Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD Artesia

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.
NMNM0486483

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
SW381

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

8. Well Name and No.
SHELL FED COM 1

2. Name of Operator
FASKEN OIL & RANCH LIMITED
Contact: ADDISON LONG
E-Mail: addisonl@forl.com

9. API Well No.
30-015-10881-00-S1

3a. Address
6101 HOLIDAY HILL ROAD
MIDLAND, TX 79707

3b. Phone No. (include area code)
Ph: 432-556-8661

10. Field and Pool or Exploratory Area
INDIAN BASIN

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 5 T21S R24E NESW 1980FSL 1980FWL

11. County or Parish, State
EDDY COUNTY, NM

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
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☒ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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.

Fasken Oil and Ranch, Ltd. proposes to plug back and recomplete the Shell Federal No. 1 from the Strawn to the Wolfcamp. Please see attached procedure and current and proposed wellbore diagrams.

NM OIL CONSERVATION
ARTESIA DISTRICT
JAN 03 2017
RECEIVED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

06 JAN 17

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #359780 verified by the BLM Well Information System
For FASKEN OIL & RANCH LIMITED, sent to the Carlsbad
Committed to AFMSS for processing by JENNIFER SANCHEZ on 12/13/2016 (17JAS0118SE)

Name *(Printed/Typed)* ADDISON LONG — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 12/02/2016

APPROVED
DEC 13 2016
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Recompletion Procedure -Wolfcamp
Shell Federal No. 1
1980' FSL & 1980' FWL
Sec 5, T21S, R24E
Eddy County, New Mexico

OBJECTIVE:	Recomplete to Wolfcamp stimulate evaluate.
WELL DATA:	
13-3/8" 48#/ft H-40 ST&C casing:	Set at 310' KB Cmt w/325 sx to surf.
8-5/8" 24.0#/ft J-55 ST&C 8rd casing:	Set at 3100' KB, Cmt w/1100sx Incor w/ 4% gel + 330 sx neat w/2% CaCl2 to surf.
4-1/2" 11.6# N-80&J-55 (1750'-7450') casing:	Set at 9,900' KB, Cmt w/ 450 sx, TOC 7750' by temp survey. 10.73' marker joint @ 9260.38'.
Perfs:	Strawn (12-29-14) 8568'-76', (5-18-15) 8639'-54' (16h), 8718'-26' (9h), 8758'-66' (9h). Atoka (7-9-14): 9181'-87', 9193'-9200', 9336'-46', 9406'-22' (1jspf, 1-11/16" SG), total 43 holes.Morrow: 9570'-9572' 4 JSPF Original, 9657'-9662' 2 JSPF 11-10-93, 9727'-9731' 2 JSPF 11-10-93. CIBP 9560' 7-3-14 CIBP 9550' w/35' "H"7-8-14
Tubing:	2-3/8" Arrowset I 10k pkr w/ TOSSD w/1.81" "F" PN, 272 jts 2-3/8 EUE 8rd 6.5#/ft N-80 tbg, EOT 8559'.
TD:	9,901'
PBTD:	9515' (CIBP@ 9550 w/35' "H")
Last Tubing Pull:	7-8-14

1. Set test tank and lay flowline.
2. RUPU.
3. RU pump truck and kill well w/ 35 bbls 3% KCL w/ clay stabilizer, corrosion inhibitor and oxygen scavenger.
4. NDWH, NU BOP.
5. Release packer and POW with tubing and packer.
6. RIW with notched collar, SN, 2-3/8 EUE 8rd 6.5#/ft N-80 tubing to PBTD 8934'.
7. RU pump truck and circulate well with 2% Kcl water containing packer fluid and clay stabilizer, spotting 10 bbls (8934'-8230') 9.5 ppg brine ladened with 12.5lb/bbl salt gel.
8. POW with tubing.
9. Test casing and plug to 500 psi.
10. RUWL lubricator and RIW w/ 3.625" gauge ring to 8550' FS and set 4-1/2" CIBP at +/-8540' (minimum 50' above perf 8568'). RDWL.
11. Test casing and plug to 500 psi.
12. RIW with notched collar, SN, 2-3/8 EUE 8rd 6.5#/ft N-80 tubing to CIBP ~~8540'~~ 8518' (50'-100' above perfs)
13. RU cementers spotting 25 sx class "H" cement (1.07 cuft/sk yield) above CIBP 8540' for a PBTD of 8230'. WOC 2 hours and tag plug at 8230'.
14. Spot 25 bbls 9.5#/gal salt gel ladened with 12.5lb/bbl.
15. POW w/tubing.
16. RUWL with 3000 psi lubricato. Perforate 4 squeeze holes at 7700'.
17. Establish pump in rate and pressure with 4-1/2" casing valve open at the surface checking for flow or blow.
18. RIW 4-1/2" 11.6# Cement Retainer, Cement Retainer stinger, 2-3/8" x 4' EUE 8rd J-55 sub, 2-3/8" seating nipple, and 2-3/8" EUE 8rd J55 tubing to 7600'.

