

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT **OCD Artesia**

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC - 054908

6. If Indian, Allottee or Tribe Name
NA

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
Fair-18 Federal #2

2. Name of Operator
Fair Oil, Ltd.

9. API Well No.
30-015-40472

3a. Address
P.O. Box 689
Tyler TX 75710

3b. Phone No. (include area code)
903-510-6527

10. Field and Pool or Exploratory Area
Cedar Lake, Glorieta-Yeso

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FNL & 330' FEL, Sec 18, T17S, R31E, NMPM

11. Country or Parish, State
Eddy, NM

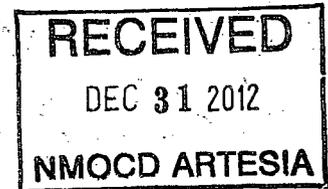
12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or 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.)

- 12-1-2012 Move in completion rig, tag cement at 5770', drill out cement to 5910' (PBTD). TD 6101'
- 12-2-2012 - Ran CBL, prep well for frac
- 12-3-2012 Frac well as follows:
 - Stage 1: Lower Brinebry: Perforate 5708' to 5876', 48 holes, frac with 3234 gals 15% HCL, 5587 bbls slurry and 170,368# sand
 - Stage 2: Lower Middle Brinebry: Perforate 5425' to 5614', 56 holes, frac with 3318 gals 15% HCL, 4857 bbls slurry and 170,244# sand
 - Stage 3: Upper Middle Brinebry: Perforate 5265' to 5367', 48 holes, frac with 3402 gals 15% HCL, 4938 bbls slurry and 171,040# sand
 - Stage 4: Upper Brinebry: Perforate 5065' to 5182', 48 holes, frac with 2940 gals 15% HCL, 4776 bbls slurry and 158,093# sand
 - Stage 5: Paddock: Perforate 4708' to 4972', 48 holes, frac with 1000 gals 15% HCL, 5566 bbls slurry and 224,010# sand
- Shut well in.
- 12-8-2012 Drill out safety plug and composite plugs, circulate well clean, 2 3/8" tubing set at 4590'
- 12-9-2012 Waiting on Swab Rig
- 12-11-2012 Swab Rig on location, recovering frac water

Accepted for record
N/MOCD
RDade 01/04/13



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

Title Production Manager

Signature *Rodney K. Thomson*

Date 12/11/2012

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DEC 27 2012

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.