

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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
NM3606

6. If Indian, Allottee or Tribe Name

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SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well

☐ Gas Well

☐ Other

SEP 15 2008

OCD-ARTESIA

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

7. If Unit of CA/Agreement, Name and/or No.
27125

8. Well Name and No
Avalon 10 Federal No. 42

9. API Well No
30-015-31654

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

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

10. Field and Pool or Exploratory Area
Catclaw Draw Delaware East

4. Location of Well (Footage, Sec., T, R, M, or Survey Description)
1980 FNL, 660 FEL, Sec 10, T21S, R26E

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 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 type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input checked="" 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.)

7/8-7/10/08 Notified OCD Artesia, New Mexico office and Mr. Tim Gum was given notification of intent to rig up and convert TA well to injection at 2:30 p.m. CMT on 7/3/08. RUPU and crew started to change out sand line. NDWH and NU BOP. RIW w/ 3-1/2" sand line drill bailer and drilled on CIBP @ 2250' 8 hrs, did not knock plug loose recovered pieces cast iron broke 2 flapper valves in bailer, had no change in well status. RIW w/ 4-3/4" Varel bit L-2 type SN 1044262, bit sub, 4- 3-1/2" drill collars, top sub on 67 jts 2-3/8" N-80 tubing and tagged CIBP @ 2260'. PU swivel and established circulation with 3% KCL with .5 gpt Clay Master 5-C clay stabilizer and drilled out plug in 40"; after plug broke free pumping 3-1/2 bpm rate with 1/2 bpm returns. Shut down pump and well back flowed most of wtr back to pit. LD swivel, pushed plug to 4237', POW and LD 67 jts tubing standing 78 jts and LD BHA. RU Gray WL and RIW w/ 4-1/2" gauge ring /junk basket to 2800' and POW. RIW with 5-1/2" CIBP and set @ 2600' and capped w/ 35' cement and RDWL. RIW with 3 jts 2-3/8" tail pipe, 5-1/2" x 2-3/8" BJ 32-A pkr with unloader and 2-3/8" seating nipple on 76 jts 2-3/8" N-80 tubing and set pkr @ 2460' w/ EOT @ 2558'. RU pump truck on tubing and tested casing from pkr to PBTD to 2700 psi for 15" with no pressure loss. RU pump truck on casing and established injection rate into perfs 2304'-2412' with 10 bbl at 300 psi @ 4.6 bpm rate and well flowed back approx. 5 bbls while releasing pkr.

SEE ATTACHMENT

ACCEPTED FOR RECORD

SEP 16 2008

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)
Gloria Holcomb

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA

Title Engineering Tech.

Signature

Gloria Holcomb

Date 08/04/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

ACCEPTED FOR RECORD

Approved by

Title

Date

SEP 13 2008

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

WESLEY W. INGRAM

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)

Avalon 10 Federal No. 42**30-015-31654****Form 3160-5 Cont.**

7/11-7/12/08 POW to 2535'. RU Rising Star acid pump and tubing and pumped 42 bbls 3% Kcl water with Claymaster 5C, 250 gals 7-1/2% NEFE DI Hcl acid and spotted acid with 8.7 bbls Kcl water. POW and set packer at 2250'. Pressure tested tubing/casing annulus to 500 psi for 15" with no pressure loss. Bled down pressure and POW with tubing and packer. RU Gray Wireline and RIW with 3-1/8" expendable slick gun and perforated 5-1/2" casing at 2488'-2493' (11 Holes 60 degree phasing) and 2525'-2533' (11holes 60 degree phasing) with no change in well after perforating. POW and RDWL. RIW with 5-1/2" 32A packer, 5-1/2" mechanical casing collar locator, seating nipple and 75 jts tubing and correlated tubing depth to GR-CCL log. Reversed 6 bbls into tubing and set packer at 2428' and pumped 115 bbls 3% Kcl water down annulus at 4 bpm and 300-500 psi while breaking down perforations and displacing spot acid. Broke down perforations at 1220 psi and increased rate from .5-6.8 bpm and 760-2590 psi with 15 bw. ISDP 600 psi, 5" 540 psi, 10" 500 psi and 15" 460 psi. RD acid pump and pump truck. Bled down pressure in 1". RU swab equipment, IFL surface and made 9 runs and recovered 13 bw with EFL 2400'. RD swab equipment. RU pump truck on 2-3/8" x 5-1/2" annulus maintained 500 psi while pumping 2.4 bpm with 27 bbls 3% KCL with .5 gpt Clay Master 5-C Clay Stabilizer pumped into upper perfs during acid job. RU Rising Star Acid pump on tubing and treated perfs 2488'-2533' (22 holes) with 1000 gal. 7-1/2% HCL DI acid w/ .5 gal Clay Master 5-C, (1 gal I-18 Corrosil Inhibitor, 1-gal NE-16 Non Emulsifier, 8-gal FE-24 Iron Control, 5-gal FE-10 Liquid Citric Acid, 2-gal SS-1 Silt Suspender) and 35 1.1 sg. bio ball sealers and flushed with 17 bbls 3% KCL w/.5 gpt Clay Master 5-C. Had very good ball action with 25 balls on formation. Max psi 2860 psi, max rate 7.6 bpm, avg psi 2250 psi, avg rate 6 bpm. ISDP 640 psi, 5" 550 psi, 10" 480 psi and 15" 440 psi. RD acid pump and pump truck. Bled down pressure to blow down tank in 1". Swab well.

