Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO. 1004-0135
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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

5. Lease Serial No.
NMNM36975

6. If Indian, Allottee or Tribe Name

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

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

8. Well Name and No.
SALT DRAW 28 FEDERAL 1

2. Name of Operator
FASKEN OIL AND RANCH, LTD.
Contact: ADDISON LONG
E-Mail: addisonl@forl.com

9. API Well No.
30-015-26142

3a. Address
6101 HOLIDAY HILL ROAD
MIDLAND, TX 79707

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

10. Field and Pool, or Exploratory
WILLOW LAKE

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 28 T24S R 1980FNL 660FEL

11. County or Parish, and State
EDDY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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. proposes to plug and abandon the Salt Draw 28 Federal No. 1. We had previously sent in a sundry notice to p/a this well, but have since changed our procedures.

Please see attachments for the new procedure, current and proposed plug and abandon wellbore diagrams.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

Accepted for record
NMOCD

RECLAMATION PROCEDURE ATTACHED

NM OIL CONSERVATION
ARTESIA DISTRICT
APR 20 2016

RECEIVED

14. I hereby certify that the foregoing is true and correct.
Electronic Submission #332783 verified by the BLM Well Information System
For FASKEN OIL AND RANCH, LTD., sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 03/03/2016 ()

Name *(Printed/Typed)* ADDISON LONG — Title REGULATORY ANALYST

Signature (Electronic Submission) — Date 03/03/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /s/ Wes — Title Eng — Date 4/18/16

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 CFO

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-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Recommended Procedure
Salt Draw "28" Federal No. 1
1980' FNL & 660' FEL
Sec 28, T24S R28E
AFE 3330

OBJECTIVE:	Plug and Abandon
WELL DATA:	
GL:	2986.2'
KB:	3006.2'
20" 106.5# K-55 ST&C casing:	Set at 600'. Cmt w/ 2405 sx + 7 yds of gravel to surface
13-3/8" 54.5#K55 ST&C casing:	Set at 2540'. Cmt w/ 3600 sx "C" to surface
9-5/8"43.5#&53.5# N-80,S-95,&P-110 csg:	Set at 9800'. Cmt w/ 1575 sx. TOC 5730' by TS
5-1/2" 23# N-80 & P-110 Liner:	Set @ 13,450' to 9,313'. Cmt w/ 1650 sx to top of liner **(0.0211 bbl/ft)**
Tubing:	(See WB diagram and TA well work summary): Notched Collar (0.50'), 2-3/8" cup type SN (1.10'), 262 jts 2-3/8" EUE AB modified N-80 tubing (8379', Avg Jt Lngth 31.98'). EOT 8392.10' KB.
Plug 5 CIBP:	8,523' with 25sx "H" (PBTD 8,442') cement (12-20-15)
Perforations:	*2nd Bone Spring:* 8594'-8628' (69h, 2spf, 60^0 ph, 0.41" EHD) (12-14-11)
Plug 4 Liner Plug:	9182'-9850' w/ 848' cement (125 sx "H") (12-13-11)
Plug 3 CIBP:	11,500' with 4sx "H" (52') cement (12-10-11)
	Atoka/Strawn: 11,566'-11,572', 11,604'-14', 11,660'-11,667' 45 holes,
Plug 2 CIBP:	11,690' with 7' cement (3-14-09)
Perforations:	*Atoka/Strawn:* 11,695'-704'; 11,708'-14'; 11,720'-30', 11759'-63' (51 total holes)
Plug 1 CIBP:	12,250' with 35' cement
Perforations:	*Morrow:* 12,625'-45'; 12,663'-68'
TD:	13,610'
PBTD:	8,442' (CIBP @ 8,523' w/25sx "H")

1. Test mast anchors.
2. Notify NMOCD and BLM 72 hours prior to starting work of intent to proceed with plugging job.
3. Set rig mats and 2 sets pipe racks.
4. RUPU and plugging equipment. Set steel pit and lay lines. Make sure to have plenty of sugar on hand to put in cement to keep from setting up in pit. Should have at least 30 pounds on location.
5. RU pump truck and test casing to 500 psi. Spot 156 bbls (9-5/8" 53.5# 0.0707 bbl/ft) 9.5 ppg salt mud with 12.5 lbs of gel per barrel 8392'-6190'. This places mud to the next plug (Plug6) depth of 6190'.
6. NDWH. Install BOP.
7. POW with 2-3/8" EUE 8rd N-80 tbg laying down +/-2200' (69 jts. AJL 31.98') to 6190'.
8. **PLUG6**: RU cement pump truck. Mix and spot 60 sx Class "C" cement ~~6190'-5990'~~ 6240'-6040'. POW with 6 stands (+/-200'), pump 5 bbls water through tubing, reverse circulate with 10 bbls water. WOC 2 hrs.
9. RIW with tubing to top of Plug6 (5990') and pump 186 bbls 9.5 ppg gel laden fluid to squeeze hole depth +/-3410'.
10. POW with tubing laying down to +/-3310'.
11. RIW with 8 jts of 2-3/8" tailpipe (256' w/AJL 31.98', 9-5/8" pkr. SN on 2-3/8" tbg and set pkr @ +/-2900' with btm of tailpipe @ +/-3155'.
12. Test Plug 6 to 500 psi.
13. RU wireline, RIW w/1-11/16" strip perforating gun and shoot 4 holes at 3410'. RD WL.

