

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

5. Lease Serial No.
NMLC-054908

6. If Indian, Allottee or Tribe Name
N/A

SUBMIT IN TRIPLICATE – Other instructions on page 2.

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

1. Type of Well
 Oil Well Gas Well Other

8. Well Name and No.
FAIR 18 FEDERAL #1 ✓

2. Name of Operator
FAIR OIL, LTD. ✓

9. API Well No.
30-015-39189 ✓

3a. Address
P. O. BOX 689, TYLER, TX 75710

3b. Phone No. (include area code)
(903) 592-3811

10. Field and Pool or Exploratory Area
CEDAR LAKE; GLORIETA-YESO

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310' FNL & 840' FEL SEC. 18, T. 17 S., R. 31 E., NMPM
ULH

11. Country or Parish, State
EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other long string cement
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recompleat 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 recompleat 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.)

Drilled 7-7/8" hole to 6,303'. Ran 5-1/2" 17# N-80 LT&C to 6,302'.

*Water Flow @ 4030'
DVT @ 4480'*

Request permission for 2 stage cement job due to water flow above A zone.

First stage lead = 155 sx Class C with 2% CaCl₂ + 1/8 #/sk cello flake + 4% gel mixed at 13.5 ppg, 1.75 cu ft/sk, & 9.17 gal/sk = 262 cubic feet.
First stage tail = 100 sx Class C cement mixed at 14.8 ppg & 1.33 cu ft/sk = 133 cubic feet

Second stage = 135 sx Class C with 2% CaCl₂ + 1/8 #/sk cello flake + 4% gel mixed at 13.5 ppg, 1.75 cu ft/sk, & 9.17 gal/sk = 230 cubic feet.

Total cement = 625 cubic feet (>25% excess)

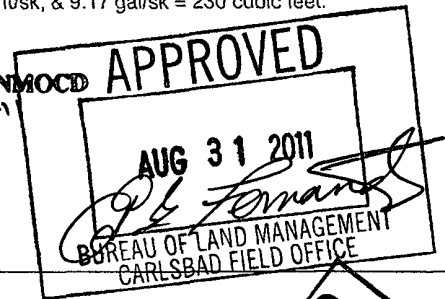
See attached 2 page propsoed BJ cement job and 1 page tubular tally.

Accepted for record - NMOCD
9-15-11

cc: Bynum, Stewart

Notify BLM if Cmt does not circulate

Need Water Flow depth & DV Tool depth on Sundry



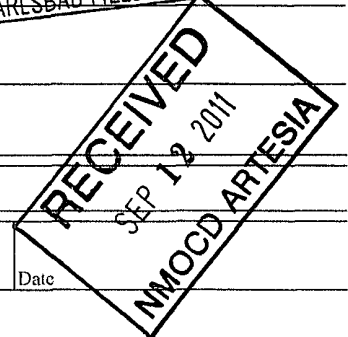
14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
BRIAN WOOD

Title CONSULTANT (505 466-8120)

Signature

Brian Wood

Date 08/30/2011



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 entitle the applicant to conduct operations thereon.

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.

Operator Name: Fair Oil,LTD
Well Name: Fair 18 Federal #1
Job Description: 5-1/2" Production Casing @ 6300'
Date: August 30, 2011



Proposal No: 569250715H

FLUID SPECIFICATIONS

STAGE NO. 1

<u>FLUID</u>	<u>VOLUME CU-FT</u>	<u>VOLUME FACTOR</u>	<u>AMOUNT AND TYPE OF CEMENT</u>
Lead Slurry	262	/ 1.75	= 155 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite II + 81.4% Fresh Water
Tail Slurry	133	/ 1.33	= 100 sacks Class C Cement
Displacement			145.5 bbls Displacement

CEMENT PROPERTIES

	SLURRY NO.1	SLURRY NO.2
Slurry Weight (ppg)	13.50	14.80
Slurry Yield (cf/sack)	1.75	1.33
Amount of Mix Water (gps)	9.17	6.33

STAGE NO. 2

<u>FLUID</u>	<u>VOLUME CU-FT</u>	<u>VOLUME FACTOR</u>	<u>AMOUNT AND TYPE OF CEMENT</u>
Cement Slurry	230	/ 1.75	= 135 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 4% bwoc Bentonite II + 81.4% Fresh Water
Displacement			104.6 bbls Displacement

CEMENT PROPERTIES

	SLURRY NO.1
Slurry Weight (ppg)	13.50
Slurry Yield (cf/sack)	1.75
Amount of Mix Water (gps)	9.17



T & S Petroleum Consultants, Inc

Tubular Tally

Well Name & No: FAIR 18 FEDERAL 3!
 Field/Lease Name: CLEAR LAKE - GLORIETTA
 County, State: EDDY, NEW MEXICO
 Drlg. Supervisor: LOREN STEWART

AFE No:		Tubular Size:	5.5	Make up Torque:	ft-lbs
Loc. Code:		Weight:	17.00	Optimum	3450
Depth Set @:	6,302'	Grade:	N-80	Maximum	
Date:		Connection:	LT&C	Minimum	

LAST CASING SIZE: 8.63'

HOLE SIZE DRILLED 7 7/8"
 DEPTH DRILLED 6,303.00'

SIZE CASING TO RUN: 5.50'
 DESCRIPTION: 17# N-80 LT&C
 CAPACITY: 0.02320 BBL/FT
 ANNULAR CAPACITY: 0.03278 BBL/FT

LENGTH SHOE TRACK 79.98'
 LENGTH OF CASING: 6,308.74'

DISPLACEMENT TYPE: FRESH WATER
 DISPLACEMENT VOL. 144.00' BBLs FL COLLAR 42 BBLs DV TOOL

CEMENT SLURRIES:
 SPACERS: (10 bbls) Fresh Water

STAGE 1 LEAD 155 sx class 'C' cmt, 13.5#, 1.75 yield, + 2% bwoc Cacl2 + 0.125 lbs/sk Cello Flake + 4% bwoc Bentonite II + 81.4% fresh water

STAGE 1 TAIL 100 sx class 'C' cmt, 14.8#, 1.33 yield

STAGE 2 LEAD 135 sx class 'C' cmt, 13.5#, 1.75 yield, + 2% bwoc Cacl2 + 0.125 lbs/sk Cello Flake + 4% bwoc Bentonite II + 81.4% fresh water

CEMENT TO SURFACE:	1	Float Shoe	1.20	
BUMP PLUG:	2	5.5"	77.68	N-80 Casg
FLOATS HELD:	1	FI Collar	1.10	
JOB COMPLETE:	44	5.5"	1722.61	N-80 Casg
	1	ECP&DV	18.00	DAVIS
	116	5.5"	4488.15	N-80 Casg
	162	TOTAL	6308.7	N-80 Casg

Csg