

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

87505

HOBBS OCD

MAY 17 2012

RECEIVED

Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

May 27, 2004

WELL API NO.

30-025-40361

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Quail "16" State

8. Well Number 3H

9. OGRID Number 151416

10. Pool name or Wildcat

Lea; Bone Spring

DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.

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

2. Name of Operator

Fasken Oil and Ranch, Ltd.

3. Address of Operator

303 W. Wall, Suite 1800, Midland, TX 79701

4. Well Location BHL - Unit Letter D, 380' FNL and 380' FWL

Unit Letter M : 660' feet from the South line and 300' feet from the West line

Section 16 Township 20S Range 34E NMMP County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3640' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bbls; Construction Material

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPLETIONS ☐OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: Intermediate Casing ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SFE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4-25-12 - 5-8-12

Drilled a 12 1/4" hole from 1605' - 5230'. Set 117 jts. 9-5/8" LT&C 40# HCK-55#, 40# J-55, & 36# J-55 casing @ 5216' & one Weatherford DV Tool @ 3822'. Cemented w/ 1st stage: Pumped 20 bfw, 400 sx Lightweight C with 5% salt, 1/8 lb/sx celloflake, 6% gel, 0.2% antifoam, 0.4% fluid loss (s.w. 12.6 ppg, yield 2.07 ft³/sx) plus 250 sx Class "C" (s.w. 14.8 ppg, yield 1.33 ft³/sx). PD at 8:30 pm CDT 5-6-12. Opened DV tool and circulated 210 sx excess cement. 2nd Stage: 1500 sx Lightweight C with 5% salt, 1/8 lb/sx celloflake, 6% gel, 0.2% antifoam, 0.4% fluid loss (s.w. 12.6, yield 2.23 ft³/sx) plus 200 sx Class "C" (s.w. 14.8 ppg, yield 1.33 ft³/sx). PD at 5:45 am CDT 5-7-12. Bumped plug to 1800 psi, floats did not hold. Pressured up to 2000 psi, floats held. Circulated 607 sx excess cement. Centralized casing in the middle of the shoe joint, top of the 2nd joint, every 4th joint up to and around DV tool (12 total centralizers). WOC Time 49 3/4 hrs. Pressure test 9 5/8" csg. to 3000 psi, 1/2 hr.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Kim Tyson TITLE Regulatory Analyst DATE 5-15-2012

Type or print name Kim Tyson

E-mail address: kimt@forl.com

Telephone No. (432) 687-1777

For State Use Only

APPROVED BY: [Signature]

TITLE PETROLEUM ENGINEER

DATE MAY 18 2012

Conditions of Approval (if any):