

Bill Richardson

Governor

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary Mark Fesmire
Division Director
Oil Conservation Division



July 23, 2008

Jimmy D. Carlile Fasken Oil and Ranch, Ltd. 303 West Wall Avenue Suite 1800 Midland, TX 79701-5116 JUL 28 2008 OCD-ARTESIA

RE: Pending Conditions for Administrative Order SWD-1115

Avalon State Well No. 1 (API No. 30-015-20743)

1440 feet from the South line and 1650 feet from the West line

Section 7, Township 21 South, Range 26 East, NMPM, Eddy County, NM

Dear Sir:

This is to acknowledge receipt of proof of plugging the Samson owned Adobe Flat 18D State Com Well No. 1 (API No. 30-015-31133) located in Unit D of Section 18, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico in order to isolate the injection interval in Fasken's well.

The Division's imaging system still shows no sundry reports in our well file showing intention of Fasken to re-enter the plugged Avalon State Well No. 1 for purposes of injection. Please file these reports and obtain approval for all work from the Artesia district office within the parameters of SWD-1115 — ensuring the well is plugged back to 8000 feet deep and newly installed casing is circulated with cement.

The pre-approval required condition has now been satisfied and disposal permit SWD-1115 is now in effect.

MARK E. FESMIRE, P.E.

Director

MEF/wvjj

cc: Oil Conservation Division - Artesia

State Land Office - Oil, Gas, and Minerals Division