

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd, Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-20743
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Avalon State
8. Well Number 1
9. OGRID Number 151416
10. Pool name or Wildcat Bone Springs

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)

1. Type of Well: Oil Well ☐ Gas Well ☐ Other SWD

2. Name of Operator
Fasken Oil and Ranch, Ltd.

3. Address of Operator
303 W. Wall, Suite 1800, Midland, TX 79701

4. Well Location
Unit Letter K : 1440' feet from the South line and 1650' feet from the West line
Section 7 Township 21S Range 26E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3305' GR

NOV 24 2008
OCD-ARTESIA

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	P AND A <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
MULTIPLE COMPL <input type="checkbox"/>	
OTHER: <input type="checkbox"/>	OTHER: Re-enter & convert to SWD <input checked="" type="checkbox"/>

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

10-24-08

Notified NMOCD 48 hrs prior to rigging up on well and spoke with Mr. Jerry Guy about plans to convert to SWD per Administrative Order SWD-1115.

10-25-08

Tested BOP to 500 psi, okay. RIW w/ new 8-3/4" bit, bit sub and 1-4" drill collar and tagged cement at surface. RU power swivel, NU BIW stripper and established reverse circulation w/ 9.5# cut bw and drilled 15' of cement and fell out and circulated well clean.

Please see attachment for further details.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Kim Tyson TITLE Regulatory Analyst DATE 11-20-08

Type or print name Kim Tyson E-mail address: kimt@forl.com Telephone No. (432) 687-1777
For State Use Only

APPROVED BY: RICHARD INAE TITLE COMPLIANCE OFFICER DATE 12/16/08
Conditions of Approval (if any):

Fasken Oil and Ranch, Ltd.
Avalon State No.1
RE-ENTER AND CONVERT TO SALT WATER DISPOSAL
Attachment

10-28-08 - 11-4-08

RIW and tagged junk at 75' FS. RU power swivel, established reverse circulation w/ 9.5# cut brine water and drilled 67' of junk (paper sx and plastic) in 2-1/2 hrs and fell out at 142' and circulated well clean. Continued to RIW w/ BHA and 2-7/8" EUE 8rd N-80 workstring and tagged cement plug at 2342'. RU power swivel, established reverse circulation w/ cut bw and circulating pressures began increasing and returns were drilling mud. Circulated well clean w/ 180 bbw.

RIW and tagged cement plug at 2342', RU power swivel, NU BIW stripper and established reverse circulation w/ 9.5# cut brine water. Drilled 199' of cement in 4 hrs and fell out of cement at 2541' and circulated well clean. RIW and had to rotate through tight spots down to 2651' and circulated well clean. LD swivel and RIW w/ tubing and tagged cement plug at 3917'. RU power swivel, established reverse circulation w/ cut bw and circulated 60 bbls of drilling mud to flowback tank and lost circulation and regained circulation after pumping 30 bbw. Circulated additional 40 bbls of drilling mud to flowback tank and circulated well clean. RIW and drilled 58' of cement down to 3975' and circulated well clean w/ heavy gas blow in returns and circulated gas out w/ 80 bbw.

SITP 35 psi; SICP 0 psi. RIW and tagged at 3975' w/ no fill overnight. RU power swivel, NU BIW stripper and established reverse circulation w/ 9.5# cut brine water and drilled good cement to 4050'. Drilled stringers to 4182' and circulated well clean w/ heavy gas blow in returns. LD swivel and RIW to 5707' and had strong gas flow up tubing. RU reverse pump and circulated gas out with 90 bw. RIW to 6810' and circulated well clean w/ strong gas blow and no drilling mud in returns. RIW and set down at 7814'. RU power swivel and pumped 25 bbw to establish reverse circulation and drilled 3' of cement and circulated 80 bbw w/ cement and 15 bbls drilling mud in returns w/ heavy gas blow and lost circulation and pumped 20 bbw and never regained circulation. LD swivel, ND BIW stripper and POW to 7347' and found drilling mud in tubing and RU reverse pump and pumped 20 bbw and unable to establish reverse circulation but well would circulate conventional. POW w/ tubing and left bit inside casing at 2282'. SWI and SDON.

