

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

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.**

5 Lease Serial No  
NM 101856

6 If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator  
Fasken Oil and Ranch, Ltd.

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

8 Well Name and No  
Shell Federal No. 2

9 API Well No  
30-015-22717

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

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

10 Field and Pool or Exploratory Area  
SWD;Devonian

4 Location of Well (Footage, Sec, T, R, M., or Survey Description)  
3300' FSL, 660' FWL  
Section 5, T21S, R24E

11 Country or Parish, State  
Eddy, New Mexico

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 Variance from drilling permit COA
	<input 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 recomple 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.)

Fasken Oil and Ranch, Ltd. hereby requests a variance from the drilling permit COA's concerning Visual Resource Management. The COA requires low profile tanks and vessels to be used in association with this SWD facility. That requirement is not operationally feasible as the gun barrel and storage tanks need to be regular height vessels (20' tall gun barrel and 16' tall tanks) for the effective separation of residual oil in the water and storage of the volumes of water anticipated in this operation. This variance is necessary for this operation to proceed.

After a second review, low profile tanks would be unnecessary because the facility and well pad are hidden behind a hill from the view from the county road. No structure (tanks or gun barrel) shall be more than 20' high. All other VRM requirements still apply. OK - TEN 11/21/11

Accepted for record  
NMOCD

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

DEC 02 2011  
Title Regulatory Affairs Coordinator

Signature

Date 10/28/2011

RECEIVED

NOV 22 2011

NMOCD ARTESIA

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title SEPS

Date 11-21-11

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 CFD

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)