

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Operator Copy

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.*5. Lease Serial No.
NMNM0486483
6. If Indian, Allottee or Tribe Name**SUBMIT IN TRIPLICATE - Other instructions on page 2**7. If Unit or CA/Agreement, Name and/or No.
SW3811. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other8. Well Name and No.
SHELL FED COM 12. Name of Operator
FASKEN OIL & RANCH LIMITEDContact: ADDISON GUELKER
E-Mail: addisong@forl.com9. API Well No.
30-015-10881-00-S13a. Address
6101 HOLIDAY HILL ROAD
MIDLAND, TX 797073b. Phone No. (include area code)
Ph: 432-687-177710. Field and Pool or Exploratory Area
INDIAN BASIN-STRAWN
WOLFCAMP

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			
<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"/> Hydraulic Fracturing	<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 checked="" 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	

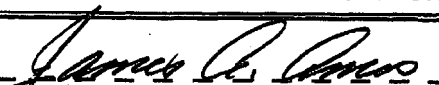


13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths 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 approval to plug and abandon the above well. Please see attached procedure, current and proposed wellbore diagrams.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Electronic Submission #440551 verified by the BLM Well Information System For FASKEN OIL & RANCH LIMITED, sent to the Carlsbad Committed to AFMSS for processing by DEBORAH MCKINNEY on 10/22/2018 (19DLM0062SE)	
Name (Printed/Typed) ADDISON GUELKER	Title REGULATORY ANALYST
Signature (Electronic Submission)	Date 10/19/2018

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By 	Title 	10-31-18 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 ****

**Recommended P&A Procedure
Fasken Oil and Ranch, Ltd.
Shell Fed Com No. 1**

OBJECTIVE:	Plug and Abandon
WELL DATA (as of 9-26-18):	
13-3/8" 48# casing:	Set at 310', 350 sx. Circ 325sx cmt to surface.
8-5/8" 24 # casing:	Set at 3,100', w/1100sx Incon+ 330sx "C" neat; Circ 276 sx to surface.
4-1/2" 11.6# N80&J55 casing:	Set at 9,900' 450 sx Incon ("C") TOC @ 7,750' Temp survey. Cutoff at 6590' 6-27-18
Perfs & Plugs:	<p>Yeso: 2789'-67' Swb non-commercial 7-17-18 Plug7 8-5/8" shoe, 75sx "C" 3246'-2998' Tag 7-16-18 Yeso: 3050'-80', swab wet. Plug6 50sx "C" 3406'-4346' Tag 7-3-18 Plug5 95sx "C" 7030'-6458' Tag 7-2-18 Cut and pull csg 6590' 6-27-18, CIBP @ 7030' 6-26-18 Wolfcamp: 7106'-7129' Plug4 Cmt Ret 7650', Remeidal Sqz 7700'-7210' 165x, Sqz 7210'-7080' 145sx, 2-22-17 Plug3 CIBP @ 8,501' w/358' cmt 2-16-17 Strawn: 8568'-76', Dec 2014 Strawn: 8895'-8910', May 2015:</p> <p>Plug2 CIBP @ 9131'-8901' w/230' "H" cmt 12-24-14, WL tag 5-18-15 Atoka: 9181'-9422', Jul 2014 CIBP 9550 w/35' "H" cmt CIBP 9560 Morrow: 9670'-9731' Feb 2017</p>
Tubing:	None – all tubing retrieved on 7-17-2018
KB:	13'
TD:	9,901'
PBTD:	2,956' (Plug @ 3,246' w/290' cmt) 7-7-2018

1. Notify BLM in Carlsbad @ 575-361-2822 of intent to plug and abandon 24 hours prior to rigging up on well.
2. Make sure mast anchors have been tested and tagged in last 24 months.
3. RUPU, set rig mats, cat walk, 2 sets pipe racks and a half-frac workover tank on location.
4. Lay flow line to workover tank. Receive +/- 3,100' 2-3/8" EUE 8rd 4.7#/ft N80 workstring tubing.
5. Bleed casing pressure (if any) to tank.
6. RU pump truck and kill well via tubing with 40 bbls fresh water.
7. RIW with 2-3/8" notched collar, 2-3/8" EUE 8rd 4.7#/ft N80 tubing to PBTD 2,998' (tagged 7-16-18).
8. RU cement pump and mix and pump 159 bbls 9.5# salt gel mud with a minimum of 12.5 pounds of gel per barrel (or 25 sacks at 50 LB/sack per 100 bbls). Displace all cement plugs (estimated 540 feet of total cement plugs) with mud laden brine water.

- 2706
9. **Plug #8:** POW laying down tubing to 2839'. Mix and spot 35 sx Class "C" cement plug at 2839'-2709'. POW and WOC for 4 hrs and tag plug @ or above 2739'. Notify Midland Office and BLM of the results. POW to 2520'. 2706
10. **Plug #9:** POW laying down tubing to 2520'. Mix and spot 35 sx Class "C" cement plug at 2520'-2390'. POW and WOC for 4 hrs and tag plug @ or above 2420'. Notify Midland Office and BLM of the results. 130' min. plug 2390'
11. **Plug #10:** POW laying down tubing to 960'. Mix and spot 30 sx Class "C" cement plug at 960'-850'. POW and WOC for 4 hrs and tag plug @ or above 860'. Notify Midland Office and BLM of the results.
12. **Plug #11:** (13-3/8" shoe 310'): POW to 360'. Mix and spot a 30 sx Class "C" cement plug at 360'-250'. POW and WOC 4 hrs. RIW with tubing and **TAG** cement plug @ or above 260' and notify Midland Office and BLM of the results.
13. **Plug #12 (Surface):** Mix and spot a 16 sx Class "C" cement plug at 60', displacing cement to surface.
14. Dig out wellheads and cut-off below "A" section.
15. Weld plate onto casing with marker joint with the following information. Fasken Oil & Ranch Ltd., Shell Federal Com No.1, Section 5, T21S, R24E, 1980' FSL and 1980' FWL, Unit C.
16. Install 1" 2000 psi valve welded into top of marker joint. Remove valve handle and close valve.
17. Send wellheads to Downing Wellhead in Midland. Clean location, RDPU and release all rental equipment.

