

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No 1004-0137
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.

5. Lease Serial No
NM-33955

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

7. If Unit of CA/Agreement, Name and/or No
NM-33955

8. Well Name and No
Baetz 23 #1

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

9. API Well No.
30-025-26414

3a. Address
303 West Wall Street, Suite 1800
Midland, Texas 79701

3b. Phone No (include area code)
432.687.1777

10. Field and Pool or Exploratory Area
Salt Lake Bone Spring

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1980'FSL & 1980' FWL, Unit K, Sec 23, T20S, R32E

11. Country or Parish, State
Lea County, New Mexico

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"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input 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 <u>Approval to vent gas</u>
	<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 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 must 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 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.)

Gas volumes reflected on prior economic analysis and production reports was based upon an outdated estimate. Actual flow has been determined to be 4 mcfpd which is the volume that will appear on future production reports.

Form 3160-5 dated 7/1/2008 (copy attached) indicated a possible gas connection 4066' from the Baetz 23 location. However, it has since been determined that this is not a probable location for a gas connection. Therefore the closest low pressure gas gathering system that this well can be connected to is 4.3 miles (22,704') northwest of the location. The cost to install a surface poly line to this location is estimated to be \$125,520. The estimated cost to install a buried poly line is \$352,560. Neither of these options are economical. Permission is requested to vent for the period of 10/26/08 through 10/25/09.

The requested gas analysis is attached.

**SUBJECT TO LIKE
APPROVAL BY STATE**

RECEIVED

AUG 27 2008

HOBBS OCL

APPROVED

AUG 24 2008

JAMES A. AMOS
SUPERVISOR-EPS

Approval good for 1 year

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

Name (Printed/Typed)

Sheila Payne

Title Marketing and Production Accounting Manager

Signature

Sheila Payne

Date 08/18/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

J. Amos

Title

Date

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

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)