7/15-7/17/08 Bled down tubing and made 2 swab runs. Released pkr and RIW with to 2580' to knock balls off perfs. POW and LD 2-3/8" N-80 work string and BHA. RIW w/ 5-1/2" mechanical collar locator, 5-1/2" X 2-3/8" BJ T-32 A tension pkr with unloader, 2-3/8" X 2-7/8" cross over and 2-7/8" seating nipple testing 75 jts 2-7/8" N-80 work string above slips to 7500 psi with no leaks found and correlated mechanical collar locator with casing collars @ 2408' and 2454'. ND BOP and NU 7-1/16" x 3000 psi slip type tubing hanger and set pkr w/ EOT @ 2430' in 23 pts tension between old perfs 2304'-2412' and new perfs 2488'-2533'. NU 2-7/8" EUE 8rd 5000 psi gate valve. NUWH. RU BJ Services. RU pump truck on 2-7/8" x 5-1/2" annulus and installed 1500 psi pop-off valve. Tested steel lines to 7850 psi ok. Established 500 psi on annulus and frac'd Cherry Canyon Delaware perfs 2488'-93' & 2528'-2535' via 2-7/8" frac string with 17,652 gal Lightning 3000 frac fluid plus 37,041# of 16/30 mesh Brown Sand as follows: Pumped 5,514 gal Lightning 3000 pad at 28.7 bpm and 2,898 psi.; Pumped 9,240 gal Lightning 3000 with 3 ppg 16/30 Brown Sand at 28.5 bpm and 2,967 psi.; Pumped 2,898 gal Lightning 3000 with 5 ppg 16/30 Brown Sand at 28.5 bpm and 2,761 psi.; Flushed with 592 gal 30# Linear Gel at 28.5 bpm and 2,761 psi. Maximum pressure – 2,967 psi, minimum pressure – 2,761 psi, average pressure – 2,800 psi. ISIP 710 psi, 5" 587 psi, 10" 552 psi, 15" 528 psi. RD BJ Services and annulus pump truck, and NU flow back valve w/ positive choke. Left well shut-in 2 hours and started flow back @ 1: 10 PM CMT as follows:

Time	Choke	FCP (psi)	Rate (bph)	Recovery (bbls)
1:10 pm	16/64"	400		Open well
2:10 pm	21/64"	280	37	27
3:10 pm	21/64"	150	33	60
4:10 pm	28/64"	25	31	91
5:10 pm	48/64"	5	34	125
6:10 pm	48/64"	5	30	155
7:00 am	16/64"	5		189; LLTR- 245 bbls

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Form 3160-5 Cont.

7/18/08 Swab well. Swab hung up 400' from surface ; could not work loose. Cut sand line at surface and LD lubricator. Pulled sand line out of rope socket with blocks and LD sand line. NDWH, released pkr and NU BOP and POW with pkr. Recovered sinker bars with sand around bars and cups. RIW with 2-7/8" notched coupling and seating nipple on 2-7/8" tubing. Tagged sand at 2510' with perfs at 2528'-2533' covered w/ 55' sand to PBTD. RU pump truck and NU tubing stripper. Established circulation w/ 3% Kcl wtr containing 0.5 gpt Clay Master 5-C clay stabilizer and washed sand from 2510' to 2575'. Circulated well clean, ND tubing stripper and POW w/ EOT @ 2451' FS. Established injection rate into perfs 2310'-2533' with 15 bbls wtr at 5 bpm 550 psi. RD pump truck and POW LD 2-7/8" WS.

7/22/08 Bled down pressure and RIW with pkr and TOSSD drifting boxes on 2-7/8" EUE 8rd Polybore J-55 tubing; set tubing @ 2,249.32'. Spaced out and set pkr and released TOSSD. Circulated well w/ 70 bbls 2% Kcl wtr w/ pkr fluid and 5 gal. O₂ scavenger, engaged TOSSD and tested 5-1/2" x 2-7/8" annulus to 550 psi for 30" with no pressure loss. ND BOP and NUWH w/ 20 pts tension on pkr. NU aluminum-bronze 2-7/8 EUE 8rd full opening gate valve w/ 2-7/8 EUE 8rd pin x pin x 6" long SS sub. Pressured tubing/casing annulus to 620 psi w/ wellhead isolated from pump truck for 35" with no psi loss. Bled pressure off of casing and SWI. RDPU and cleaned location. Pressure test on recorder with NMOCD office notification to be ran at later date.