SITP-45 psi; SICP-125 psi. RU reverse pump and killed tubing w/ 14 bbw. RIW to 5875' and had heavy gas flow up tubing and RU pump and killed tubing w/ 35 bbw. RIW to 6810' and reverse circulated well 75 bbls 9.5# cut brine water w/ heavy gas flow in returns and no drilling mud. RU pump and killed tubing w/ 40 bbw and RIW w/ tubing to 7335' and established reverse circulation and pumped 125 bbw and circulated 40 bbls of drilling mud to flowback tank w/ heavy gas blow in returns. RU pump and killed tubing w/ 40 bbw and RIW to PBSD at 7817' w/ no fill overnight and RU pump and established reverse circulation and pumped 130 bbw and circulated 35 bbls drilling mud to flowback tank w/ heavy gas blow in returns and circulated well clean. RU pump

and killed tubing w/ 45 bbw. POW and stood tubing in derrick and left bit in casing at 1535'. SWI and SDON.

Set 99 joints 5-1/2" 15.5# 8rd LT&C J-55 casing @ 4193.80' with a DV Tool @ 4155.66', 5-1/2" 8rd L-80 17# Weatherford inflatable packer @ 4146.96'.

Centralized top and bottom of packer and 1 joint above DV tool and every 3rd joint to 2180':

RD casing crew and RU Halliburton and tested lines to 3500 psi. Dropped latch in plug and displaced w/ 100 bbls 9.5# cut brine water and inflated packer to 2400 psi. Bled off pressure and dropped bomb and pressured to 720 psi and opened DV tool and established circulation at 4 bpm and 390 psi and pumped cement as follows: 10 bfw spacer, 500 gals mud flush, 10 bfw spacer, 650 sx Class "C" lead cement, 6# salt/sk, 1/4# flocele/sk, (s.w. 12.6 ppg; yield 2.06 cuft/sk) at 4-4.5 bpm and 75-130 psi, 200 sx Class "C" neat tail cement (s.w. 14.8 ppg; yield 1.36 cuft/sk) at 4.5 bpm and 120-140 psi. Washed up pump and lines and dropped wiper plug and displaced w/ 100 bbls 9.5# cut brine water at 2-4 bpm and 130-920 psi. Circulated 15 bbls (41 sx) of cement to flowback tank and bumped plug at 800 psi and pressured to 2300 psi and shifted DV tool closed. Bled off pressure and ensured DV tool was closed and RD cementing equipment. ND BOP, set slips, cut off casing and NU 11" x 7-1/16" x 3K wellhead and tested to 3000 psi, okay. SWI and SDON.

RU power swivel, NU BIW stripper, established reverse circulation w/ 9.5# cut brine water and drilled out DV tool in 1hr and RIW and tagged float shoe at 4192' and drilled out in 2 hrs and reciprocated bit through shoe and casing scraper through DV tool 15 times w/ no drag and circulated well clean. Established injection rate into formation w/ 100 bpw at 2 bpm and 450 psi. Well flowed back for 30" at 1 bpm and bled off.

