2:16 PM
To: Jimmy Carlile
Cc: Mark Jacobs; richard
Subject: FW: DCP D-10 Line Exceeding MAOP - Mandatory Shut-In
Importance: High

Jimmy,

The following wells will be affected by the shut in for DCP described below. If they are 50 mcf per day or less do we still have to have a flaring permit to flare? They are all sour wells except for the Slingshot.

Avalon 10 Fed No. 23
Avalon 20 Fed No. 22
Lakeshore 10 Fed No. 5
Soapberry Draw 7 State No. 1
Slingshot 35 Fed No. 1

Thanks,

Odie Roberts Jr.
Fasken Oil and Ranch, Ltd.
432-687-1777 Office
432-556-1454 Cell
877-424-0139 Sat.
432-687-1570 Fax

From: Sheila Payne [mailto:sheilap@forl.com]
Sent: Thursday, September 13, 2012 1:08 PM
To: Odie Roberts
Subject: FW: DCP D-10 Line Exceeding MAOP - Mandatory Shut-In
Importance: High

Fyi.

Thanks,
Sheila

From: Frees, Amy M [mailto:AMFrees@dcpmidstream.com]
Sent: Thursday, September 13, 2012 11:50 AM
To: sheilap@forl.com
Subject: DCP D-10 Line Exceeding MAOP - Mandatory Shut-In
Importance: High

Sheila,

I left you a voice message and am following up with an email.

As a result of significant growth on DCP's system, DCP is performing a detailed review and analysis of its gathering system. As a result of the review, the D-10 pipeline was discovered to have 12 miles of high pressure pipeline operating over the pipeline's corrosion allowance adjusted MAOP between the Burton Flat Booster Station and Winchester Booster Station. To maintain safety and the stability of the system, DCP is shutting off gas coming into the Burton Flat, Penroc and Rambo Booster Stations, immediately.

The following meters and respective volume will be affected.

Meter Number	Meter Name	Meter Volume	Producer Name
711597-00	Soapberry Draw 7 State #1	0	FASKEN OIL & RANCH LTD
714386-00	AVALON 10 FEDERAL 23	14.8	FASKEN OIL & RANCH LTD
713292-00	Slingshot 35 Fed 1	51.5	FASKEN OIL & RANCH LTD

As a solution, DCP will hydro-test the pipeline to determine if it can safely operate at a higher corrosion allowance adjusted MAOP or whether DCP should fully replace the pipeline with higher rated pipe. We will keep you informed of our review and analysis and immediate opportunities to bring back on gas.

Thank you for your continued support as we work to maintain and optimize our system.

Amy

Amy M. Frees
Commercial Accounts Manager
Commercial – Western Division
DCPMidstream
 10 Desta Dr., Suite 400-West
 Midland, TX 79705

(o) 432-620-4057
 (m) 432-488-9139
 (f) 432-620-4011
 email: AMFrees@dcpmidstream.com
www.dcpmidstream.com

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This message has been scanned for viruses and dangerous content by **Basin Broadband, Inc.,**

utilizing DefenderMX technology, and is believed to be clean.

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Fasken Oil and Ranch, Ltd.

**Avalon 10 Fed #22 & #23, Lakeshore 10 Fed SC #5, Slingshot 35 Fed #1
NM103877, NM3606**

September 22, 2012

Condition of Approval to Flare Gas

1. Report all volumes on OGOR reports.
2. Comply with NTL-4A requirements
3. Subject to like approval from NMOCD
4. **Flared volumes will still require payment of royalties**
5. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time. Gas meter to meet all requirements for sale meter as Federal Regulations and Onshore Order #5.
6. This approval does not authorize any additional surface disturbance.
7. Submit updated facility diagram as per Onshore Order #3.