Form 3160-5 (February 2005)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED OMB No 1004-0137 Expires March 31, 2007



Lease Serial No

NM 3606 SUNDRY NOTICES AND REPORTS ON WELLS 6 If Indian, Allottee or Tribe Name 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. 1. Type of Well AUG 12 2008 8 Well Name and No Avalon "10" Federal No. 43 X Oil Well Gas Well Other OCD-ARTESIA, 2. Name of Operator API Well No 30-015-31668 Fasken Oil and Ranch, Ltd. 303 West Wall St., Suite 1800 3b Phone No (include area code) 10 Field and Pool or Exploratory Area Midland, TX 79701 432-687-1777 Upper Cherry Canyon Delaware 4. Location of Well (Footage, Sec., T, R., M., or Survey Description) 11 Country or Parish, State 1817' FSL & 837' FEL, Sec. 10, T21S, R26E Eddv 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Deepen Water Shut-Off Acidize Production (Start/Resume) X Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity Casing Repair New Construction Recomplete Other Subsequent Report Plug and Abandon Change Plans Temporarily Abandon X Plug Back Final Abandonment Notice Convert to Injection 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. 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 the Avalon "10" Federal No. 43 from the Catclaw Draw Delaware, East and test the Upper Cherry Canyon Delaware. See attached procedure for details. * Return well to prod. within 90 days or submit plans for abandonment. APPROVED AUG 9 2008 ACCEPTED FOR RECORD JAMES A. AMOS SUPERVISOR-EPS AUG 12 2008 I hereby certify that the foregoing is true and correct Gerry Guye, Deputy Field Inspector Name (Printed/Typed) NMOCD-District II AR RESIA atory Analyst Kim Tyson Kim lysm Date 8-1-08 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 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

entitle the applicant to conduct operations thereon

Workover Procedure Avalon "10" Federal No. 43 1817' FSL & 837' FEL Sec 10, T21S R26E **AFE 1510**

OBJECTIVE:

Test Upper Cherry Canyon Delaware

WELL DATA:

13-3/8" 40# J-55 casing: Set at 625', Cmt 200 sx "H" + 200 Sx "C" w/2% CaCl2 + 1"

w/225 sx "C" 7stgs, TOC surf.

8-5/8" 32# J-55casing: Set at 1843', Cmt 400 sx 50:50"10 "C" +200 sx "C" w/2%

CaCl2, TOC surf, circ 129 sx

Set at 4470, Cmt 450 sx 15:61;11 Poz "C" w/5#salt/sack, TOC 5-1/2" 17# J-55 casing:

1674' (Burst -5.320 * 0.8 = 4.256 psi)

Current Perfs: 2996'-3004' (32h), 3232'-3242' (20h)

Proposed Perfs: 2,510'-2,520'

17' KB: 4560' TD: PBTD: 2954' CIBP

Tubing: none, pulled 8-31-05

1. Make sure mast anchors have been tested within the past two years.

2. Verify with Jimmy Carlile that we have obtained an open-top steel pit permit. Receive half-frac flowback tank, and a set of pipe racks on location Build flowline from wellhead to flowback tank.

3. RUPU.

- 4. Receive, clean, and tally 2,600' of 2-3/8 EUE 8rd N-80 tubing.
- 5. Install 3000 psi valve on tubing head.
- 6. RU pump truck and pressure casing and CIBP @ 2954' to 3,000 psi for 15" on chart recorder for +/-35 minutes using fresh water. Make sure 8-5/8" x 5-1/2" annulus valve is open before pressuring up on casing. If unsure valve is open, dig out cellar to valve and make sure valve is open. Notify Midland Office of the results.
- 7. NDWH and NU 7-1/16" 3K manual BOP.
- 8. RIW with perforated tubing sub, seating nipple, and tubing open-ended and displace well with 2% KCI water @ 2525'. Spot 500 gallons of 7-1/2% NEFE HCI acid @ 2525' containing the following:

5 gpt Ferrotrol 300-L

6 apt Ferrotrol 270

2 apt Ferrotrol 271

1 apt C1-27

1/2 gpt ClayMaster 5C

1 apt NE 940

2 gpt LT-21

Same additives as used in El Paso 12 Foster Draw Delaware zone as determined by core SEM work by BJ lab. (Also used in the Soapberry Draw and Federal 27-2.) POW and stand tubing back in derrick. ND BOP, and NUWH.