9-26-18

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'**PBDT: **2,956'**Casing: **13-3/8" 48# H-40 ST&C @ 310'****w/325sx Incon w/ 2% CaCl₂****circulated to surface****8-5/8" 24# J-55 ST&C 8rd thd @ 3100'****w/1100sx Incon 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 Incon**TOC: **TOC 7750' by Temp survey**plg 12 **15 sx "C" 0-60', Surface**plg 11 **30 sx "C" 360'-250', Tag**plg 10 **30 sx "C" 960'-850', Tag**plg 9 **35 sx "C" 2520'-2390', Tag**Plg 8 **35 sx "C" 2839'-2709', Tag****Grayburg 300'****San Andres 910'****Glorietta 2470'****Yeso 2756'****Bone Spring 3250'**

U. Yeso 2789'-67' Non-Commerc 7/17/18
Plug7 75sx "C" 3246'-2998' Shoe, TAG 7-16-18

L. Yeso 3050'-80' Non-Commercial

Plug6 50 sx "C" 3406'-3246' TAGGed 7-3-18
Wolfcamp 6645'

Plug5 95 sx "C" 7030'-6458' TAGGed 7-2-18
CIBP 7030'

Rmedial Sqz(4h) 7080', 145sx "C" 6/26/18

Sqz(4 h) 7210' 2/21/17

Cement Retainer 7650' 2/22/17

Plug4 Rmedial Sqz(4h) 7700', 165sx "C" 2/16/17

Plug3 25 sx "H" 8501'-8143', tagged 2/16/17
CIBP 8501' 2/16/17

Wolfcamp **Strawn 8540'**

7106'-29' (4h) (2jspl, 3-1/8" CG, 0.42" 2/21/17

Strawn

8568'-76' 12/29/14

8895'-8910', Tag PBDT 8901' 5/18/15

Plug2 CIBP 9131' w/230' "H" cmt 12/24/14

Atoka **Atoka 9170'**

9181'-9422' 7/9/2014

Plug1 CIBP 9560' 7/3/14

Morrow **Morrow 9440'**

9657'-9662' 2 JSPF 11-10-93 1965, 11/10/2003

9727'-9731' 2 JSPF 11-10-93 11/10/03

Hole Sizes **17-1/2" 310', 12-1/4" 3100', 7-7/8" 9901'**

Status: Yeso tes 3050-80' unsuccessful

Proposed 9-27-18

plg12 15 sx "C" 0-60'

circulated to surface

13-3/8" 48# H-40 ST&C @ 310'

plg11 30 sx "C" 360'-250'

plg 10 30 sx "C" 960'-850'

plg 9 35 sx "C" 2520'-2390'

Plg 8 35 sx "C" 2839'-2709'

U. Yeso Perf 2789'-67'

8-5/8" 24# J-55 ST&C 8rd thd @ 3100'

L. Yeso Perf 3050'-80'

L. Yeso OH 3100'-3225'

L. Yeso Swab wtr, non-prod.

75 sx "C" 3246'-2998'

Plg7

Plg6 50sx "C", 3406'-3246'

Plg5 95sx "C", 7030'-6458'(tgd)

Cutoff 4-1/2" 6590' 6-27-18

TOC 6720' by CBL

CIBP 7030' 6-26-18

Perf 7080', 145sx

Perfs Wlfc 7106'-29'

Perf 7210'

Cmt Ret 7650'

Perf 7700', 165sx, plug #4

TOC 7750' by Temp survey

25 Sx 8501'-8143', Plug #3

CIBP 8501'

Strwn 8568'-8910'

PBDT: 2,956'

CIBP 9131', Plug #2

Atoka 9181'-9422'

CIBP 9550' w/35' "H" cmt, Plug #1

CIBP 9560'

Morrow 9570-9731'

TD: 9901'

4-1/2" 11.6# N-80&J-55 @ 9900'

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% CaCl₂

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**

Tops

Grayburg 300'

San Andres 910'

Glorietta 2470'

Yeso 2756'

Bone Spring 3250'

Current 7-17-18

RKB: 3383'

13-3/8" 48# H-40 ST&C @ 310'
circulated to surface

U. Yeso Perf 2789'-67'

75 sx "C" 3246'-2998'
L. Yeso Perf 3050'-80'

8-5/8" 24# J-55 ST&C 8rd thd @ 3100'

50sx "C", 3406'-3246'

95sx "C", 7030'-6458'(tgd)
Cutoff 4-1/2" 6590' 6-27-18

TOC 6720' by CBL

CIBP 7030' 6-26-18

Perf 7080', 145sx
Perfs Wlfc 7106'-29'
Sqz Perf 7210'

Cmt Ret 7650'

Perf 7700', 165sx

TOC 7750' by Temp survey

25 Sx 8501'-8143'

CIBP 8501'

Strwn 8568'-8901'

8901' (WL tag5/18/15 CIBP@9131 w/"H")

CIBP 9131'

Atoka 9181'-9422'

CIBP 9550' w/35' "H" cmt

CIBP 9560'

9570-9731'

TD: 9901'

4-1/2" 11.6# N-80&J-55 @ 9900'

Plug7 U. Yeso 2789'-67' Non-Commercial 7/17/18
75sx "C" 3246'-2998' Shoe, TAG 7-16-18

