

UNITED STATES **OCD-ARTESIA**
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OM B 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.****SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Fairway Resources Operating, LLC

3a. Address

538 Silicon Drive, Suite 101, Southlake, TX 76092

3b. Phone No. (include area code)

817-416-1946

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

LC-050158 SE/4 NW/ and SE/4 NE/4 of Sec. 35-T17S-R27E
LC-055561 SW/4 NE/4 Sec. 35-T17S-R27E

5. Lease Serial No.

LC-050158 and L-055561

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Midnight Matador #1 and A

9. API Well No.

30-015-32861 and 30-015-34511

10. Field and Pool, or Exploratory Area

S. Red Lake Queen, Grayburg, SA

11. County or Parish, State

Eddy County

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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 Commingling
	<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 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 shall 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 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.)

See attached letter approving commingling order CTB-564. Commingling was verbally approved on June 29, 2006 by Mr. David Catannach, State of New Mexico, Oil Conservation Division.

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

Name (Printed/Typed)

Cindy Flood

Title Office Manager

Signature

Cindy Flood

Date

*August 22, 2006***THIS SPACE FOR FEDERAL OR STATE OFFICE USE****ACCEPTED FOR RECORD**

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

Date

JAN 22 2007

Wesley W. Ingram

WESLEY W. INGRAM

PERMISSION ENGINEER

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)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

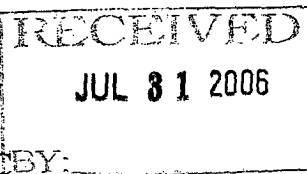
Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division



COMMINGLING ORDER CTB-564

Fairway Resources Operating, LLC BY:

538 Silicon Drive

Suite 101

Southlake, Texas 76092

Attention: Mr. Rick Borkowski

The above-named company is hereby authorized to surface commingle production from the Red Lake Queen-Grayburg-San Andres Pool (Oil - 51300) originating from the following-described Federal leases located in Eddy County, New Mexico:

Lease: Midnight Matador Federal Lease (Federal Lease No. LC-050158)
Description: SE/4 NW/4 and SE/4 NE/4 of Section 35, Township 17 South, Range 27 East, NMPM;

Well: Midnight Matador Well No. 1 (API No. 30-015-32861)
Unit H, Section 35;
Midnight Matador Federal No. 2 (API No. 30-015-34511)
Unit F, Section 35;

Lease: Midnight Matador "A" Federal Lease (Federal Lease No. L-055561)
Description: SW/4 NE/4 of Section 35, Township 17 South, Range 27 East, NMPM;

Wells: Midnight Matador "A" Well No. 1 (API No. 30-015-33351)
Unit G, Section 35;

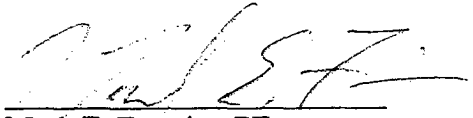
Due to the diversity of ownership, production from each of the above-described leases shall be separately metered prior to commingling.

Oil production shall be commingled and stored at a central tank battery located in the SE/4 NE/4 of Section 35, Township 17 South, Range 27 East, NMPM.

NOTE: This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Artesia district office of the Division prior to implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 26th day of July, 2006.


Mark E. Fesmire, PE
Director

MEF/drc

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



538 Silicon Drive, Suite 101
Southlake, Texas 76092
(817) 416-1946 (817) 416-1949 fax

BUREAU OF LAND MGMT
CARLSBAD FIELD OFFICE

2006 SEP -5 PM 3:10

RECEIVED

September 1, 2006

35-125,278

File - Official File

Midnight Matador
Fed #1
30-015-34385

Mr. Mark E. Fesmire, Director
New Mexico Energy, Minerals and
Natural Resources Department
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Commingling Order CTB-564

Dear Mr. Fesmire:

It appears that one of the API Numbers on the referenced commingling order is incorrect. The API number listed for the Midnight Matador "A" Well No. 1 is shown as 30-015-33351. Our records indicate the API number for that well is 30-015-34385.

Please prepare an updated order with the corrected API number. If you have any questions, please let me know.

Sincerely,

A handwritten signature in cursive script that reads "Cindy Flood".

Cindy Flood
Office Manager

Attachment

c: Bureau of Land Management - Carlsbad



538 Silicon Drive, Suite 101
Southlake, Texas 76092
(817) 416-1946 (817) 416-1949 fax

September 18, 2006

Certified Mail
No. 7005 3110 0004 0369 4241

Oil Conservation Division
1301 West Grand Avenue
Artesia, NM 88210

RE: Commingling Order CTB-564
Midnight Matador #1 and
Midnight Matador "A"

To Whom It May Concern:

Enclosed for your files is a Corrected Commingling Order CTB-564.

If further information is needed, please do not hesitate to contact me at 817-416-1946 or by e-mail cflood@fairwayresources.com.

Very truly yours,

A handwritten signature in cursive script that reads "Cindy Flood".

Cindy Flood
Office Manager

/attachment



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

RECEIVED

SEP 18 2006

BY: _____

COMMINGLING ORDER CTB-564
(Corrected)

Fairway Resources Operating, LLC
538 Silicon Drive
Suite 101
Southlake, Texas 76092

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Midnight Matador Federal No. 2 (API No. 30-015-34511)
Unit F, Section 35;

Lease: Midnight Matador "A" Federal Lease (Federal Lease No. L-055561)
Description: SW/4 NE/4 of Section 35, Township 17 South, Range 27 East, NMPM;

Wells: Midnight Matador "A" Federal Well No. 1Q (API No. 30-015-34385)
Unit G, Section 35;

Due to the diversity of ownership, production from each of the above-described leases shall be separately metered prior to commingling.

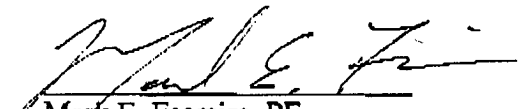
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The operator shall notify the Artesia district office of the Division prior to implementation of commingling operations.

Administrative Order No. CTB-564
Fairway Resources Operating, LLC
September 12, 2006
Page 2

DONE at Santa Fe, New Mexico, on this 12th day of September, 2006.


Mark E. Fesmire, PE
Director

MEF/drc

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