

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

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 re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

AUG 21 2008

HOBBS OGD

SUBMIT IN TRIPLICATE – Other instructions on page 2.		5. Lease Serial No. NM96782
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
2. Name of Operator Fasken Oil and Ranch, Ltd.		7. If Unit of CA/Agreement, Name and/or No
3a. Address 303 W Wall Ave, Suite 1800 Midland, TX 79701		8. Well Name and No. Federal "27" No. 2
3b. Phone No. (include area code) (432) 687-1777		9. API Well No. 30-025-29400
4. Location of Well (Footage, Sec., T, R, M, or Survey Description) 560' FSL & 660' FEL, Unit P, Sec 27, T18S, R33E		10. Field and Pool or Exploratory Area E-K 21655
		11. Country or Parish, State Lea, 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 type="checkbox"/> Convert to Injection	<input checked="" 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)

6/17-6/21/08 RUPU and LD polish rod. POW w/ 1-1" x 6' rod sub, 67-1" steel rods, 105- 7/8" steel rods, 11-3/4" steel rods w/ box on bottom and 3/4" pin looking up in well at 4575' FS. Changed out 3/4" rod box and RIW w/ rods and screwed onto rods and worked rods from 16 pts free point to 31 pts for 1.5 hr with no progress. Backed off rods with 13 pts weight, LD 3-1" rods and PU polish rod and stuffing box. Finished POW w/ 359 rods leaving 18-3/4" rods and pump in well and LD 30- 1" 97 D rods, 30- 7/8" 97 D rods and 4-3/4" Norris 97 bent rods. NDWH, NU BOP and released TAC. POW with 42 jts 2-7/8" EUE 8rd tubing to fluid. PU swab and made 4 runs in 1.5 hrs w/ EFL @ top of fish @ 7692' FS. Finished POW w/ 2-7/8" tubing, rods and pump and laid down 64 jts of tubing. RUWL and RIW w/ 4-1/2" OD gauge ring with junk basket to 8850' and POW. RIW and set CIBP at 8775' and dump bailed 35' Class "H" cement on top of CIBP w/ new PBTD at 8,740'. POW and RD Wireline. ND BOP and NU frac valve and loaded casing w/ 140 bfw. Changed out all piping and valves on 8-5/8" x 5-1/2" annulus side of wellhead and loaded with 1 bfw and tested to 500 psi for 25" on chart with no pressure loss. RU pump truck on frac valve and tested 5-1/2" casing to 2000 psi for 30" with no pressure loss on chart after working trapped gas and air out of fluid for 1-1/2 hrs. NU Guardian 5-1/2" 20# tree saver on frac valve and tested casing to 3400 psi for 40" with no pressure loss on chart. Bled off pressure and RD tree saver and left well open to blow down tank on pinched valve. RU tubing tester and RIW w/ 2-7/8" perforated tubing sub, 2-7/8" EUE 8rd seating nipple and 228 jts 2-7/8" EUE 8rd tubing testing above slips to 6000 psi with no leaks found. RD tubing tester, LD 1 jt tubing and PU 6' x 2-7/8" EUE 8rd N-80 tubing sub with end of perforated sub @ 7394'.

* Will need plans for well within 90 days

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

Title Engineering Tech.

Signature

Gloria Holcomb

Date 08/11/2008

ACCEPTED FOR RECORD

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title
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

AUG 16 2008

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD 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)

Ka

Federal "27" No. 2

30-025-29400

Form 3160-5 Cont.