14. Pressure tubing and establish injection rate.
15. **PLUG7**: RU cement pump truck. Pump 50 sx Class "C" cement (15sx in csg and 35sx in 12-1/4" OH) in perfs 3410', and displace no deeper than 3310'.
16. SD 2-3 hours to WOC. 3280' 130'
17. RIW and tag top of cement and make sure cement top is at least 3310' (100' above squeeze holes).
18. Circulate well with 234 bbl 9.5 ppg salt mud with 12.5 lbs of gel per barrel (9-5/8" 53.5#/ft casing less the remaining 250' of plugs 8-10).
19. POW laying down tubing and set pkr @ +/to 2100' FS, with btm of tailpipe @ +/-2355'.
20. RU wireline, RIW w/1-11/16" strip perforating gun and shoot 4 holes at 2590', 50' below 13-3/8" casing shoe. RD WL.
21. Pressure tubing and establish injection rate.
22. **PLUG8**: RU cement pump truck. Pump 65 sx Class "C" cement from 2590' to +/-2490' FS in perfs 2590', and displace no deeper than 2490'.
23. SD 2-3 hours to WOC. 2470 120' plug length
24. RIW and tag top of cement to at least ~~2490'~~ (50' above the 13-3/8" shoe).
25. POW with tubing, packer, SN and tailpipe.
26. RU wireline. RIW with 2-1/8" strip perforating gun and shoot 4 holes at 650', 50' below 20" casing shoe. RD WL.
27. RIW with SN and tubing to +/-400'.
28. **PLUG9**: RU cement pump truck. Pump 65 sx Class "C" cement from +/- 650' to 550' in perfs 650', and displace no deeper than 550'.
29. SD 2-3 hours to WOC.
30. RIW and tag top of cement to at least 550' (50' above the 20" casing shoe).
31. POW and LD all but 2 joints tubing.
32. ND BOP and ND "B" section of wellhead. perf at 400' circ cmt to surf. inside & out
33. **PLUG10**: RIW ~~with two joints tubing (65')~~ into well and fill up casing with 43 sx class "C" cement. (High cave/karst)
34. RDPU and clean location. Empty pit and cut off rig anchors. Release all rental equipment.
35. Cut off casing below all wellheads.
36. Weld plate onto casing with marker joint with the following information. Fasken Oil & Ranch Ltd., Salt Draw "28" Federal No. 1, Section 28, T24S, R28E, 1980' FNL and 660' FEL, Unit H.
37. Midland office will file for pit closure permit. After permit for pit closure is received close pit as per OCD requirements.
38. Clean location and remediate per OCD requirements.

CWB/SRF
2-8-16
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Salt Draw "28" Federal No. 1

Current 12-20-14

Operator: Fasken Oil and Ranch, Ltd.

Location: 1980' FNL and 660' FEL
Sec 28, T24S, R28E
Eddy County, NM

Compl.. Nov-89
API #: 30-015-26142
TD: 13,335'
PBTD: **8442' (CIBP @ 8523' w/25sx "H" cmt)**
Casing: **20" 106.5# K-55 ST&C @ 600'**
cmt. w/ 2405 sx + 7 yds of gravel to surface
TOC surf
13-3/8" 54.5# K55 ST&C @ 2540'
3600 sx "C" 1" with 420 sx (cement to surface)
TOC surf
9-5/8" 43.5# & 53.5# N80&S95&P110 @ 9800'
cmt with 1575 sx
TOC 5730' by TS
5-1/2" 23# N-80&P-110 LT&C Liner @ 13450'
cmt with 1650 sx
Circ cement through top of liner

Tubing:

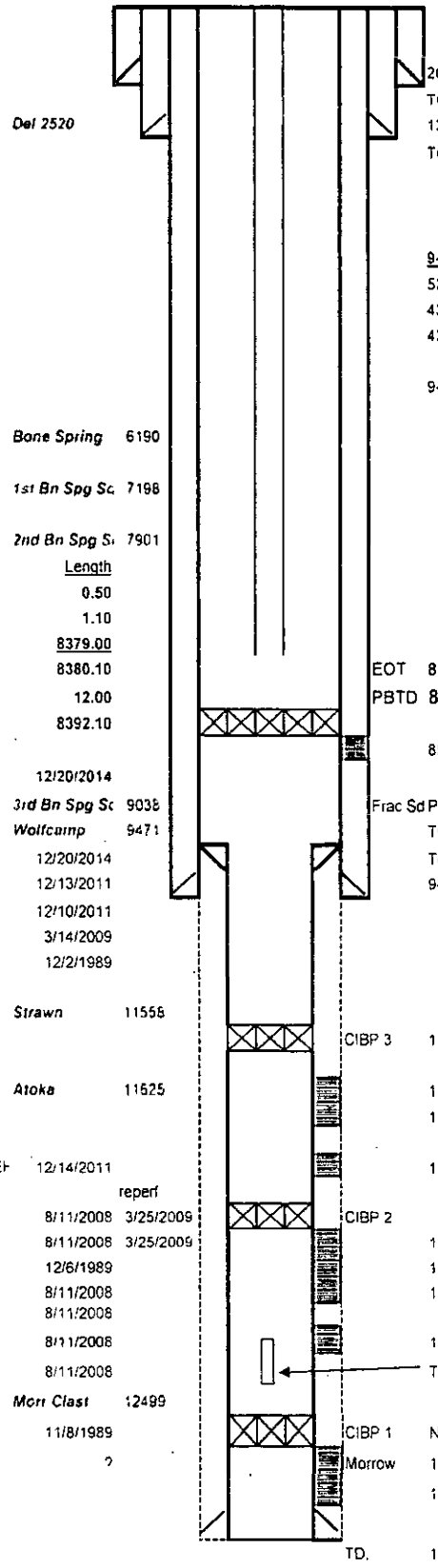
12/20/2014	Notched collar	Length	0.50
	1.1 ft 2-3/8" CUP TYPE SEATING NIPPLE		1.10
AJL:	262 jts 2-3/8" EUE AB MODIFIED N-80 TUBING		8379.00
31 98			8380.10
	12.0 ft BELOW KB		12.00
	EOT		8392.10

NOTE: Tubing and 9-5/8" annulus filled with Fresh Water 12/20/2014

CIBP4	@ 8523' with 25sx "H" cement	12/20/2014
PLUG 1	9182'-9850' w/ 848' cement (125 sx "H")	12/13/2011
CIBP3	@ 11,500' with 52' cement	12/10/2011
CIBP2	@ 11,690' with 7' cement	3/14/2009
CIBP1	@ 12,520' with 35' cement	12/2/1989

Perforations:

Bone Spring	8594'-8628' (69h, 2spf, 60° ph, 0.41" EH	12/14/2011	
			reperf
Atoka	11,566'-72'	8/11/2008	3/25/2009
	11,604'-614'	8/11/2008	3/25/2009
	11,660' - 11,667'	12/6/1989	
	11,695'-11,704'	8/11/2008	
	11,710'-14'	8/11/2008	
	11,720'-30'	8/11/2008	
	11,759'-63'	8/11/2008	
Morrow	12,625' - 12,645'	11/8/1989	
	12,663' - 12,668'	?	



CWB
12-31-151
SaltDraw28Fed1 WBD.xlsx
SaltDraw28Fed1 WBD 12-20-14

Salt Draw "28" Federal No. 1

Perf & Squeeze — Proposed P&A 2-8-16

Operator: Fasken Oil and Ranch, Ltd. GL. 2986.2'
KB: 3006.2'

Location: 1980' FNL and 660' FEL
Unit H, Sec 28, T24S, R28E
Eddy County, NM

Compl.: Nov-89
API #: 30-015-26142
TD: 13,335'
PBTD: 8442' (CIBP @ 8523' w/25sx "H" cmt)

Casing: 20" 106.5# K-55 ST&C @ 600'
cmt. w/ 2405 sx + 7 yds of gravel to surface
TOC surf
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3600 sx "C" 1" with 420 sx (cement to surface)
TOC surf
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cmt with 1575 sx
TOC 5730' by TS
5-1/2" 23# N-80&P-110 LT&C Liner @ 13450'
cmt with 1650 sx
Circ cement through top of liner

