N. M. Oil Cons. Phision

811 S. 1ST ST.

ARTESIA, NM 88710 2224

Form 3160-5

UNITED STATES

FORM APPROVED

| (June 1990) | | Budget Bureau No. 1004-0135 Expires: March 31, 1993 5. Lease Designation and Serial No. NMLC-054908 | | | | |
|--|---|--|---|--|--|--|
| | İ | | | | | |
| | | | ND REPORTS ON WEL | | 6. If Indian, Allottee or Tribe Name | |
| Do not use | this form for pro Use "APPL | | | | | |
| | | SUBMIT II | N TRIPLICATE | | 7. If Unit or CA, Agreement Designation | |
| 1. Type of Well | | | <u> </u> | | | |
| ⊠ Oil Weit | Gas Uvell Other | | | S. 1 12 | 8. Well Name and No. | |
| 2. Name of Op | erator | | in cont | CEIVE | Fair "17" Fed. #1 | |
| | erating Co. | | | ARTO | 9. API Well No. | |
| | Telephone No. | TV 76200 | 12.0 | 163/4 | 30-015-23969 | |
| | 97525 Wichita Falls, Well (Footage, Sec., T., R. | | Intion) | | 10. Field and Pool, or Exploratory Area Wildcat-Devonian | |
| | . & 727' FWL | , this, or deploy boots | iption) | 499 | 11. County or Parish, State | |
| 000. 77 | TO NOTE | | | | Eddy County, New Mexico | |
| 12. (| CHECK APPROPE | RIATE BOX(s) | O INDICATE NATURE | OF NOTICE, REPORT, O | R OTHER DATA | |
| | TYPE OF SUBMISS | ION | | | | |
| | Notice of Intent | Ì | | | Change of Plans | |
| | | Abandonment Recompletion Dissequent Report Dissequent Report Attering Casing Other Other | | New Construction | | |
| | Subsequent Report | | | | Non-Routine Fracturing | |
| | . | | | | Water Shut-Off | |
| | | otice | | ng . | Conversion to Injection | |
| | | | Other | | Dispose Water (Note: Report results of multiple completion on Well | |
| | | | | | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |
| 13. Describe Pr | roposed or Completed Op | erations (Clearly state | all pertinet details, and give pertine | ent dates, including estimated date o arkders and zones pertinent to this w | f starting any proposed work. If well is | |
| - | · · | | · | Run Electric logs and plug a | | |
| Plug #1 | 1232112,121' | 200' Plug | 60 sx. Class "H" Neat | Bottom plug | | |
| Plug #2 | 11400-11,300' | 100' Plug | 30 sx. Class "H" Neat | Top of Chester | | |
| Plug #3 | 1095010,850 | н | | Top of Morrow | | |
| Plug #4 | 95009400' | | | Top of Penn, Canyon | | |
| Plug #5 | 81008000' | ,, | | Top of Wolfcamp | | |
| Plug #6 | 7000–6900' | | | Top of Abo | | |
| Plug #7 | 4800-4600 | 200' Plug | 60 sx. Class "H" Neat | Across 8 5/8" ShoeTag | gged at 4615'. | |
| Plug #8 | 2500-2400' | 100' Plug | 30 sx. Class "H" Neat | Top of Salt | | |
| Plug #9 Plug #10 | 650-550' 60' to Surface. | 60' Plug | 15 sx. Class "H" Neat | Across 13 3/8" Shoe Surface Plug. | | |
| Plugging p Rig down a Final plug | rocedure approval gi and move out ZiaDril set at 1045 hrs. 7/12 | iven verbally by B Rig #2. Install re /96. | LM-Steve Cathey and Conf gulation dry hole marker. | · · | port of Abandonment. | |
| | 4 | 2 | | | | |
| 14. I hereby cer | tiry that the foregoing to | de and correct | | | | |
| Signed | Y WU N 14 | 2 | Title Agent | | Date 07/25/96 | |
| | Federal or State office us | | | | 6446 | |
| Approved byConditions of a | SG SGD I G | VEA COTTENT | Title | | | |
| | • | | | | | |

Title 18 U.S.C. Section 1001, makes 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.

