

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Alamosa, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

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

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

3. Address and Telephone No.
303 W. Wall, Suite 1800, Midland, TX 79701 (432) 687-1777

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1604' FNL, 1912' FWL of Section 9, T21S, R23E

RECEIVED

NOV 09 2005

ODD-ARTESIA

5. Lease Designation and Serial No.

NM 022534A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Skelly Federal No. 2

9. API Well No.

30-015-27326

10. Field and Pool, or Exploratory Area
Indian Basin (Strawn)

11. County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☒ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Downhole Commingle

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Fasken Oil and Ranch, Ltd. proposes to recomplete the Skelly Federal No. 2 to the Indian Basin (Strawn) Pool and downhole commingle this production with existing Cemetery (Morrow) Pool production. A separate application is being prepared and will be sent to the New Mexico Oil Conservation Division for their authority to downhole commingle these two pools. Please see the attached recompletion procedure.

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

Signed Alexis C. Swohoda

Title Regulatory Affairs Coordinator

Date 10/31/2005

(This space for Federal or State office use)

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA

Title PETROLEUM ENGINEER

Date NOV 07 2005

Conditions of approval, if any:

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.

*See Instruction on Reverse Side

**Workover Procedure
Skelly Federal No. 2
AFE 1035**

Fasken Oil & Ranch, Ltd. ————— Skelly Federal No. 2 ————— Cemetery Field

Surface Location: 1064' FNL & 1912' FWL Sec 9, T21S, R23E, Eddy Co., NM

Objective: Add Strawn zone and downhole commingle with Morrow

KB: 13.5' above GL

TD: 10201'

PBTD: 10085'

13-3/8" @ 281' w/1000 sx, Circ to surf.

8-5/8" @ 3183' w/1150 sx

4-1/2" 11.6#/ft @ 10201' w/400sx "H", TOC 8210' by Temp.

Perfs: Original 2JSPF 9865-73' (17 holes)

Oct 2000 perfed 1JSPF 9873'-99', 9940'-50' (38 holes)

Packer: : Watson Arrowset I @ 9633' W/TOSSD w/1.81" "F" profile

Tubing: 2-3/8" EUE 8rd N-80 w/AB modified couplings.

1. RUPU. Set matting board, pipe racks, and steel flowback pit.
2. RUWL and RIW w/ 1.60" gauge ring to 25' below packer (+/-9658'). POW and RIW w/ CIBP capable of clearing 1.81" profile and set in tailpipe 25' below packer. Blow down tubing and RDWL.
3. Fill tubing w/ 2% Kcl water and test plug to 4000 psi.
4. NDWH, Install BOP.
5. Release TOSSD and pickle tubing w/ 300 gals of 15% Hcl acid and reverse to tank using 3% KCL water containing packer fluid.
6. POW to 8762' and spot 500 gals. of 15% NEFE triple inhibited Hcl acid and POW w/ tubing.
7. Fill casing and RU wireline company and 3000 psi lubricator. Perforate Strawn 8750'-62' with 3-1/8" casing gun 1JSPF 60 degree phased total 13 EHD 0.41" holes by Halliburton Spectral Density Dual Spaced Neutron Log dated April 22, 1993. RDWL.
8. RIW w/ TOSSD w/ lugs removed, 850' -870' of 2-3/8" EUE 8rd N-80 tailpipe, 2-3/8" EUE 8rd N-80 x 4' perforated sub, 2- jts. 2-3/8" EUE 8rd N-80 tubing, ASI 10K packer, 1.875 "F" profile, TOSSD and tubing. Test tubing to 8500 psi above slips.

9. Tag bottom packer @ 9633', pick up 2' -4', and pick up necessary subs to set packer @ 8700'+/- and reverse acid into tubing and set packer in 15K compression. TOSSD should be within 2'-3' of bottom packer.
10. Remove BOP and NUWH and install tree saver.
11. RU BJ Services and displace 500 gal acid and 20-30 bbl 2% KCL water containing 0.5 gpt ClayMaster 5-C at 5-10 bpm with maximum pressure of 5000 psi. Acid frac Strawn perms 8750'-62' via 2-3/8" tubing with 1500 gal 15% XL acid III + 1500 gals 15% gelled acid + 35% CO₂, flushing with 2% KCL water containing 0.5 gpt ClayMaster 5-C and 35% CO₂ RD BJ and tree saver.
12. Install flowback manifold and flow to steel flowback pit. Swab if necessary to establish natural flow.
13. Turn well down sales line and RDPU.
14. When desired, RUWL and RIW w/ 1-3/8" tubing gun or chemical cutter capable of clearing 1.81" profile nipple and perforate or cut off tubing below Morrow packer w/ 4 holes to commingle Morrow and Strawn.
15. POW and RIW w/ 1.81" check valve and seat in profile @ 9630'+/- to prevent Strawn from crossflowing into Morrow zone.
16. POW and RDWL and return well to sales.

CWB

10-19-05; revised 10-20-05. 10-24-05.

(Skelly2 afe1035 pro.doc)