

District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

OCT 15 2009

Form C-101
June 16, 2008

NM OGD ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|-------------------------------------|
| ¹ Operator Name and Address Fasken Oil and Ranch, Ltd. 303 W. Wall St., Ste. 1800, Midland, TX 79701 | | ² OGRID Number 151416 |
| ³ API Number 30-015-34535 | | |
| ⁴ Property Code | ⁵ Property Name State "32" Com | ⁶ Well No 3 |
| ⁹ Proposed Pool 1 Cemetery; Atoka, North, (Gas) Seven Rivers Hills Atoka, W | | ¹⁰ Proposed Pool 2 |

⁷ Surface Location

| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 32 | 20S | 25E | | 1980' | North | 1980' | West | Eddy |

⁸ Proposed Bottom Hole Location If Different From Surface

| UL or lot no | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

Additional Well Information

| | | | | |
|-----------------------------------|---------------------------------------|-----------------------------------|------------------------------------|--|
| ¹¹ Work Type Code A | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3618' GL |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 9701' | ¹⁸ Formation Morrow | ¹⁹ Contractor | ²⁰ Spud Date 11-30-09 |

²¹ Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 17 1/2" | 13 3/8" | 48 | 403' | 760 sx "C" | Surface |
| 12 1/4" | 9 5/8" | 36 | 2988' | 800 sx "C" | Surface |
| 8 3/4" | 4 1/2" | 11.6 | 9701' | 1000 sx Super | 5800' TS |
| | | | | "H" | |

²² Describe the proposed program If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone Describe the blowout prevention program, if any Use additional sheets if necessary

This well is currently completed in the Cemetery; Morrow (Gas) pool as a gas well with perfs from 9406' - 9578'.

Fasken Oil and Ranch, Ltd. proposes to re-complete this well to the Cemetery; Atoka, North, (Gas) pool and down-hole commingle with the Cemetery; Morrow (Gas) pool.

Please see attached for the procedure and plat.

The surface owner is the State of New Mexico.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature

Kim Tyson

Printed name Kim Tyson

Title Regulatory Analyst

E-mail Address kimt@forl.com

Date 10-13-09

Phone 432-687-1777

OIL CONSERVATION DIVISION

Approved by

Jacqui Reener
Geologist

Title

Approval Date

10/23/2009

Expiration Date

10/23/2011

Conditions of Approval Attached ☐

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|--|---|
| ¹ API Number 30-015-34535 | ² Pool Code 74635-97272 | ³ Pool Name <u>Seven Rivers Hills:</u> <u>Cemetery; Atoka, North (Gas)</u> |
| ⁴ Property Code | ⁵ Property Name State "32" Com | ⁶ Well Number 3 |
| ⁷ OGRID No. 151416 | ⁸ Operator Name Fasken Oil and Ranch, Ltd. | ⁹ Elevation 3618' GL |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 32 | 20S | 25E | | 1980' | North | 1980' | West | Eddy |

¹¹ Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

| | |
|---------------|--|
| ¹⁶ | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division <u>Kim Tyson</u> 10-13-09 Signature Date Kim Tyson Printed Name |
| | ¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor |
| | Certificate Number |