OIL CONSERVATION DIVISION DISTRICT II ARTESIA 811 S. FIRST ST. ARTESIA, NM 88210 (809) 748-1283 FAX (509) 748-9729

Jennifer A. Salisbury

February 25, 2000

Burns Operating Corporation P.O. Box 97525 Wichita Falls, TX 76309

RE: Arco '10' Federal Well #1 located 990 feet from the South line and 2310 feet from the West line (Unit N) of Section 10, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

Fair '17' Federal #1 located 1792 feet from the North line and 727 feet from the West line (Unit E) of Section 17, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico

Dear Sirs/ Madams:

In reference to the above, the Oil Conservation Division has not received a complete set of electric logs, completion reports and well survey deviation reports after telephone requests last year. This information is needed in order to update our files.

Please submit the information requested so as possible in order to comply with OCD rules and regulations.

Yours truly.

Bryan G. Arrant District II Geologist

Reyn 6. Ann

DISTRICT | P.O. Esz 1980, Eraba, NM 88241-1980

State of New Mexico Energy, Minerals and Natural Resources Departmen

Form C 102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II P.G. Drawer DD, Artesia, NM 68211-0719

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 OIL CONSERVATION DIVISION

DISTRICT IV P.O. BOX 2088, SANTA FE, N.M. 87504-2086

API Number

30.015-28969

P.O. Box 2088 Santa Fe, New Mexico 87504-2088

C AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

Ceclar Lake; WILDCAT - DEVONIAN

Pool Name

Pool Code

96550

| Property Code | | Property Name FAIR "17" FEDERAL | | | | | | | Well Number | | | | | |
|------------------|--|---|-----------------|---------------------------|----------------|------------------|---|---|----------------------|--|--|--|--|--|
| OGRID No. | | Operator Name BURNS OPERATING COMPANY | | | | | | | Elevation 3711 | | | | | |
| Surface Location | | | | | | | | | | | | | | |
| UL or lot No. | Section | Township | Range | Lot idn | Feet from the | North/South line | Feet from the | East/West line | County | | | | | |
| Ε | 17 | 17 S | 31 E | | 1792 | NORTH | 727 | WEST | EDDY | | | | | |
| | | | Bottom | Hole Loc | ation If Diffe | rent From Sur | face | | | | | | | |
| UL or lot No. | Section | Township | Range | Lot idn | Feet from the | North/South line | Feet from the . | East/West line | County | | | | | |
| Dedicated Acres | Joint o | r infili Co | neolidation (| Code Ore | ler No. | L | | <u></u> | | | | | | |
| 40 | | | | | | | | | | | | | | |
| NO ALLO | 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 | | | | | | | | | | | | | |
| | OPERATO | | | | | | R CERTIFICATION | | | | | | | |
| | • | e. | | · · | | | I hereby certify the the information contained herein is true and complete to the | | | | | | | |
| | | · | | | | | best of my knowledge and belief. | | | | | | | |
| 26 | Í | | | | | | | | | | | | | |
| 117 | • | | | | | | 100 | T Gove | ce | | | | | |
| 20000 | | | | Joe T. Ja | | | | | | | | | | |
| 3709.2' | 3711.2 | | | Printed Nam | | | | | | | | | | |
| 727'- | 1 3 | | j | Age | | | Agent | t | | | | | | |
| 3718.3 | 3714.3 | |] | | | | 04/10/96 | 96 | | | | | | |
| | 1 | | ł | | Date | | | | | | | | | |
| min | ee's | | | s | | | SURVEYO | SURVEYOR CERTIFICATION | | | | | | |
| | 1 | | | | | | | that the well location plotted from field | | | | | | |
| | | GRID COORDIN Y (NORTH) = | IATES | actu | | | octual surveys : | ctual surveys made by me or under my upervises, and that the same is true and | | | | | | |
| | | X (EAST) = (NAD 27) NM S.F. 0.999929 | 33, 829 EAST | | ľ | | 1 4 | best of my beltef. | | | | | | |
| | | J.F. V.333323 | | | 1 | | | NL 3, 1996 | | | | | | |
| | | | | Date Surveye Signature | | | DMCC | | | | | | | |
| | 7 | | | | | | Date Surveyed Signature S Protessional S | arveyor Illi | | | | | | |
| | 1 | | | | 1 | | I PO AL | -000 A. W. | | | | | | |
| | | | | | | | Cappe Culsi | salan 4.0 | 4-96 | | | | | |
| | } | | 1 | | 1 | | 006 | | | | | | | |
| | | | | | | | Celtificate No. | JOHN WOWEST ROWN BY FEIDSON STUMMENT BEOM | 676 3239 12641 | | | | | |



STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

LEASE NO.: NMLC-054908

LEGAL DESCRIPTION OF LAND: Section 17-T17S-R31E

EDDY COUNTY, NEW MEXICO

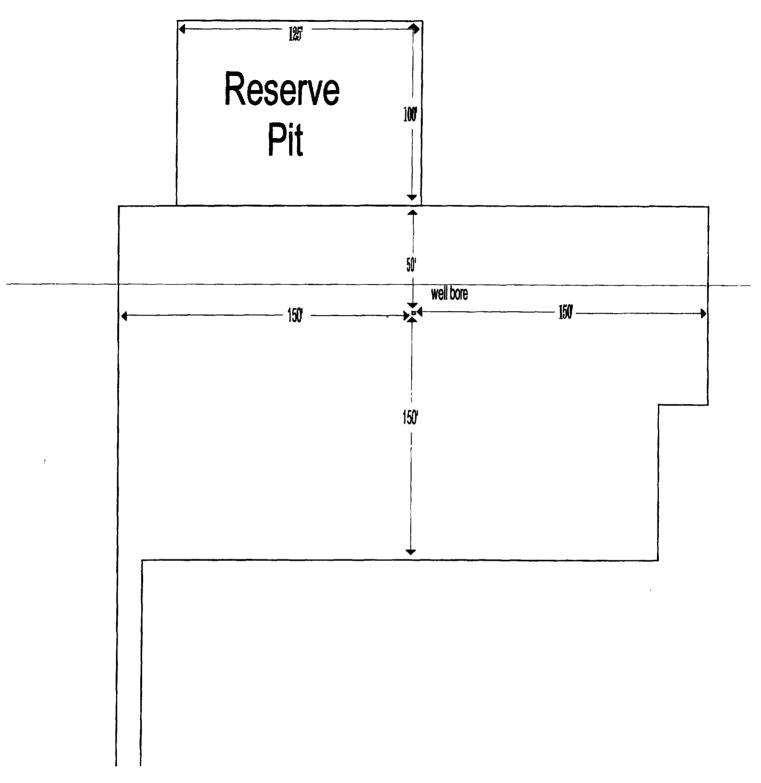
FORMATION (S) (if applicable): Wildcat Morrow

