

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

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.
NMNM13624
6. If Indian, Allottee or Tribe Name
7. If Unit or CA/Agreement, Name and/or No.

SUBMIT IN TRIPLICATE - Other instructions on page 2

| | | |
|--|---|--|
| 1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 8. Well Name and No. AVALON 1 FEDERAL 2 |
| 2. Name of Operator FASKEN OIL & RANCH LIMITED Contact: ADDISON GUELKER E-Mail: addisong@forl.com | | 9. API Well No. 30-015-31104-00-S1 |
| 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 Area DELAWARE |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 1 T21S R26E SWNE 2686FSL 1999FEL | | 11. County 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"/> Subsequent Report | <input type="checkbox"/> Deepen |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Hydraulic Fracturing |
| | <input type="checkbox"/> Production (Start/Resume) |
| | <input type="checkbox"/> Reclamation |
| | <input type="checkbox"/> Water Shut-Off |
| | <input type="checkbox"/> Well Integrity |
| | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Venting and/or Flaring |
| | <input type="checkbox"/> Change Plans |
| | <input type="checkbox"/> New Construction |
| | <input type="checkbox"/> Recomplete |
| | <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.

Fasken Oil and Ranch, Ltd. requests a flare permit for the above well starting November 29, 2018. Enterprise is shutting us in to fix some equipment at their Chaparral plant. They did not give us a time table of when we could go back on, so we would like to request 90 days. Well will be flaring 20 MCFPD.

NM OIL CONSERVATION
ARTESIA DISTRICT

12/14/18
Accepted for record
NMOCD

DEC 12 2018
RECEIVED

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

Electronic Submission #445449 verified by the BLM Well Information System
For FASKEN OIL & RANCH LIMITED, sent to the Carlsbad
Committed to AFMS for processing by PRISCILLA PEREZ on 11/30/2018 (19PP0481SE)

| | |
|--------------------------------------|--------------------------|
| Name (Printed/Typed) ADDISON GUELKER | Title REGULATORY ANALYST |
| Signature (Electronic Submission) | Date 11/28/2018 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By /s/ Jonathon Shepard Title Petroleum Engineer Date DEC 06 2018
Carlsbad Field Office

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 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)

** BLM REVISED **

BUREAU OF LAND MANAGEMENT

**Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Conditions of Approval to Flare Gas

1. Approval not to exceed 180 days from date of submission.
2. All flaring under this request is considered to be "avoidably lost" per 43 CFR 3179.4(a)(2)(i – iii). Volumes for avoidably lost gas shall be reported on OGOR "B" reports as disposition code "33".

Exceptions:

- a. The first 24 hours of a temporary emergency flare is considered "unavoidably lost" and is therefore royalty free (43 CFR 3179.103(a)). Flared volumes that are considered unavoidably lost are not to be included in Sundry Notice (Form 3160-5). These Volumes are not royalty bearing and shall be reported on OGOR "B" as either disposition code "21" or "22".
- b. If the operator believes that the flared volumes were "unavoidably lost", the operator can submit a request via Sundry Notice (Form 3160-5) with justification for an exception in accordance with 43 CFR 3179.4, 3179.101 - 3179.104.