

UNITED STATES
DEPARTMENT OF THE INTERIOR *OCD Artesia*
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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 reverse side.

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other

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

3a. Address
303 W. Wall Street, 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)

**660' FWL & 3300' FSL
Section 5, T21S-R24E**

5. Lease Serial No.

NM-101856

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Shell Federal No. 2

9. API Well No.

30-015-22717

10. Field and Pool, or Exploratory Area

SWD; Devonian

11. County or Parish, State

Eddy, NM

12. CHECK 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 checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input type="checkbox"/> Other

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 recompleate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Fasken Oil and Ranch, Ltd. Respectfully requests permission change the proposed depth of this well from 11,000' to 11,500'.

It is also requested that the setting depth of the 5-1/2" casing be changed from 10,250' to 10,650'. A revised casing design

for the 5-1/2" casing string is listed below:

0'-3050' 5-1/2" 17-0-15711-K-55-B-1800

3050'-7050' 5-1/2" 17-0-15711-K-55-B-1800

7050'-10,650' 5-1/2" 17-0-15711-K-55-B-1800

In addition to this, an additional 75 sx of cement will be added to the tail slurry on Stage No. 1 to comver the additional cement volume needed due to setting the casing 400' deeper than planned.

ALL TO BE 17" L-80 LTC or better

TRM

RECEIVED

JAN 27 2012

NMOCD ARTESIA

Sincerely,

**SUBJECT TO LIKE
APPROVAL BY STATE**

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Approved 02/22/12
Accepted for record
NMOCD

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

Cory Frederick

Signature **Cory Frederick**

Title **Drilling Engineer**

Date **1-24-12**

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

PETROLEUM ENGINEER

Approved by

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.

Title

Office

JAN 25 2012

Tim Morn
**BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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.


(Instructions on page 2)

Morgan, Ted M

From: Cory Frederick <coryf@forl.com>
Sent: Tuesday, January 24, 2012 2:21 PM
To: Morgan, Ted M
Subject: Shell Federal No. 2
Attachments: Shell Federal 2Casing Design Sundry.pdf

Mr. Morgan,
Attached is Sundry Notice requesting permission to change the planned depth of our Shell Federal No. 2 SWD well from 11,000' TVD to 11,500' TVD. I also am asking to change the 5-1/2" casing setting depth from 10,250' to 10,650' and have included a revised casing design as well as the amount of additional cement that will be pumped to cover the deeper depth.
If this is OK with you please let me know and I will mail in hard copies.
If you have any questions please give me a call.
Thanks,

Cory Frederick
Drilling Engineer
Fasken Oil and Ranch Limited
(432)-288-0086 cell
(432)-687-1777 office



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order SWD-1252
October 26, 2010

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Fasken Oil & Ranch, Ltd. seeks an administrative order to re-enter, deepen, and utilize the Shell Federal Well No. 2 (API 30-015-22717) located 3300 feet from the South line and 660 feet from the West line, Lot 13 of irregular Section 5, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, Fasken Oil & Ranch, Ltd., is hereby authorized to re-enter, deepen, and utilize the Shell Federal Well No. 2 (API 30-015-22717) located 3300 feet from the South line and 660 feet from the West line, Lot 13 of irregular Section 5, Township 21 South, Range 24 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) through an open hole interval into the Devonian formation from approximately 10250 to 11000, and through lined tubing and a packer set within 100 feet above the permitted disposal interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and



equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 2050 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto*.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.


2 MARK E. FESMIRE, P.E.
Acting Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad

**Shell Federal #2
Fasken Oil and Ranch Ltd
30-015-222717
Jan 24, 2012
Conditions of Approval**

Summary of Current Status:

- Deepening is in progress. Re-entry to recomplete as a SWD: Devonian well. Vertical well with barefoot completion interval for SWD.
- Operator has confirmed the CIT of existing casing was good.
- Vertical well.

Sundry Request:

Fasken Oil and Ranch Ltd requests the following revisions to the previously approved APD:

	<u>ORIGINAL</u>	<u>REVISED</u>	<u>COMMENT</u>
TOTAL DEPTH (TD)	11,000'	11,500'	GEOLOGY REVISION
5-1/2" CASING POINT	10,250'	10,650	GEOLOGY REVISION
BAREFOOT INTERVAL	750'	850'	DEVONIAN
CEMENT DESIGN	LEAD 300 SX	NO CHANGE	
	TAIL 750 SX	825 SX	TO CMT ADDITIONAL 400' CSG

Conditions of Approval:

- a) Revised TD of 11,500' is approved on basis that logging confirms Devonian at TD.
- b) Operator has stated and confirmed the intention to design for the approved injection pressure of 2050 psi and to test the casing on that basis.
- c) Revised Casing Point of 10,650 and revised open hole interval are approved. The 5-1/2" casing string shall be upgraded to the following equivalent or better:
0' – 10650' 17# L-80 LT&C
- d) The previous COA for re-entry shall remain applicable, and a NOI sundry with the intended completion procedure shall be submitted and approved prior to commencing completion work. Open hole logs will evaluate the productivity potential of the Devonian completion interval with the conclusion to be included with the completion NOI sundry.
- e) NMOCD Administrative Order SWD-1252 (copy attached) dated October 26, 2010 shall continue to apply, and its stated specifications shall be considered in the design of the well drilling and completion.
- f) Operator to provide BLM with copy of logs run including digital format, if available, the Subsequent Report for the re-entry and deepening, and the Sundry for the intended Completion Procedure.

TMM 01/25/2012