19. RU pump truck and pump tubing volume plus 5 bbls 2% KCL through retainer. Set retainer at 7600'. Sting out of retainer ensure retainer is operating properly and sting back into retainer.
20. RU cementers, establish pump rate and pump 50 bbls mud flush and squeeze 200 sx class "C"" cement (1.32 cuft/sk yield) through squeeze holes at 7700' attempting to place cement up to 6540' behind 4-1/2" casing.
21. Sting out of retainer and reverse circulate tubing volume to flow back tank. Pull tubing up 10 stands.
22. WOC 2 hours, RIW with tubing and tag retainer at 7600'.
23. RUWL with 3000 psi lubricator and grease. Run temperature survey 7600' to 3000'. RDWL.
24. RIW with 4' x2-3/8" EUE 8rd N-80 tubing sub, Arrowset IX 10k packer, TOSSD with 1.81" "F" profile nipple, and 2-3/8" EUE 8rd N-80 tubing to +/- 7000'.
25. ND BOP. NUWH, setting packer in 12 points compression.
26. Swab tubing volume to 6000' from surface.
27. RUWL with 3000 psi lubricator and grease. Perforate Wolfcamp with 1-11/16" strip gun as follows:

    7111' – 34' Lime (47h, 2JSPF)

    47 total holes by Schlumberger GR/Sonic log dated 12-15-66. POW, make sure all shots fired, and RDWL.
28. Flow test, swab and evaluate fluid entry.
29. RU pumping service. Trap 500 psi on annulus. Acidize Wolfcamp perfs 7111'-34' via 2-3/8" tubing with 1500 gal 15% NEFE HCL acid dropping 80 ball sealers evenly spaced. Rate 2-4 bpm at max pressure 1500 psi. RD stimulation company.
30. Swab and flow back acid and load water to steel test tank and evaluate.
31. Flow well and evaluate.
32. Return well to sales.
33. RDPU.

CWB

12-2-16

ShellFed1_afexxxx Rec to Wlfc 12-2-16.doc

Current

Well: **Shell Federal No. 1**
Operator: **Fasken Oil and Ranch, Ltd.**
Location: 1980' FSL and 1980' FWL
Sec 5, T21S, R24E
Eddy County, NM
Spudded: 10/30/1966
API #: 30-015-10881
TD: 9901'
PBTD: 8901' (WL tag5/18/15 CIBP@9131 w/"H")
Casing: **13-3/8" 48# H-40 ST&C @ 310'**
w/325sx Incor w/ 2% $CaCl_2$
circulated to surface
8-5/8" 24# J-55 ST&C 8rd thd @ 3100'
w/1100sx Incor w/ 4% gel + 330 sx neat w/2% CaCl2
circulated 276 sx to surface
4-1/2" 11.6# N-80&J-55 @ 9900'
450 sx Incor
TOC: TOC 7750' by Temp survey
4-1/2" 11.6# N-80: Surf-1750'
4-1/2" 11.6# J-55: 1750'-7450'
4-1/2" 11.6# N-80: 7450'-9900'

Tubing: 1-8-15

2-3/8"x4' tbg sub w/collar	4.00
4-1/2" Arrowset IX pkr w/1.81" "F" nip	7.05
and TOSSD	1.15
271 jts, 2-3/8" N80 EUE 8rd tbg	8496.00
KB	12.00
EOT	8520.20

Perfs

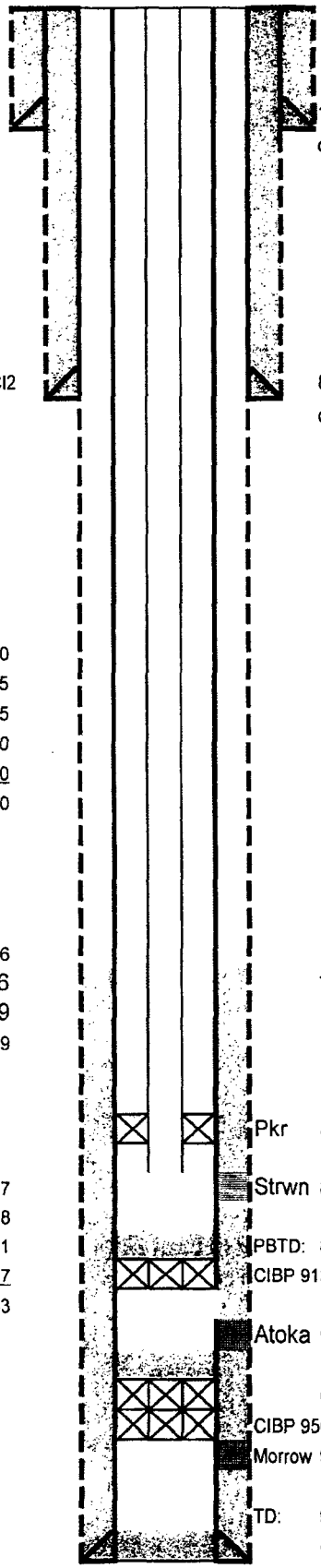
	Strawn		
12/29/2014	8568'-76'	(2jspf, 3-1/8" CG, 0.40"EHD)	16
5/18/2015	8639'-54'	(1jspf, 1-11/16" SG, 0.21"EH	16
5/18/2015	8718'-26'	(1jspf, 1-11/16" SG, 0.21"EH	9
5/18/2015	8758'-66'	(1jspf, 1-11/16" SG, 0.21"EH	9

12/24/2014 CIBP 9131" w/217' "H" cmt, PBTD 8914'

	Atoka		#hls
7/9/2014	9181'-87'	(1jspf, 1-11/16" SG)	7
7/9/2014	9193'-9200'	(1jspf, 1-11/16" SG)	8
7/9/2014	9336'-46'	(1jspf, 1-11/16" SG)	11
7/9/2014	9406'-22'	(1jspf, 1-11/16" SG)	17
			43

7/8/2014 CIBP 9550' w/35' "H" cmt
7/3/2014 CIBP 9560' Morr CL 9440
Morrow
9570'-9572' 4 JSPF Original
9657'-9662' 2 JSPF 11-10-93
9727'-9731' 2 JSPF 11-10-93

Hole Sizes 17-1/2" 310', 12-1/4" 3100', 7-7/8" 9901'
Status: Strawn recompletion unsuccessful, 0 mcfd.



Current as of 5-18-15
RKB: 3383'
Grayburg 300'
13-3/8" 48# H-40 ST&C @ 310'
circulated to surface
San Andres 910'
Glorietta 2470'
Yeso 2756'
8-5/8" 24# J-55 ST&C 8rd thd @ 3100'
circulated 276 sx to surface
Bone Spring 3250'
Wolfcamp 6645'
TOC 7750' by Temp survey
Pkr 8516.20
Strawn 8540'
Strwn 8568'-8766'
PBTD: 8901' (WL tag5/18/15 CIBP@9131 w/"H")
CIBP 9131'
Atoka 9170'
Atoka 9181'-9422'
Morow 9440'
CIBP 9550' w/35' "H" cmt
CIBP 9560'
Morrow 9570;-9731'
Barnett 9835'
TD: 9901'
4-1/2" 11.6# N-80&J-55 @ 9900'

cwb
5-8-15
Shell 1 wb diagram.xls

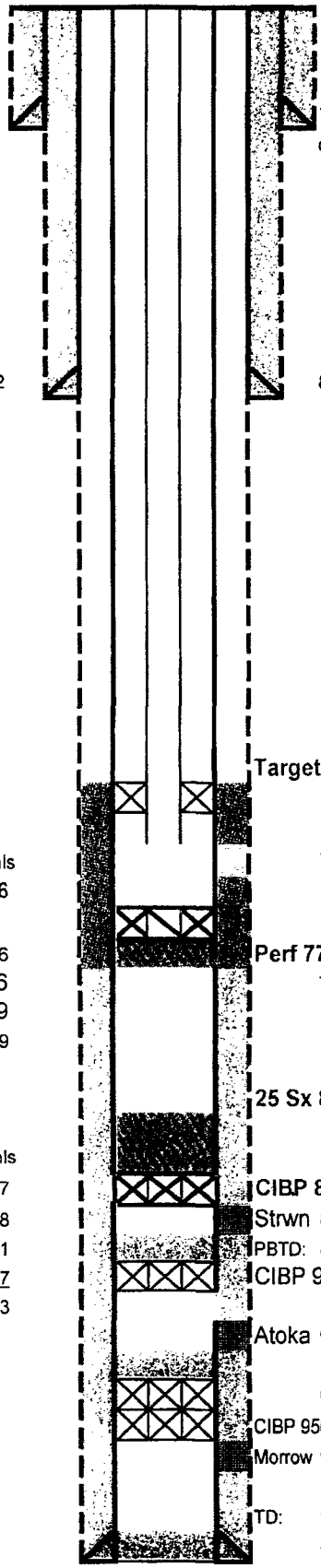
Proposed

Well: **Shell Federal No. 1**
Operator: **Fasken Oil and Ranch, Ltd.**
Location: 1980' FSL and 1980' FWL
Sec 5, T21S, R24E
Eddy County, NM
Spudded: 10/30/1966
API #: 30-015-10881
TD: 9901'
PBTD: 8901' (WL tag5/18/15 CIBP@9131 w/"H")
Casing: **13-3/8" 48# H-40 ST&C @ 310'**
w/325sx Incor w/ 2% $CaCl_2$
circulated to surface
8-5/8" 24# J-55 ST&C 8rd thd @ 3100'
w/1100sx Incor w/ 4% gel + 330 sx neat w/2% CaCl2
circulated 276 sx to surface
4-1/2" 11.6# N-80&J-55 @ 9900'
450 sx Incor
TOC: TOC 7750' by Temp survey
4-1/2" 11.6# N-80: Surf-1750'
4-1/2" 11.6# J-55: **1750'-7450'**
4-1/2" 11.6# N-80: 7450'-9900'

Proposed
230 sx "C" 7700'-7500' Plg #4, Prf&Sqz
Cement retainer 7600'
25 sx "H" T 8540'-8230' Plg #3, TAG
CIBP 8540'

Proposed	Wolfcamp		#hls
	7111'-34 ' (2jspf, 3-1/8" CG, 0.40"E		46
	Strawn		
12/29/2014	8568'-76'	(2jspf, 3-1/8" CG, 0.40"EHD)	16
5/18/2015	8639'-54'	(1jspf, 1-11/16" SG, 0.21"EHD)	16
5/18/2015	8718'-26'	(1jspf, 1-11/16" SG, 0.21"EHD)	9
5/18/2015	8758'-66'	(1jspf, 1-11/16" SG, 0.21"EHD)	9
12/24/2014	CIBP 9131" w/217' "H" cmt, PBTD 8914'		
	Atoka		#hls
7/9/2014	9181'-87'	(1jspf, 1-11/16" SG)	7
7/9/2014	9193'-9200'	(1jspf, 1-11/16" SG)	8
7/9/2014	9336'-46'	(1jspf, 1-11/16" SG)	11
7/9/2014	9406'-22'	(1jspf, 1-11/16" SG)	17
			43
7/8/2014	CIBP 9550' w/35' "H" cmt		
7/3/2014	**CIBP 9560'**	Morr CL 9440	
	Morrow		
	9570'-9572' 4 JSPF Original		
	9657'-9662' 2 JSPF 11-10-93		
	9727'-9731' 2 JSPF 11-10-93		

Hole Sizes 17-1/2" 310', 12-1/4" 3100', 7-7/8" 9901'
Status: Strawn recompletion unsuccessful, 0 mcfd.



Proposed PB to Wolfcamp
RKB: 3383'
Grayburg 300'
13-3/8" 48# H-40 ST&C @ 310'
circulated to surface
San Andres 910'
Glorietta 2470'
Yeso 2756'
8-5/8" 24# J-55 ST&C 8rd thd @ 3100'
Bone Spring 3250'
Target cmt top 6540'
Wolfcamp 6645'
7111'-34' Wolfcamp test
Perf 7700',200sx, #4
TOC 7750' by Temp survey
25 Sx 8540'-8230', #3
Strawn 8540'
CIBP 8540'
Strwn 8568'-8766', 8895'-8910'
PBTD: 8901' (WL tag5/18/15 CIBP@9131 w/"H")
CIBP 9131', #2
Atoka 9170'
Atoka 9181'-9422'
Morow 9440'
CIBP 9550' w/35' "H" cmt, #1
CIBP 9560'
Morrow 9570;-9731'
Barnett 9835'
TD: 9901'
4-1/2" 11.6# N-80&J-55 @ 9900'

cwb
12-2-16
Shell 1 wb diagram.xls

Shell Fed Com 1
30-015-10881
Fasken Oil & Ranch Limited
December 13, 2016
Conditions of Approval

Notify BLM at 575-361-2822 a minimum of 24 hours prior to commencing work.

Work to be completed by March 13, 2017.

1. **Operator shall set CIBP at 8,518' (50'-100' above perfs) and place 25sx Class H Cement on top. WOC and tag.**

2. **Squeeze approved as written. If TOC is less than 500' above the top most desired Wolfcamp perf contact the BLM prior to perfing the Wolfcamp.**

3. **Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to max treating pressure. Notify BLM if test fails**

4. Surface disturbance beyond the originally approved pad must have prior approval.

5. Closed loop system required.

6. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

7. Operator to have H2S monitoring equipment on location.

8. A minimum of a **5000 (5M)** BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (5M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

9. **Subsequent sundry required detailing work done, C-102 form, and completion report with the new formation. Operator to include well bore schematic of current well condition when work is complete.**

10. **Operator shall evaluate the COM based on state spacing as it may need to be amended or removed.**

11. **See attached for general requirements.**

JAM 121316

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. Subsequent Plug back Reporting: Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.