

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

RECEIVED

APR 21 2010

NMOCD ARTESIA

5. Lease Serial No.
NM-911

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
El Paso "3" Federal No. 1

9. API Well No.
80-015-20906

10. Field and Pool or Exploratory Area
Foster Draw (Delaware Oil)

11. Country or Parish, State
Eddy, New Mexico

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

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

3a. Address
303 West Wall St, Suite 1800, Midland, TX 79701

3b. Phone No. (include area code)
432-687-1777

4. Location of Well (Footage, Sec., T, R., M, or Survey Description)
2724' FNL & 2870' FEL, Sec 3, T21S, R26E

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☐ Plug and Abandon	☒ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 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.)

An SWD permit for the El Paso 3 Federal Com No. 1 well has been received. Testing of commercially prospective Delaware oil and gas zones in offset wells El Paso Federal No. 6 and No. 7 will determine whether the El Paso 3 Federal No. 1 well will be needed for SWD. It is requested that the El Paso 3 Federal Com No. 1 well be given TA status until testing is completed in the El Paso Federal No. 6, which is currently TA'd until 6/6/2010.

Please see attached SWD permit.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record

NMOCD

4/29/10

After 10-15-2010 the well must be online or plans to P & A must be submitted.

LAS7 prod. 4/2008

14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)
Kim Tyson

Title Regulatory Analyst

Signature

Kim Tyson

Date 04/13/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by /s/ JD Whitlock Jr

Title LDET

Date 4/19/2010

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 CFO

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

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Temporary Abandonment of Wells on Federal Lands
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
 - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging.
 - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes with a 10% allowable leakoff.
 - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
 - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
 - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provides justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned.**

Wells that successfully pass the casing integrity test may be approved for Temporary Abandonment (TA) status provided that the operator:

1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

El Paso "3" Federal Well #1. Well may be approved to be TA/SI for a period of 6 months until October 15, 2010 after successful MIT and subsequent report with well bore diagram is submitted. This will be the last and only TA/SI approval. Well must be P&A or plans to return to beneficial use submitted by October 15, 2010.