Plug6 L. Yeso 3050'-80' Non-Commercial

50 sx "C" 3406'-3246' TAGGed 7-3-18

Plug5 95 sx "C" 7030'-6458' TAGGed 7-2-18

CIBP 7030' 6/26/18

Rmedial Sqz(4h) 7080', 145sx "C" 2/22/17

Sqz(4 h) 7210' 2/22/17

Cement Retainer 7650' 2/21/17

Plug4 Rmedial Sqz(4h) 7700', 165sx "C" 2/16/17

Plug3 25 sx "H" 8501'-8143', tagged 2/16/17

CIBP 8501' 2/16/17

Wolfcamp Strwn 8540'

7106'-29' (4h) (2jspf, 3-1/8" CG, 0.42") 2/21/17

Strwn 8568'-76' 12/29/14

8895'-8910', Tag PBTD 8901' 5/18/15

Plug2 CIBP 9131' w/230' "H" cmt: 12/24/14

Atoka Atoka 9170'

9181'-9422' 7/9/2014

Plug1 CIBP 9550' w/35' "H" cmt 7/3/14

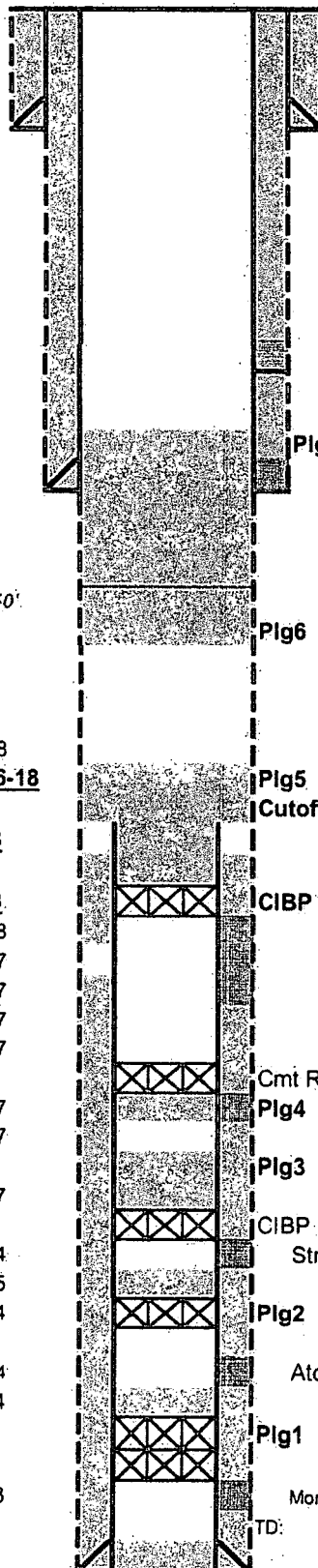
CIBP 9560' Morrow 9440'

9657'-9662' 2 JSPF 11-10-93 1965, 11/10/2003

9727'-9731' 2 JSPF 11-10-93 11/10/03

Hole Sizes 17-1/2" 310', 12-1/4" 3100', 7-7/8" 9901'

Status: Strwn recompletion unsuccessful, 0 mcf/d.



cwt

7-13-18

Shell 1 wb diagram.xls

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

OBJECTIVE:	Recomplete to Yeso
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% CaCl ₂ to surf
4-1/2" 11.6# N-80&J-55 (1750'-7450') casing	Set at 9900' KB. Cmt w/450sx. TOC 7750' by temp survey. 10-73' marker joint @ 9260-38
Perfs	Sqz holes 7080' (2-21-17) 4h w/145sx "C" TOC 6720' by CBL Wolfcamp (2-27-17) 7106'-29' 47h SG
	Sqz holes 7210' (2-22-17)
	Cement Retainer 7650' (2-22-17)
	Sqz holes 7700' (2-16-17) 4h w/165sx "C" cmt
	CIBP 8501' (2-16-17) w/255sx "H" cmt to 8143'
	Strawn (12-29-14) 8568'-76' (5-18-15) 8639'-54' (16h) 8718'-26' (9h) 8758'-66' (9h)
	CIBP 9131' 12-24-14 w/230' "H" cmt. PBT.D tag 8901' by WL 5-18-15)
	Atoka (7-9-14) 9181'-87' 9193'-9200' 9336'-46' 9406'-22' (1) spf. 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 1 10k pkr w/ TOSSD w/1 81" "F" PN 220 jts 2-3/8"
TD	EUE 8rd 6.5#/ft N-80 tbg. EOT 7003'
PBT.D	9,901'
Last Tubing Pull	7650' Cement retainer (2-22-17)
	3-8-17. Note: No OH caliper run in this well. Well full of fresh water containing oxygen scavenger and packer fluid

1. Set test tank and lay flowline. Arrange for 175 4-1/2" casing protectors to be on location.
2. RUPU, kill well with 2% KCL water containing clay stabilizer and O₂ scavenger.
3. NDWH and NUBOP.
4. Release Arrowset 1x10k packer at 7003' RIW and spot 10 bbls 9.5#/gal mud from 7,650' to 7,030'.
5. POW with 2-3/8" N-80 tubing and packer.
6. RUWL with lubricator. RIW with 4-1/2" 10K CIBP and set at 7030'. RDWL.
7. Bleed any pressure off 8-5/8" x 4-1/2" annulus. **NOTE:** Gas on 8-5/8" x 4-1/2" annulus could contain H₂S gas.
8. ND 7-1/16 3000# x 11" 3000 # well head and install 11" 3000 psi BOP with 4-1/2" pipe rams and have 4-1/2" x 2" swage on location to screw into casing. RIW and spear 4-1/2" casing, remove slips and free point casing (TOC 6700' by CBL).
9. RU WL with lubricator and RIW with chemical cutter and cutoff casing at +/-6700' with casing pulled in tension. RDWL.