**State "32" Com No. 3
1980' FNL & 1980' FWL
Sec 32, T20S R25E
AFE 1696**

| | | |
|-----------------------------------|--|--|
| OBJECTIVE: | Test for Casing Leak, add Atoka & DHC w/Morrow | |
| WELL DATA: | | |
| API Number: | 30-015-34535 | |
| 13-3/8" 48#/ft H-40 ST&C casing: | Set at 403.30' KB Cmt w/600 sx "C"+1" w/9 plugs tot 160 sx+2 cu yds ready mix. Cement at surface. | |
| 9-5/8" 36.0#/ft J-55 LT&C casing: | Set at 2988.48' KB, Cmt w/ 600 sx "C" w/4% gel+200 sx "C" w/2% CaCl ₂ , circ 122 sx to surf. | |
| 4-1/2" 11.6# N-80 LT&C casing: | Set at 9,701.09' Cmt w/1000 sx Howco Super "C". Did not bump plug. WL dept PBTD 9675'. TOC 5800' by temp survey. | |
| Tubing: | Marker jts 11.00 @ 9,295.74', 11.20' @ 8,480.65' 2-3/8" EUE 8 rd. Notched Coupling (0.40'), 2-3/8" EUE8rdx1.775"IDx 2.26"OD SN (1.10'), 289 jts 2-3/8" EUE 8 rd. N-80 4.7# Tubing (9393.25'), EOT 9409.25' KB | |
| Perforations: | 9406'-14' (16h); 9417'-21' (8h); 9437'-40' (6h); 9518'-24' (12h); 9574'-78' (24h) | |
| TD: | 9,700' | |
| PBTD: | 9653' (FC) | |
| Status: | Well shutin - Probable Casing leak, 6-19-09 FL 4300', chl 105,000, (Calc Morrow BHP 2438 psi, with 9.2 ppg). | |

1. RUPU, set matting boards, and test tank.
2. Kill well down tubing with 30 bbls 10 ppg brine water containing clay stabilizer.
3. NDWH and NU 3000 psi BOP. POW with 289 jts 2-3/8" EUE 8rd N-80 tubing, SN and notched cplg.
4. RIW with 4-1/2" RBP, retrieving tool, Arrowset IX 10k packer, SN, 2-3/8" EUE 8rd N-80 tubing and set RBP at +/-9350' (top perf 9406'). Set packer 10' above RBP and pressure test RBP and tubing to 1500 psi.
5. Test casing and locate casing leak. Report results to Midland office. Squeeze procedure, if any, will be determined.

After Casing Leak Repair is Completed

6. RIW w/ Arrowset IX 10k packer, TOSSD with 1.5" "F" profile nipple, 2-3/8" EUE 8rd N-80 tubing and set packer at +/-9350' in 15 pts compression.
7. Swab Morrow zone 9406'-9574' and evaluate for possible stimulation..
8. RU slick line lubricator and run 1.5" check valve plug and set in profile nipple at +/-9350'. RD slick line.
9. Disengage tubing from TOSSD, circulate well with 10 ppg brine water containing clay stabilizer (Atoka zone DST 9019'-9047' FSIP 4420 psi = 9.4 ppg EMW).
10. Pressure test casing to 500 psi.
11. POW to 9023' and spot 500 gals of 7-1/2% Hcl with Morrow Sand additives.
12. POW with 2-3/8" EUE 8rd N-80 tubing. Be sure casing is full before perforating.
13. RUWL and install 3000 psi lubricator. Perforate Atoka with 3-1/8" casing gun 2 jspf top down at 8914'-18' (9 holes) and 9010'-23' (2nd 27 holes) by Baker Hughes Baker Atlas Compensated Z-Densilog/Compensated Neutron Log/Gamma Ray Log dated 26-MAR-2006. NOTE: The EM Hobbs Perforating Depth Control Log w/GammaRay/CCL dated 05-May-2006 is exactly on depth with the open hole log with a marker joint at 9285'-96'. Make sure all perfs are fired. RDWL.

14. RIW w/ 2-3/8" TOSSD w/ lugs ground off, 2-3/8"x4' EUE 8rd N-80 perforated sub, approximately 15 jts or 480' 2-3/8" EUE 8rd N-80 tail pipe, 4-1/2" Arrowset IX 10 k packer, 1.875" "F" profile, TOSSD and 2-3/8" EUE 8rd N-80 tubing and tag profile nipple at +/-9350' setting packer in 12 points compression at +/- 8865' (about 50' above top Atoka perf 8914'). Pull up 1'.
15. Set packer in 12,000# compression and ND BOP. NUWH.
16. Swab and establish flow and return well to production. RDPU.

CWB
(AFE1696_State32Com#3_Rpr Csg lk_Add Atok 10-2-09.doc)