BOND COVERAGE: Statewide

BLM BOND FILE NO.: 585716

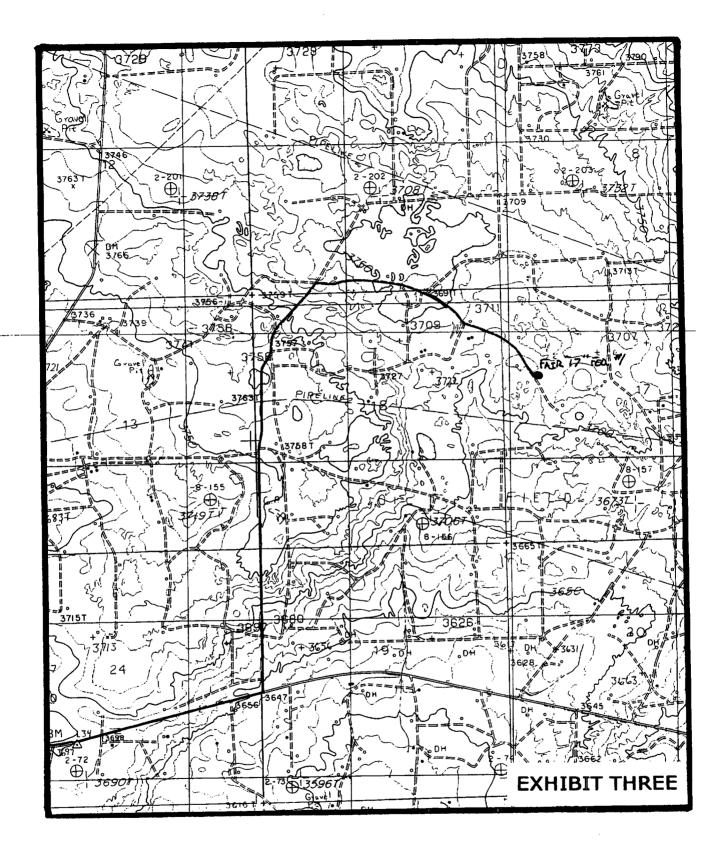
Production Analyst

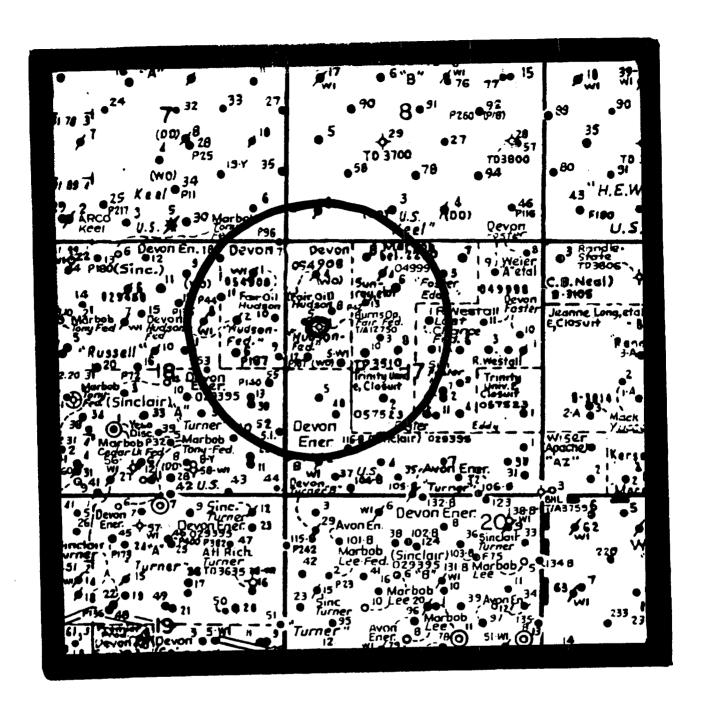
Date: 4/1/02



Fair "17" Federal No. 1 1792' FNL & 727' FEL Section 17; T17S - R31E Eddy County, New Mexico

Exhibit Four





These requirements supercede those issued in your existing, approved APD's for the shallow wells located in T. 17 S., Rgs. 29, 30 and 31 E., NMPM. If you have any question regarding this matter please call John S. Simitz at (505) 627-0288 or Armando A. Lopez at (505) 627-0248.

Sincerely,

Larry D. Bray

Acting Assistant Field Office Manager,

Lands and Minerals

Lamy D. Bray



IN REPLY REFER TO: NMNM-88525X 3180 (06200)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second St. Roswell, New Mexico 88201 www.nm.blm.gov



Marbob Energy Corporation Attention: Johnny Gray P. O. Box 227 Artesia, NM 88210

SEP 07 1999

Gentlemen:

With regard to our telephone conversation of September 2, 1999, a review of our records has found discrepancies in the casing requirements section of the conditions of approval for your APD's. As per our meeting on July 7, 1999, our office had agreed with your recommended casing procedures for shallow wells of 6000 ft. or less in T. 17 S, Rgs. 29, 30 and 31 E., NMPM. In order to correct the discrepancies, this letter states the language to be used for the conditions of approval casing requirements for all your existing APD's

Conditions of Approval-Drilling amended as follows:

- II. Casing requirements in T. 17 S., Rgs. 29, 30 and 31 E. for shallow wells less than 6,000 ft.
- 1. 8-5/8 inch surface casing should be set at approximately ____ ft. in the Rustler Anhydrite or in the case the salt occurs at a shallower depth above the top of the salt. The surface casing shoe shall be set in the anhydrite to ensure adequate sealing. The operator is required to use an excess of 100% cement volume to fill annulus. If cement does not circulate to surface the operator may then use ready mix cement to fill the remaining annulus.
- 2. The minimum required fill of cement behind the 5½ inch production casing is to place the top of the cement 200 ft. above the top of the uppermost hydrocarbon bearing interval or to the base of the salt.