10. POW with casing installing thread protectors before laying down.
11. RUWL with lubricator and run caliper log 7030'-3100' (8-5/8" shoe). RDWL.
12. RIW with 2-3/8" perf sub, SN and 2-3/8" tubing to CIBP at 7030', may need to rotate tubing into cutoff.
13. Plug #5 (#'s 1-4 in place down hole): RU cement company and spot 9.5#/gal gel laden mud from 7030' FS to 3000' FS while spotting 95 sx Class "C" cement with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 ft³/sx). POW and WOC for 3 hrs and tag plug above 6533' (adjust cement volume per caliper; assumed 10" hole as measured in Well #2 across WC shale).
14. Receive 3400' 2-7/8" EUE 8rd J-55 tubing.
15. POW laying down all 2-3/8" EUE 8rd N80 tubing.
16. PU and RIW with 2-7/8" perforated sub, SN and 2-7/8" EUE 8rd J55 tubing to 3360'.
17. Plug #6: Spot 50 sx (Class "C" with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 ft³/sx) from 3360' FS to 3225' FS (adjust volume per caliper; assumed 9" hole as measured in Well #2). POW with tubing into 8-5/8" casing. WOC 3 hrs and tag 3225' (Note base of OH Yeso pay estimated 3210'; this leaves 15' rat hole; however, PBSD should not be below 3300').
18. RU pump truck and circulate well with 2% KCL water containing clay stabilizer and O₂ scavenger. POW with 2-7/8" tubing, SN, 2-7/8" perf sub.
19. RIW with 8-5/8" RBP with ball catcher and set at 3090' (8-5/8" shoe at 3100').
20. RU pump truck and test casing to 2360 psi (80% of 8-5/8" 24#/ft J-55 burst 2950 psi).
21. RU acid pump and spot 750 gal triple inhibited 15% HCL acid 3085'-2805'. POW with tubing.
22. RUWL with lubricator and RIW with 4" slick guns and perforate 8-5/8" casing 1 JSPF, 60° phasing using select fire as follows:

3,050'-55' (11h, 2 JSPF, 60° Ph),

3,075'-80' (11h, 2 JSPF, 60° Ph)
- 22 total holes by Schlumberger GR/Sonic log dated 12-15-66. POW, make sure all shots fired, and RDWL.
23. Displace 750 gal spot acid with fresh water at rate achievable with max pressure 2360 psi (80% of 8-5/8" 24#/ft J-55 burst) flushing to bottom perf 3085'.
24. RIW with retrieving head, SN, 8-5/8" 32-A tension packer and 2-7/8" EUE 8rd J55 tubing to +/-2700'. Reverse 5 bfw into tubing. Set packer in 15 points tension. Test tubing/casing annulus to 500 psi.
25. Swab back load and acid water.
26. Release tension packer. RIW and retrieve RBP at 3095'. POW with 2-7/8" tubing, SN, 8-5/8" 32-A tension packer, retrieving head, and 8-5/8" RBP.

27. RUWL with lubricator and RIW with 4" slick guns and perforate +/-10" open hole formation 1 JSPF, 60 phasing using select fire as follows:

3,115-20' (11h, 2 JSPF, 60° Ph),
 3,140'-45' (11h, 2 JSPF, 60° Ph)
 3,170'-75' (11h, 2 JSPF, 60° Ph)
 3,195'-3,200' (11h, 2 JSPF, 60° Ph)

44 total holes by Schlumberger GR/Sonic log dated 12-15-66. POW, make sure all shots fired, and RDWL.

28. RIW with 8-5/8" 32-A tension packer, SN, 2-7/8" EUE 8rd N-80 tubing, and set packer at +/- 2900' with 15 points tension.
29. RU pumping service. Trap 500 psi on tubing/casing annulus. Acidize Yeso perms 3050'-85' and open hole 3100'-3225' with 4000 gal 15% NEFE acid in four equal stages, at rate 4-5 bpm, maximum tubing pressure 3000 psi (frac gradient 1.0) as follows:
- a. Pump 1000 gal 15% NEFE acid
 - b. Pump 500 lb rock salt block in 10 bbls gelled brine water with biocide, clay stabilizer and O² scavenger.
 - c. Pump 1000 gal 15% NEFE acid.
 - d. Pump 500 lb (adjust as necessary) rock salt block in 10 bbls gelled fresh water with clay stabilizer and O² scavenger.
 - e. Pump 1000 gal 15% NEFE acid.
 - f. Pump 500 lb (adjust as necessary) rock salt block in 10 bbls gelled fresh water with clay stabilizer and O² scavenger.
 - g. Pump 1000 gal 15% NEFE acid.
 - h. Displace acid with fresh water containing clay stabilizer and oxygen scavenger. Record ISIP, 5, 10 and 15 minute SITP. Bleed pressure off annulus and RD pumping service.

30. Swab back acid and load water and evaluate.

NOTE: July 2018 L. Yeso was perforated, acidized, swab tested water, non-commercial.

31. RIW with 8-5/8" RBP with ball catcher, retrieving head, SN, 8-5/8" 32-A tension packer and 2-3/8" EUE 8rd tubing and set RBP at 3090' (8-5/8" shoe at 3100'). POW with tubing.
32. RUWL with lubricator and RIW with 3-1/8" slick guns and perforate U. Yeso zone 2JSPF, 60 phasing using select fire as follows:
- 2,789-62' (11h, 2 JSPF, 60° Ph)
 2,810-15' (11h, 2 JSPF, 60° Ph)
 2,857-67' (11h, 2 JSPF, 60° Ph)

RD WL.

33. RIW with tubing and packer and acidize perms 2789'-2867' with 1200 gal 15% NEFE HCL acid and 50 ball sealers for diversion.
34. Swab back acid and load water and evaluate.