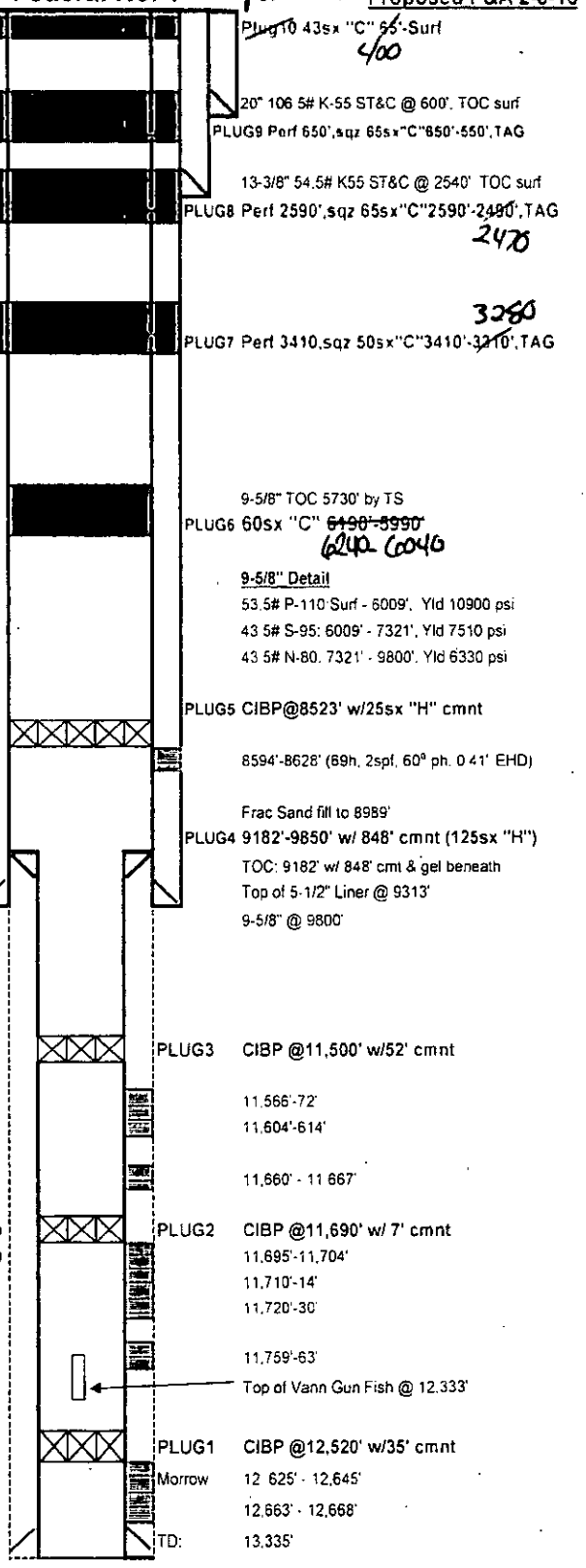
PLUG10	43sx "C" 65'-Surf	
PLUG9	Perf 650',sqz 65sx"C"650'-550',TAG	
PLUG8	Perf 2590',sqz 65sx"C"2590'-2490',TAG	
PLUG7	Perf 3410,sqz 50sx"C"3410'-3310',TAG	
PLUG6	60sx "C" 6190'-5990'	
PLUG5	CIBP@8523' w/25sx "H" cmnt	12/20/14
PLUG4	9182'-9850' w/ 848' cmnt (125sx "H")	12/13/11
PLUG3	CIBP @11,500' w/52' cmnt	12/10/11
PLUG2	CIBP @11,690' w/ 7' cmnt	3/14/09
PLUG1	CIBP @12,520' w/35' cmnt	12/2/89

Del 2520			
Bone Spring	6190		
1st BnSpg Sd	7198		
2nd BnSpg Sd	7901		
3rd BnSpg Sd	9038		
Wolfcamp	9471		
Strawn	11558		
Atoka	11625		
Mort Clast	12499		

Perforations:

Bone Spring	8594'-8628' (69	12/14/2011 reperf	
Atoka	11,566'-72'	8/11/2008	3/25/2009
	11,604'-614'	8/11/2008	3/25/2009
	11,660' - 11,66	12/6/1989	
	11,695'-11,704	8/11/2008	
	11,710'-14'	8/11/2008	
	11,720'-30'	8/11/2008	
	11,759'-63'	8/11/2008	
Morrow	12, 625' - 12,6	11/8/1989	
	12,663' - 12,66	?	

Hole size 12-1/4" 2540'-9800'



CWB
12-31-15
SaltDraw28Fed1 WBD.xlsx
SaltDraw28Fed1 Prop P&A Feb'16

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.**

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**
The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

TAKE PRIDE® IN AMERICA

In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.

3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.

4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.

6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.

7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Linda Denniston
Environmental Protection Specialist
575-234-5974

Henryetta Price
Environmental Protection Specialist
575-234-5951

Dara Glass
Environmental Protection Specialist
575-234-5924

Shelly Tucker
Environmental Protection Specialist
575-234-5979