Form 3160-5 (March 2012)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires: October 31, 2014

5. Lease Serial-No.

NM-101856 6. If Indian, Allottee or Tribe Name

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.

7. If Unit of CA/Agreement, Name and/or No. SUBMIT IN TRIPLICATE - Other instructions on page 2. I. Type of Well 8. Well Name and No. Oil Well ✓ Gas Well Other Shell Federal No. 1 2. Name of Operator Fasken Oil and Ranch, Ltd. 9. API Well No 30-015-10881 3a. Address 3b. Phonc No. (include area code) 10. Field and Pool or Exploratory Area 6101 Holiday Hill Road Midland, TX 79707 432-687-1777 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) - Unit Letter K, Sec. 5, T21S, R24E, 1980 FSL & 1980 FWL 11. County 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 Deepen Acidize Production (Start/Resume) Water Shut-Off Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction . Recomplete Other ✓ Subsequent Report 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.) 7-1-14 - 10-3-14 Contacted NMOCD, Laura, 7-1-14 at 09:15 MST w/ notice to recomplete. RUPU. Set a CIBP at 9560'. Tested CIBP to 1500 psi w/ a loss of 300 psi in 5", pressure tested a second time w/ same results. Disengaged TOSSD and re-engaged TOSSD, pressure tested CIBP to 1500 psi w/ a loss of 300 psi in 5". RU pump truck on casing, disengaged TOSSD, reversed 5 bbls to gas buster and re-engaged TOSSD. Pressure tested casing and packer to 1500 psi f/ 15" with no loss of pressure. RU pump truck on tubing, pressure tested CIBP to 1500 psi f/ 15" with a loss of 100 psi. Set packer at 9534' and RU Stone Oilfield Services pump truck on tubing, loaded well w/ 10 bbls 2% kcl w/ packer fluid, corrosion inhibitor and extra clay stabilizer (FL 2575' FS). Attempted to test CIBP to 1500 psi without success, pumped pasted CIBP at 550 psi at 1 bpm. RU pump truck on casing, loaded casing w/ 27 bbls 2% Kcl and additives (FL 2675' FS), tested casing to 1500 psi f/ 15" w/ no loss of pressure. Set 4 1/2" CIBP at 9550' (10' above first CIBP at 9560') and dump bailed 35' (3 sx) of Class "H" cement on CIBP. Tested casing to 1500 psi f/ 15" with no loss of pressure. Tested CIBP to 1500 psi f/ 15" with no loss of pressure. Perforated from 9181' - 9422', 43 total holes. Acidize perfs from 9181' - 9422' w/ 1250 gals 7 1/2% acid & 100 ball sealers. Set 2 3/8" tubing @ 8559' with packer @ 8559'. Roustabout crew tied-in well head to flow line. Switched well through compressor at 1:20 pm MDT on a 20/64" adjustable choke. RDPU and cleaned location. NM OIL CONSERVATION possion by accord MAR 1 2 700 14. I hereby certify that the foregoing is true and correct. Name (Printed/Type RECEIVED Kim Tyson Title Regulatory Analyst ACCEPTED FOR RE 02/24/2015 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE/USE Approved by Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify BUXEAU OF LA ND MANAGEMENT that the applicant holds legal or equitable title to those rights in the subject lease which would Office CARLSBA FIELD OFFICE 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,

(Instructions on page 2)

fictitious or fraudulent statements or representations as to any matter within its jurisdiction