35. L. Yeso 3050'-3246' is non-commercial. POW with tubing, packer. RIW with retrieving head, and retrieve RBP at 3090'. POW with tubing and RBP.
36. RU cementer. RIW with 2-3/8" tubing, SN to PBTD 3246'.
37. **Plug #7:** RU cementers, circulate well with 2% kcl water, spot 75 sx class "C" cement (14.8 ppg, 1.32 cuft/sk yield) @ 3246'-3000'. WOC 4 hours. Tag at 3000' or above.
38. POW laying down 2-3/8" EUE 8rd tubing, SN.
39. ND BOP.
40. RDPU.
41. RU stimulation service and flowback equipment. (NOTE: fluid additives and sand types TBD):
 - a. Frac Upper Yeso 2789'-2867' (33h) with 200,000 gal slick water + 100,000 lbs 20/40 sand, maximum pressure 2360 psi (80% of 8-5/8" 24#/ft K-55 burst). Flush to top perf 2789'.
42. RU flow back equipment and flow back well until dead. Will need to have fresh air equipment on location for flow back crews. Report results to Midland office.
43. RUPU RIW with 2-7/8" bull plugged MA, 2-7/8" perforated sub, Cavins Desander? (refer to ALS), and 2-7/8" SN and 2-7/8" EUE 8rd 6.5#/ft J-55 tubing to 3090' (10' above 8-5/8" casing shoe).
44. Run pump and rods per ALS recommendation.
45. RDPU, clean location and release all rental equipment.
46. Set pumping unit and generator and return well to production through battery.

CWB/SRF

7-13-18

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Fasken Oil and Ranch, LTD.
DAILY OPERATIONS REPORT - (All Days)

4/15/2018 thru 7/13/2018

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Shell Federal # 1

Eddy Co., NM

Well ID: SH2000-01S

Zone:

AFE # 3555

Test Yeso zone.

Jul 8, 2016 Friday (Day 1)

No activity. (PEH)

Daily Cost: \$750

Cum. Cost: \$750

AFE Amount:

Jun 25, 2018 Monday (Day 2)

Called BLM at 9:25 A.M. MT and spoke w/ Bertha, gave information of intent to RU on well and recomplete it in the Yeso Zone and responded to call OCD. Called OCD spoke w/ David Mervine at 9:33 A.M. MT of intent to RU and recomplete well in Yeso Zone and given instruction to proceed with operations. Contractor delivered and set TWS rig mats. RUPU TWS Rig No. 535. SITP- 50 psi, SICP- 0 psi. Found casing dead and tubing on vacuum w/ bad gauge. Set catwalk and 2 sets of pipe racks. Pumped 30 bbls of 2% KCL mixed w/ clay stabilizers, O2 scavengers and corrosion inhibitor down tubing at 2 bpm rate w/ tubing on vacuum. ND 3K flow tree with no wraparound in well head and NU function tested 5K manual BOP. Released 4-1/2 AS-1X 10K pkr w/ TOSSD and RIW w/ 12 jts and tagged at 7353' w/ soft sticky bottom by old tally w/ CICR set at 7650' and cement drilled out to 7300' on 2/28/18. POW w/ 12 jts w/ packer at 7003' w/ tubing pulling wet. Closed BOP and installed TIW valve in tubing. Pumped 3 bbls of 2% KCL chemical mixed down tubing to clear EOT. Contractor moved 84 jts from Ross Federal to location and set on racks. Contractor set flow back tank w/ gas buster. Crew moved flow back line from Ross Fed #5 to location and laid from well head area to flow back tank and SDON. (PEH)

Daily Cost: \$9,635

Cum. Cost: \$10,385

AFE Amount:

Jun 26, 2018 Tuesday (Day 3)

Tubing and casing dead. Basic cement pump arrived to location at 10:00 A.M. NMT. Spotted and RU cement pump. RIW / 11 jts w/ EOT at 7353'. Tested lines, pumped 4 bbls fluid and tubing psi increased to 600 psi, increased pressure to 2000 psi with no psi loss. Checked all valves casing open to 1/2 pit. POW with 5 jts and circulated through tubing. RIW with 5 jts w/ EOT at 7350'. Circulated through tubing w/ well loaded w/ 25 bbls 2% KCL w/ clay stabilizer, corrosion inhibitors and O2 scavengers mix in 2% KCL. Weighted fresh 2% KCL 8.4 ppg, returns from casing of well w/ 35 bbls pumped weighted 8.5 ppg w/ clean returns pumped total of 50 bbls KCL w/ chemical mixed. Mixed and spotted 20 bbls of 9.5# mud laden bw and flushed w/ 18.9 bbls of 2% KCL and spotted from 7050' to 6277' w/ well balanced. RD Cement pump and POW and LD 22 jts and POW w/ 210 jts w/ 7000' in derrick. RU Renegade WL and RIW w/ 4-1/2" 10K CIBP and set plug at 7030', 8' above collar at 7038'. POW and RDWL. Opened 8-5/8" casing w/ 25 psi and bled psi to 1/2 pit. Broke out bolts in 11" - 300 and head back bolted w/ new bolts. Closed BOP blinds and left 8-5/8" casing open on pinched valve to 1/2 pit and SDON. Basic delivered and set 2 frac tanks, hauled 4 loads 480 bbl of 2% KCL in frac tank and 250 bbls of 10# bw in second frac tank. (PEH)

Daily Cost: \$16,879

Cum. Cost: \$27,264

Fasken Oil and Ranch, LTD.
DAILY OPERATIONS REPORT - (All Days)

4/15/2018 thru 7/13/2018

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Shell Federal # 1

Eddy Co., NM

Well ID: SH2000-01S

Zone:

AFE Amount:

Jun 27, 2018 Wednesday (Day 4)