9. RUWL. RIW with 3-1/8" Gamma slick casing gun and perforate Upper Cherry Canyon @ 2510'-2520', 1 SPF, 0.40" EH, 60° phasing, 11 total holes. Correlate to Schlumberger Platform Express Three Detector Litho-Density Gamma Ray open-hole log dated May 9, 2001. POW with wireline, make sure all shots fired, and RDWL.

NOTE: The CBL-Collar Log located in the wellfile does not accurately correlate back to the open hole loas.

- 10. RU pump truck on casing and displace acid into perfs @ 2510'-20' @ +/- 5 bpm with a maximum pressure of 3,000 psi. Record instantaneous, 5", 10", and 15" shut-in pressures
- 11. Flow well back to half-frac workover tank until well dies.
- 12. ND flowtree and NU BOP. RIW with 1 joint of 2-3/8" tubing, 5-1/2" 32-A tension packer, and 2-3/8" tubing and set packer @ +/- 2450' with EOT @ +/- 2480' in 12 pts tension ND BOP and NUWH. RU swab and swab acid load back to workover tank.
- 13. RU BJ Services. Trap 500 psi on tubing/casing annulus and monitor throughout acid job. Acidize Upper Cherry Canyon perforations from 2510'-2520' with 2,500 gallons of 7-1/2% NEFE HCl acid containing the following additives (same as spot acid in step #7):

5 gpt Ferrotrol 300-L 6 gpt Ferrotrol 270 2 gpt Ferrotrol 271 1 gpt CI-27 ½ gpt ClayMaster 5C 1 gpt NE 940 2 gpt LT-21

Drop 20 1.3sg bio ball sealers evenly spaced for diversion. Flush with 2% KCl water. Maximum Pressure = 3,000 psi. Record instantaneous, 5", 10", and 15" shut-in pressures.

- 14. Flow and swab well back to workover tank until load is recovered. Record an hourly fluid entry rate, and report results to Midland Office.
- 15 ND flow tree and NU BOP. Unset packer, RIW past bottom perforation to knock off ball sealers, and POW with tubing and LD packer.
- 16. ND BOP and NU 5K frac valve and 5-1/2" casing saver equipped with sealing cups for 5-1/2" 17# casing. Set and fill frac tanks according to BJ frac proposal to follow.
- 17. RU BJ Services. RU pump truck and pressure 8-5/8" x 5-1/2" annulus to 500 psi be sure to test to 500 psi beforehand. Frac Upper Cherry Canyon Delaware perforations as per BJ Fracturing proposal to follow. Max Pressure = 3000 psi. Record ISIP, 5", 10", and 15" shut-in pressures.
- 18. Flowback well via 5-1/2" casing until well dies according to BJ's flowback recommendations. ND frac valve and casing saver, and NU BOP.
- 19. RIW with 2-3/8" notched collar, 2-3/8" seating nipple, and 2-3/8" tubing and tag sand fill RU pump truck and circulate out sand to PBTD 2954'. POW and stand tubing back in derrick.
- 20 RIW with 2-3/8" tubing and rod recommendation to be provided by Dave Bishop. Turn well over to production for setting of pumping unit.
- 21. Clean location, release all rental equipment, and RDPU.

CSL (AFE_1510_AvalonFed43 _ChCyn_proc doc) 7-22-08	
Approved:	
APPROVED By Clayton S. Lamb at 3:57 pm, Jul 24, 2008	_Area Engineer
	_Carl Brown
	_Calvın Turner

APPROVED

By Jimmy Davis, Jr. at 5:01 pm, Jul 24, 2008 Jimmy Davis, Jr.