6/24-6/29/08 RU acid pump truck and circulated well down tbg w/ 140 bbls 2% KCl wtr and spotted 500 gal. 7-1/2% HCL acid w/ 1/2 gpt clay master 5-C clay stabilizer, 2 gpt SS-1 silt suspender, 5 gpt FE-10 liquid citric acid, 8 gpt FE-24 iron control, 2 gpt Ne-16 non emulsifier, 2 gpt 1-18 corrosion inhibitor and spotted with 38.5 bbls 2% KCl wtr @ 7394' -6827' and RD pump truck. POW with tbg and RUWL. RIW w/ 3-1/8: slick casing gun and tagged fluid @ 720' FS and ran GR-CCL from PBTD @ 8678' to 5750' correlated to Schlumberger Compensated Neutron-Litho Density Open Hole Log dated 10-16-85. Perforated 7388' - 7372' and 7369' - 7365' 1 jspf 22 holes, .40" EH, 60 degree phased and well had slight vacuum after perforating. POW with guns and found FL 950' FS. RIW w/ 5-1/2" x 2-3/8" Model "R" DG pkr w/ 4.641" gauge rings and coupling on bottom, 2-7/8" EUE 8rd box x 2-3/8" EUE 8rd pin cross over, 2-7/8" EUE 8rd seating nipple 2.280" ID and 2-7/8" EUE 8rd tubing to 5887'. Finished RIW w/ pkr to 7295', RU acid pump truck and reverse circulated 11 bbls KCl wtr. ND BOP and NU flow tree and set pkr w/17 pts compression. Pressured annulus to 500 psi and monitored. RU pump on tubing and displaced 500 gal. 7-1/2% HCL acid w/ 22.5 bbls 2% KCl wtr into perfs at 7365'-7388'. Formation broke @ 2500 psi, max psi 2850 psi, max rate 5.0 bpm, avg pressure 2830 psi, avg rate 5.0 bpm. ISIP-1880 psi, 5"-1740 psi, 10"-1700 psi, 15"-1640 psi. SWI and RD pump truck, opened well and bled pressure off to tank. LTR 22.5 bbls. IFL surface, made 7 swab runs in 4 hrs recovered 42 blw (tubing capacity) with trace oil show on last 2 runs. EFL- seating nipple. SD 1 hr between last swab run w/ no fluid entry. SDON. FTP- 0 psi; SICP- 0 psi. Made 1 swab run with IFL @ 6785' FS with 500' entry in 12 hrs and recovered 1.5 bbls free oil from seating nipple at 7285'. RU acid pump truck and pressured casing to 500 psi and monitored. Treated perforations 7365'-7388' (22 holes) with 2500 gal HCL DI acid w/ 2 gpt Clay Master 5-C clay stabilizer, 3 gal. SS-1 silt suspender, 12.5 gal FE-10 citric acid, 20 gal FE-24 iron control, 3 gal NE-16 non emulsifier and 3 gal corrosion inhibitor. Dropped 45- 1.3 sg ball sealers and flushed w/ 49.5 bbls 2% KCl wtr. Balled out w/ 27 balls on formation, surged off balls and continued flush. Max psi 4000 psi, max rate 5 bpm, avg psi 2650 psi, avg rate 4.8 bpm. ISIP-1940 psi, 5" SITP-1800 psi, 10" SITP-1780 psi, 15"- SITP 1760 psi with 113 bbls LTR. SWI, RD pump truck and opened well and bled off pressure. IFL- surface, made 9 swab runs in 7 hrs and swabbed fluid level to seating nipple @ 7285' and SD 1 hr w/ 150' fluid entry w/ skim of oil. SD 2 hrs with 200' fluid entry and 2% oil cut on sample. EFL at seating nipple. Made 2 swab runs in 1 hr w/ EFL 7285' FS at seating nipple w/ 400' free oil on first run. SD 2 hrs between 3rd and 4th runs with 300' fluid entry w/ 35% oil cut on samples. Made a total of 4 swab runs in 5 hrs and recovered 7.5 bbls and recovered 54 bbls total load w/ 60.5 bbls LLTR. ND flow tree and NU BOP. Loaded tubing with 35 bbls 2% KCl wtr. Released pkr and RIW to 6424' to knock balls off perfs, POW and LD pkr while standing tubing in derrick. ND BOP and NU 5K frac valve. Rigged up BJ Services and pressured 5-1/2" x 8-5/8" annulus to 500 psi. Installed pop off valve and set at 1000 psi. Tested lines to 5500 psi and frac'd Brushy Canyon Delaware perfs 7365'-69' & 7372'-88' via 5-1/2" casing with 109,662 gal slickwater plus 16,354# Lite-Prop 108, 14/40 mesh sand as follows:

- a) Pumped 1,596 gal slickwater at 6 bpm to load casing.
- b) Pumped 2,604 gal 7-1/2% HCL acid down casing at 21.3 bpm and 2,109 psi.
- c) Pumped 20,118 gal slickwater pad at 52.6 bpm and 2,605 psi.
- d) Pumped 25,326 gal slickwater with 0.1 ppg 14/40 Lite-Prop 108 sand at 52.4 bpm and 3,401 psi.
- e) Pumped 25,578 gal slickwater with 0.2 ppg 14/40 Lite-Prop 108 sand at 52.2 bpm and 3,397 psi.
- f) Pumped 29,904 gal slickwater with 0.3 ppg 14/40 Lite-Prop 108 sand at 52.8 bpm and 3,379 psi.
- g) Flushed with 7,140 gal slickwater at 52.1 bpm and 3,400 psi.

Maximum pressure - 3502 psi, minimum pressure - 2109 psi, average pressure - 2805 psi. ISIP 2,122 psi, 5" 1,872 psi, 10" 1,803 psi, 15" 1,770 psi. Total load to recover 2673 bbl. Rigged up flowback line and opened well through manifold at 5:45 pm on a 20/64" choke w/ FTP- 900 psi. Well flowed back 172 bw in 12 hrs; FTP 0 psi on 2" choke w/ flowrate of 4 bph. LLTR- 2503 bbls. Well flowed 59 bbls. of load water in 31.5 hrs. on a 16/64" positive choke. No show of oil or gas.

Federal "27" No. 2
30-025-29400
Form 3160-5 Cont.

7/1-7/30/08 Well dead w/ no production overnight. ND frac valve and NU BOP and RIW w/ 1 jt 2-7/8" tbg w/ split bull plug on sand line and tagged fill at 8757'. POW and LD tubing and bull plug. RIW w/ 2-7/8" production tbg w EOT @ 7293.10'. ND BOP and NU slip type tubing hanger and attempted to set TAC at 7293' and 7261' with no success. Set tubing slips, NU TIW valve and made 5 swab runs in 2 hrs. IFL surface; recovered 34 blw with suspended fine frac sand in fluid and no oil or gas shows and EFL 1000' FS. Recovered total of 263 blw with 2410 bbls LLTR. RU pump truck and circulated well with 250 bbls 3% KCL wtr until fluids were free of frac sand; had some gas in returns. NDWH and NU BOP and attempted to reset TAC w/ no success. POW with tubing and found TAC locked up and had 1' sand in bottom of gas separator. RIW with exchange TAC and tubing. ND BOP and NU slip type tubing hanger flange and set TAC with 16 pts tension. Swabbed well 5-1/2 hrs and recovered 115 bbls fluid w/ trace of oil on last 2 runs and no gas show. IFL surface, EFL- 3500' FS and static last several runs. Stranded sand line and LD swab w/ 2266 bbls LLTR. RIW with 2-1/2" x 1-1/2" x 24' RHBC pump with 20' x 1-1/4" gas anchor, STS No-Tap tool w/ 7/8" pins, 14- 1-1/2" "C" sinker bars, 198- 3/4" D rods and POW and LD 85-3/4" rods and RIW w/ 96- 7/8" "D" rods and 1- 1" "D" rod. RIW w/ rods and spaced pump 22" off tag and loaded tubing w/ 3 bbls 3% KCL and tested tbg to 500 psi with no leaks. Checked pump action to 500 psi in 4 strokes 3 times and left unit running for 30 min with good fluid movement through treater into water tank. RDPU and left unit pumping on hand to battery. Evaluating.