Tubing casing dead, no gas present in 4-1/2" or 8-5/8" casing valve. Welder cut last 3 bolts off on 11" 3000 flange and removed 7-1/16" 3K x 11" 3K production spool. Removed packing and seals off 4-1/2" casing stub and found 11" OD steel plate welded to 4-1/2" casing. PU 4-1/2" slip type elevators and 4-1/2" x 11.80' 11.60# P-110 lift sub. Notified OCD at 9:51 A.M. spoke w/ Bobby Girndt, updated OCD and spotted mud laden bw from 7350' to 6636' and setting 10K CIBP at 7030' 6-26-18 and of intent to cut off 4-1/2" casing today at 6700' and LD casing. Approved to continue to proceed. Welder finished lift sub straps. Welded ring on 4-1/2" casing PU off head at 119 pts, PU 3" off head and set down with slips in head. Welder cut off 1-1/2" thick ring welded on casing. Exposed slip and removed slip assembly. RU Renegade WL and ran free point and found casing 100% stuck below 6680' 50% stuck at 6650' and 100% free from 6595' and up. Cut 4-1/2" casing at 6590', 5' above casing collar at 6595'. Casing pulled in 15 pts tension and after cutting casing showed 1' gap in pipe. POW and RDWL. Installed and closed TIW valve in 4-1/2" casing. PU 6' and found casing free. Closed BOP rams and left 8-5/8" casing open to 1/2 pit through pinched valve and SDON. (PEH)

Daily Cost: \$26,254

Cum. Cost: \$53,518

AFE Amount:

Jun 28, 2018 Thursday (Day 5)

Tubing and casing dead with no gas at surface. Fork lift removed catwalk and pipe racks and set Rim Rock PU and LD unit and set 1 set of pipe racks. Bull Rogers casing crew rigged up equipment. POW and LD weld on sub and top casing cut off. Continued POW LD and tallying casing while loading tubing while POW with 4-1/2" w/ casing w/ heavy coat of dehydrated mud. POW w/ 37 jts and started pulling mud through slips. Closed BOP and pumped 130 bbls 2% KCL w/ O2 scavenger, clay stabilizer and corrosion inhibitor down casing to flushed mud with well circulating. POW and LD a total of 207 jts 4-1/2" 11.6# range 2 STC 8rd N-80 casing w/ a total of 6578' with 11' welded on lift sub. Total footage pulled from well 6567' with casing cut at 6,590' by WL depth. Contractor hauled 110 jts of 4-1/2" casing to Fasken pipe yard in Midland w/ 97 jts left on racks to be hauled to pipe yard on 6-29-18. RD and released Rim Rock PU and LD unit and Bull Rodgers equipment. Closed 9" BOP blinds and 8-5/8" casing valve. Noticed 11" 3K well head flange ring gasket leaking while pumping KCL water down casing and was unable to stop leak by tightening well head bolts. SWI and SDON. (PEH)

Daily Cost: \$18,547

Cum. Cost: \$72,065

AFE Amount:

Jun 29, 2018 Friday (Day 6)

Tubing and casing dead. Contractor loaded and back hauled 97 jts 4-1/2" 11.6# casing to FPY in Midland. Set catwalk and set tubing back on pipe racks. RU Renegade WL and RIW w/ 1-11/16" 3 arm caliper log and tagged at 6544' WLM and logged to 3100' WLM. POW and RDWL. ND BOP and 11" 3K well head flange, cleaned, inspected ring gasket and NU BOP. Changed tubing rams to 2-3/8". Tallied and RIW w/ 4' perforated sub and 194 jts and tagged at 6170', (wash out spot from 6150' to 6160' on log). Rotated tubing and continued RIW w/ tubing and tagged CIBP at 7019' w/ plug set at 7030' WLM. Did not feel

Fasken Oil and Ranch, LTD.
DAILY OPERATIONS REPORT - (All Days)

4/15/2018 thru 7/13/2018

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Shell Federal # 1

Eddy Co., NM

Well ID: SH2000-01S

Zone:

tubing depth, POW and LD 9 jts tubing to 2894'. SWI and SDON. (PEH)

Daily Cost: \$14,793

Cum. Cost: \$124,231

AFE Amount:

Jul 4, 2018 Wednesday

(Day 11)

No activity. (PEH)

Daily Cost: \$700

Cum. Cost: \$124,931

AFE Amount:

Jul 5, 2018 Thursday

(Day 12)

Tubing and casing dead. Tested well head to 500 psi with small leak. POW w/ 93 jts tubing and LD 4' perf sub. RUWL, RIW w/ 3-1/8" slick guns, w/ Gamma Ray/CCL and correlated to Schlumberger Compensated GR/Sonic dated 12/15/66 and perforated open hole 3115'-20', 3140'-45', 3170'-75' and 3195' - 3200'. POW with all shots fired w/ no change in well and RDWL. RIW with 8-5/8" 24# 32-A tension pkr while testing tubing below slips to 6000 psi with 95 jts ran w/ no leaks found and RD tester. Set pkr at 3009' in 20 pts tension and closed BOP. Attempted to pressure test tubing/casing annulus and found BOP leaking through rams. Repaired problem and trapped 500 psi on annulus and monitored. Established injection rate w/ 5 bfw mixed w/ clay stabilizers, O2 scavenger and corrosion inhibitors and biocide at 3 bpm rate 1488 psi. Pumped 750 gals 15% NEFE DI acid at 4 bpm and 1482 psi w/ 50 psi break. Dropped 500# rock salt block in 4 bbls gelled bw w/ O2 scavengers, corrosion inhibitors, clay stabilizers and biocide at 4 bpm at 1537 psi w/ 100 psi increase. Pumped 750 gals 15% NEFE DI acid at 4 bpm at 1408 psi w/ 310 psi break. Dropped 750# rock salt block in 3 bbls gelled bw at 5.1 bpm rate 1774 psi w/ 550 psi increase.

Pumped 750 gals 15% NEFE DI acid at 4.7 bpm at 2007 psi w/ 340 psi break.

Dropped 1000# rock salt block in 4 bbls gelled bw with 310 psi increase.

Pumped 750 gals 15% NEFE DI acid at 5.5 bpm at 1655 psi w/ 100 psi break.