11-5-08 - 11-6-08

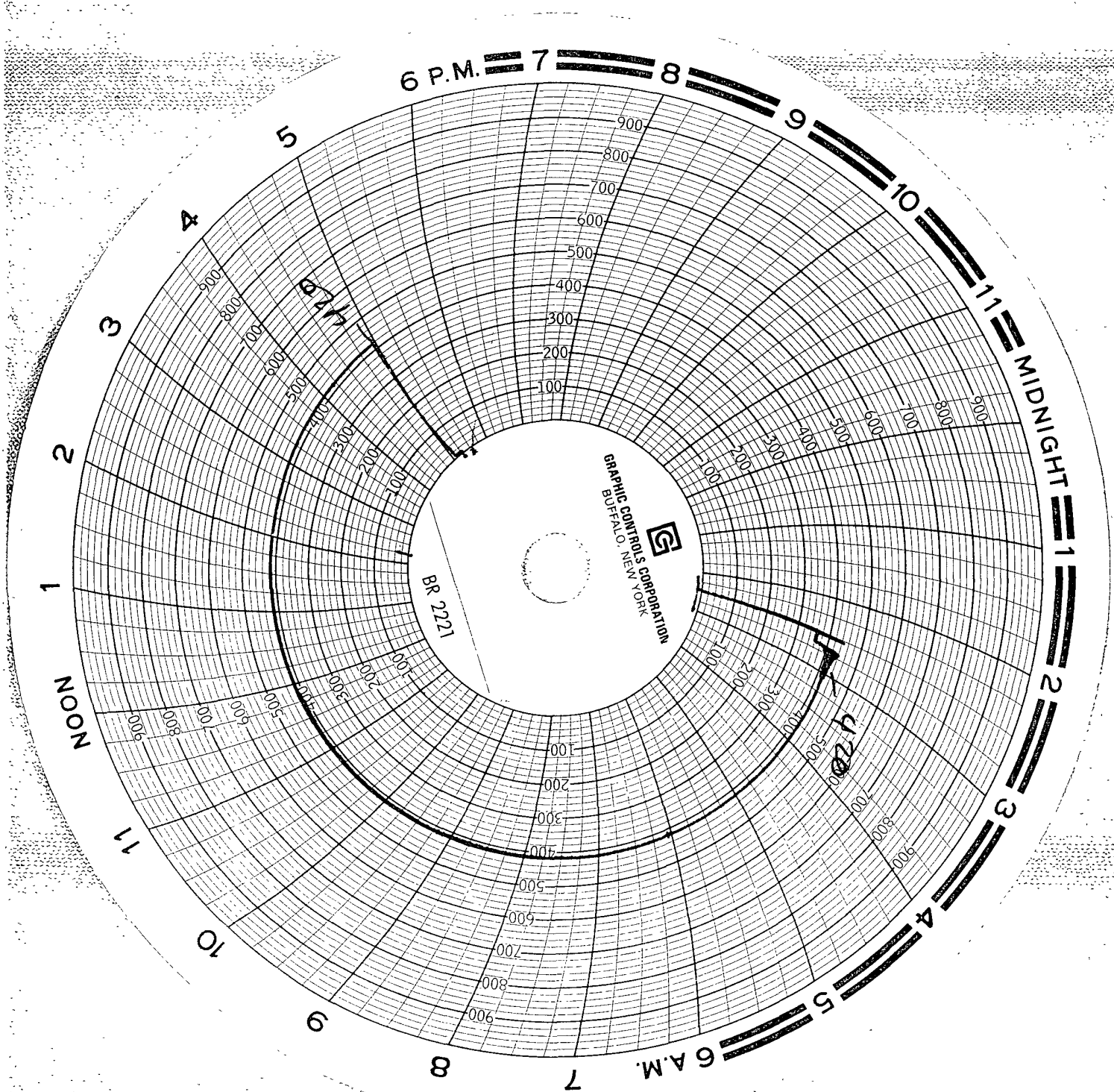
Installed 128 joints 2-3/8" EUE 8rd J-55 polycore injection tubing @ 4055.20' with a 2-3/8" x 5-1/2" Arrowset IX NP OD, PC ID injection packer w/ carbide slips @ 4032.20'.

RU pump on tbg/csg annulus and pressured to 450 psi w/ no loss in 10". Bled off pressure and released TOSSD and reverse circulated 85 bbls of packer fluid. RU pump on tbg/csg annulus and ran 35" MIT test on chart recorder to 420 psi with no pressure loss (contacted Richard Inge w/ NMOCDC yesterday of intent to run MIT but said he was unable to witness test and to continue as planned). Bled off pressure on annulus and RU pump on tubing and sheared pump out plug at 1500 psi and pumped remainder of 9.5# cut brine water (98 bbls) in frac tank at 2 bpm and 750 psi. RD pump truck and cleaned location. Please see attached chart.

11-7-08

RDPU and cleaned location.

Currently waiting on surface facilities.



Jim Mub FORL

11-5-08

#21276

Basic Carlsbad 7m

Omie Kossoff

avalon State #1