Flushed to btm perf plus 5 bbls w/ 29 bfw mixed w/ clay stabilizers, O2 scavengers, corrosion inhibitors and biocide at 1752 psi and 5 bpm rate. ISDP-900 psi, 5"-716 psi, 10"-580 psi and 15"-480 psi. TLTR-123 bbls. RD acid pump, bled down casing and RU flow back. Opened tubing w/ 300 psi, bled to 1/2 tank in less than 1 minute. IFL-surface, made 15 runs in 3.5 hrs and recovered 99 bbls black fluid w/ spent acid w/ EFL-900' FS. No gas or oil in samples. FL was static at 900' FS while swabbing. Left tubing open to 1/2 pit on pinched valve and SDON. LLTR-24 bbls. (PEH)

Daily Cost: \$32,400

Cum. Cost: \$157,331

AFE Amount:

Jul 6, 2018 Friday

(Day 13)

Well dead, with no overnight production. IFL-700' FS, made 34 runs in 11 hrs and recovered 182 bf with EFL-1000' FS. First sample black water with H2S present in samples this morning. Total fluid recovered to date 288 bbls, 165 bbls over load. Samples contained black water with solids in fluid and solids cleared up later in day w/ water still black. SWI and SDON. Contractor hauled 240 pw to public disposal from 1/2 pit. (PEH)

Fasken Oil and Ranch, LTD.
DAILY OPERATIONS REPORT - (All Days)

4/15/2018 thru 7/13/2018

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Shell Federal # 1

Eddy Co., NM

Well ID: SH2000-01S

Zone:

top of 4-1/2" casing at 6590'. POW w/ 21 jts, leaving 200 jts in well and left EOT swinging at 6359'. SWI and SDON. (BMB)

Daily Cost: \$13,490

Cum. Cost: \$85,555

AFE Amount:

Jun 30, 2018 Saturday (Day 7)

No activity. (BMB)

Daily Cost:

Cum. Cost: \$85,555

AFE Amount:

Jul 1, 2018 Sunday (Day 8)

No activity. (BMB)

Daily Cost:

Cum. Cost: \$85,555

AFE Amount:

Jul 2, 2018 Monday (Day 9)

SITP-0 psi, SICP-0 psi. RIW with 20 jts tubing, NU spool and tubing stripper. Contractor delivered 75 bbw to tank and mixed with O2 scavenger, clay stabilizer and corrosion inhibitor. Delivered 360 bbls 2% KCL mixed with same chemical mixed in. RIW w/ 1 jt tubing and tagged CIBP at 7030', PU 3' and RU pump truck. Loaded well w/ 9 bbls KCL pumped, found flange between 11" 3K spool and well head flange leaking. Called OCD at 10:45 am MT and notified Mandella Kamal of intent to spot mud laden bw and set 95 sx plug above CIBP at 7030'. Attempted to tighten bolts on flange with no success, switched to conventional circulation and circulated well clean with 2% KCL water with 530 bbls. RU Basic cement pump, mixed and pumped 270 bbls mud laden bw, pumped 3 bfw spacer mixed and pumped 95 sx Class "C" cement w/ 2% CaCl2 (s.w. 14.8 ppg, yield 1.32 ft3/sk) pumped 1 bfw spacer, 13.4 bbls mud laden bw and 10.60 bbls 2% KCL flush w/ well balanced. POW and LD 23 jts tubing and stood 15 stands to 5358'. SWI and SDON. Contractor delivered 520 bbls 2% KCL to frac tank and 75 bbw and hauled 650 bpw to public disposal. (PEH)

Daily Cost: \$23,883

Cum. Cost: \$109,438

AFE Amount:

Jul 3, 2018 Tuesday (Day 10)

Tubing and casing dead. Notified Mandel Kamau with BLM at 8:00 am MT (1-575-361-2822) of intent to tag cement and waited on Mr. Kamau to witness tag at 6458' above required tag point of 6530' and received approval to continue operations. POW and LD 93 jts tubing to 3406', circulated excess mud laden brine water out of well w/ 125 bbls 2% KCL w/ clay stabilizers, corrosion inhibitors and O2 scavenger with clean KCL in returns. Pumped 1 bfw spacer, mixed and pumped 50 sx Class "C" cement w/ 2% CaCl2 (s.w. 14.8 ppg, yield 1.32 ft3/sk) followed by 1 bfw spacer and displaced w/ 11 bbls 2% KCL w/ chemical mix to balanced spot. Plug spotted at 1:00 pm MT, RD cement equipment and POW and LD 7 jts tubing. POW w/ additional 20 jts and WOC 4 hrs. Notified BLM at 1:25 pm MT talked to Mandel Kamau of intent to tag plug at 5:00 pm MT. RIW and tagged cement at 3246' by

Fasken Oil and Ranch, LTD.
DAILY OPERATIONS REPORT - (All Days)

4/15/2018 thru 7/13/2018

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Shell Federal # 1

Eddy Co., NM

Well ID: SH2000-01S

Zone:

Daily Cost: \$8,857

Cum. Cost: \$166,188

AFE Amount:

Jul 7, 2018 Saturday (Day 14)

No activity. (PEH)

Daily Cost: \$750

Cum. Cost: \$166,938

AFE Amount:

Jul 8, 2018 Sunday (Day 15)

No activity. (PEH)

Daily Cost: \$750

Cum. Cost: \$167,688

AFE Amount:

Jul 9, 2018 Monday (Day 16)

Well dead. Swab samples caught Friday had solids settled to bottom w/ solids slightly magnetic. No oil or sheen on top of samples. IFL-700' FS, made 5 runs and recovered 49 bf with EFL-1000' FS. Had H2S present at half pit while swabbing, 337 bbls total recovered. Attempted to test 8-5/8" casing to 800 psi, 11" 3K flange leaked, removed BOP and spool, found rig groove corroded on seal face. NU BOP and spool with new RX-53 ring gasket. Released 8-5/8" 32-A tension packer at 3009', but unable to get packer to move up hole. Attempted to close BOP rams to reverse circulate around packer found BOP rams not closing properly. Exchanged 8" BOP, PU on tubing w/ tubing free and POW w/ 96 jts tubing with slight drag. LD packer, found drilling mud around elements and drag block housing, SWI and SDON. (PEH)

Daily Cost: \$9,140

Cum. Cost: \$176,828

AFE Amount:

Jul 10, 2018 Tuesday (Day 17)

Well dead. RU Capitan WL and RIW with 3-1/8" slick guns w/ GR/CCL and correlated depth to Schlumberger GR/Sonic log dated 12-15-1966 and perforated 3075'- 80' (11 holes, 2 jspf 60 degree phased) and 3050'- 55' (11 holes, 2 jspf, 60 degree phased) w/ no change in 8-5/8" casing status. POW w/ all shots fired and RDWL. RIW w/ 8-5/8" 24# TS RBP and set plug at 3091.26', released running tool and POW w/ tubing and LD running tool. RIW with 8-5/8" 24# 32-A tension packer, seating nipple and 96 jts tubing, lightly tagged top of plug and PU 1' and set packer. Loaded tubing w/ 1/2 bbl KCl water and chemical mix and tested plug to 2360 psi for 10" w/ no pressure loss. Bled down pressure and released packer, spotted gals 500 gals 15% HCl acid and POW to 2995', reversed 7 bbls acid into tubing w/ 2% KCl water and set packer w/ 15 pts tension and trapped 500 psi on tubing/casing annulus and monitored w/ surface valve open. Formation broke at 600 psi and displaced acid at 3 bpm and 1154 psi w/ 6 bbls treated 2% KCl. Increased rate and pressure and treated perforations 3050' - 3080' 22 holes w/ 750 gals 15% HCL DI acid, with 2 breaks 200 and 100 psi and flushed to bottom perf w/ 17 bbls treated 2% KCl water. Max Press-2300 psi, Avg Press-1950 psi, Max rate-5 bpm, Avg rate-4.5 bpm. ISDP - 785 psi, 5" - 237 psi, 10" - 104 psi and 15" - 55 psi. RD acid pump and RU swab.

Fasken Oil and Ranch, LTD.
DAILY OPERATIONS REPORT - (All Days)

4/15/2018 thru 7/13/2018

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Shell Federal # 1

Eddy Co., NM

Well ID: SH2000-01S

Zone:

Opened well w/ 0 psi. TLTR-45 bbls. IFL-surface, made 8 runs in 2-1/4 hrs and recovered 47.5 bf with EFL-1000' FS. Samples contained lightly brown tented water w/ spent acid, no oil cut or sheen on top. Last three samples turned black w/ solids. Left tubing open to flow back pit on pinched valve and SDON. Contractor hauled 120 bpw from 1/2 pit to public disposal. (PEH)

Daily Cost: \$28,622

Cum. Cost: \$205,450

AFE Amount:

Jul 11, 2018 Wednesday (Day 18)

Well dead. IFL-200' FS, made 11 runs in 4 hrs and recovered 66 bf with EFL-800' FS. Samples contained no oil or gas. Caught 1 gal sample of water and sent to Chem Tech in Midland for analysis. Released 32A packer and POW and LD packer. RIW with retrieving head engaged RBP at 3090', released plug and POW and reset plug at 2950'. Released retrieving head and POW and LD retrieving head. RIW with 8-5/8" 24# 32-A packer on 91 jts tubing and set packer at 2921'. Loaded tubing w/ 1.4 bbls 2% KCL water mixed with chemical and tested plug to 2360 psi for 10" w/ no pressure loss. Bled down pressure and released packer. POW to 2866', SWI and SDON. Contractor hauled 120 bpw from 1/2 pit to public disposal. (PEH)

Daily Cost: \$9,740

Cum. Cost: \$215,190

AFE Amount:

Jul 12, 2018 Thursday (Day 19)

Well dead. RU PetroPlex acid pump, spotted 500 gals 15% DI acid 2866' - 2675'. POW w/ tubing and pkr. RU Renegade WL, RIW w/ 3-1/8" slick guns w/ GR/CCL and correlated to Borehole Compensated Sonic Gamma Ray Log dated 12-15-66. Shot holes 2857' - 62' (11 holes 2 jspf 60 degree phased) with no change in well. Moved up to shoot remaining perforating guns did not fire. POW checked and repaired firing system. RIW and shot holes 2810' - 15' (11 holes 2 jspf 60 degree phased) and 2789' - 94' (11 holes 2 jspf 60 degree phased) with no change in well. POW and LD guns with all 33 shots fired and RDWL. RIW with packer and 85 jts tubing reversed 5 bbls acid into tubing and set packer at 2731'. Pressured tubing/casing annulus to 500 psi and monitored. Broke down perfs at 1362 psi, established injection rate at 2.0 bpm at 1900 psi w/ 6 bbls 2% KCL treated water switched to acid and pumped 700 gals 15% HCL DI acid and dropped 50 ball sealers evenly spaced in 5- 10 ball drops and displaced acid w/ 19 bbls 2% KCL treated water. Balled out with first set balls on formation at 3100 psi before able to SD, had ball action and breaks with acid on formation. ISDP-1660 psi, 5"-1612' psi, 10"-1593 psi and 15"-1580 psi and SWI. Max psi-3100 psi, Avg psi-1950 psi, Max rate-3.2 bpm, Avg rate-2.5 bpm. LTR-55 bbls. RD acid pump and opened well with 1450 psi and bled down well to 1/2 pit through adjustable choke in 1-3/4 hrs. Fluid changed color w/ 25 bbls recovered. Samples showed 2-3% oil cut and left well open to 1/2 pit on 12/64" choke with well slugging fluid. TLR-34 bbls, LLTR-19 bbls. Contractor hauled 100 bpw to public disposal. (PEH)

Daily Cost: \$25,451

Cum. Cost: \$240,641

AFE Amount: