

RECEIVEDForm 3160-5
(February 2005)

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**HOBBS****NOTICE 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.FORM APPROVED
OMB No 1004-0137
Expires March 31, 20075 Lease Serial No
NM-14496

6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Fasken Oil and Ranch, Ltd. ✓3a Address
303 West Wall St, Suite 1800, Midland, TX 797013b. Phone No (include area code)
432-687-17774. Location of Well (Footage, Sec., T., R., M., or Survey Description)
990' FNL & 660' FWL, Sec 31, T19S, R34E ✓

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

8. Well Name and No.
Ling Federal No. 5 ✓9 API Well No.
30-025-39121 ✓10. Field and Pool or Exploratory Area
Apache Ridge Bone Springs11 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 checked="" type="checkbox"/> Other Completion of Well
	<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 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)

12-19-08 - 12-20-08

Established reverse circulation w/ fw and drilled 11' of cement to DV tool at 8359' and drilled out DV tool. Reciprocated casing scraper through DV tool +/- 15 times and RIW w/ 3 joints of tubing and circulated well clean. Established reverse circulation and drilled 94' of cement to float collar at 9724' and circulated well clean w/ cement only in returns. RU Cudd acid equipment and pumped 500 gals 15% HCL DI pickle acid and flushed w/ 25.5 bbls 2% Kcl water. RU pump on annulus and reversed acid to flowback tank and circulated well w/ 215 bbls 2% Kcl water. RD acid pump and POW and LD 5 joints w/ EOT at 9552'.

RDPU and cleaned location.

Please see attachment for further details.

14 I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Kim Tyson

Title Regulatory Analyst

Signature

Kim Tyson

Date 01/22/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Date

MAY 14 2009

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)

Fasken Oil and Ranch, Ltd.
Ling Federal No. 5
Drill Complete
Sundry Notice Attachment

12-23-08 - 12-25-08

RUPU and Cudd acid equipment on tubing and spotted 500 gals 15% NeFe Hcl DI acid w/ 1 gpt clay stabilizers w/ 34.8 bbls 2% Kcl water. RU Enertech WL Services and RIW w/ GR-CCL, 4.625" gauge ring and junk basket and set down at 9705'. Correlated to Halliburton's Spectral Density Dual Spaced Neutron Spectral Gamma Ray log dated November 18, 2008 and logged from @ PBTD 9705' to 9000'. RIW w/ CCL and 3-1/8" expandable slick casing gun and perforated 1st Bone Spring Lower Dolomite from 9528'-9550' 1JSPF (23 holes), 0.42" EH, 120 degree phasing and well went on slight vacuum after perforating. POW and LD guns w/ all 23 shots fired and RDWL. RU pump on 5-1/2" casing and displaced spot acid w/ 12 bbls 2% Kcl water and did not catch fluid. RD acid equipment and swabbed well.

Swabbed well. WH sample was 35-40% oil cut.

RU Enertech WL Services and RIW w/ 1-11/16" gamma guns and correlated to Halliburton's Spectral Density Dual Spaced Neutron Spectral Gamma Ray log dated November 18th, 2008. Perforated 1st Bone Springs Lower Sand from 9554'-9566', 1 JSPF (13 holes), 0.24" EH, 0 degree phasing and no change in well after shots fired. POW and LD tools w/ all 13 shots fired and RDWL. Swabbed well. WH sample 45-50% oil cut w/ stronger gas blow than from previous zone perforated at 9528'-9550'.

12-30-08 – 1-1-09

RU Cudd acid equipment on annulus and loaded w/ 115 bbls 2% Kcl water. Swabbed well. RU pump on tubing and pumped 3000 gals of 15% NeFe HCL acid w/ clay stabilizers and while dropping 72 7/8" RCN 1.3 sg ball sealers as follows: 12 bbls of acid and dropped 5 ball sealers every 3.6 bbls of acid and 13 bbls of acid on tail and flushed to top perforation at 9528' w/ 38.1 bbls 2% Kcl water. Balled out with 45, 50, 60 and 72 balls on formation. Surged balls off each time and finished flushing acid at 5.5 bpm and 2700 psi and SD and tubing on vacuum in 5 seconds. Avg rate 5 bpm and avg pressure 3431 psi during job. Bled off annulus and RD acid equipment. Swabbed well. WH sample 10-15% oil cut.

Swabbed well. WH sample 30-35% oil cut. Released packer and RIW with 4 joints of tubing through bottom perforation at 9566' to knock off any remaining ball sealers. RIW w/ 2-3/8" x 5-1/2" RBP w/ ball catcher, retrieving tool, 10' EUE 8rd N-80 tubing sub, 5-1/2" MCCL, 2-3/8" x 5-1/2" Arrowset 1X packer, 2-3/8" seating nipple and 2-3/8" EUE 8rd N-80 tubing. Attempted several times to correlate to short joint at 9165' (WL depth)

9180.94' (csg depth) but unable to find any collars w/ MCCL. RIW and set RBP at 9515' and POW and set packer at 9480' in 14K compression. RU Cudd acid equipment and loaded tubing w/ 27 bbls of 2% Kcl water and pressured RBP to 3005 psi w/ no loss in 15". Bled off pressure and attempted to release packer w/ no success. Loaded annulus w/ 120 bbls 2% Kcl and released packer and POW w/ EOT at 9476'. RU pump on tubing and circulated well w/ 2% Kcl water and spotted 500 gals of 15% NeFe DI HCL acid w/ clay stabilizers with 34 bbls of 2% Kcl water. RD pump and POW w/ EOT at 7964' and SWI and SDON.

RU Cudd acid pump and kept casing loaded while POW. RU Enertech WL Services w/ full lubricator and Enertech crew dropped 900 series stud bolt in well (1-1/8" OD x 5-5/8") while NU lubricator flange. RIW w/ CCL and 3-1/8" slick casing gun and set down on RBP at 9514'. Correlated to Halliburton's Spectral Density Dual Spaced Neutron Spectral Gamma Ray log dated November 18th, 2008 and perforated 1st Bone Springs Upper Dolomite from 9470'-9476', 6 JSPF (36 holes), 0.42" EH, 60 degree phasing and no change in well after perforating. POW and found all 36 shots fired and RDWL. RU pump on 5-1/2" casing and displaced spot acid w/ 12 bbls 2% Kcl water and formation broke at 1 bpm and 4500 psi and finished flushing acid at 6 bpm and 3750 psi. ISIP 2860, 5" 2609 psi, 10" 2468 psi and 15" 2352 psi. Bled off pressure and RD acid equipment. Swabbed well.

1-3-09

RU Pro Wireline slickline truck w/ lubricator and ran BHP gradient readings each 1000' of depth to 9380'. BHP @ 9380' was 3716 psi. Swabbed well.

1-6-09 - 1-10-09

Swabbed well. WH sample trace of oil and gas.

RU Halliburton Services and Team CO₂. Tested lines to 5,000 psi with no pressure loss. Treated 1st Bone Springs Upper Dolomite perms 9,470'-76' with gelled acid frac via 2-3/8" tubing and 2-3/8" x 5-1/2" tubing/casing annulus (triple entry) with 8,944 gallons of 25Q foamed 15% Zonal Coverage Acid 15V and 11,117 gallons of treated 3% Kcl water, and 24.9 tons of CO₂ as follows:

- a) Spearheaded 1000 gallons of 15% ZCA ahead of pad @ 18 bpm and 147 psi.
- b) Pumped 2153 gal of treated 3% Kcl water pad containing 1.8 tons of CO₂ @ 15.2 bpm combined slurry rate and 150 psi.
- c) Pumped 7944 gal 25Q Zonal Coverage Acid 15V containing 12.9 tons of CO₂ at 19.2 bpm combined slurry rate and 2801 psi. (Caught fluid after pumping 3,850 gallons of this stage – calculated fluid level 7,939' FS).

- d) Flushed with 8964 gallons of treated 3% Kcl water containing 10.3 tons of CO₂ at 22 bpm combined slurry rate and 4127 psi.

Maximum pressure – 4362 psi, minimum pressure – 3625 psi, average pressure – 4063 psi. ISIP 2353 psi, 5" 2251 psi, 10" 2220 psi, 15" 2201 psi. Total load to recover 417 bbls. RD Halliburton Services and Team CO₂. Left well shut in for 2-1/2 hours and started flowback through flowback manifold at 12:30 p.m. CST as follows:

Time	Choke	FT/CP (psi)	Rate (bph)	Recovery (bbls)
12:30 pm				SIP 2000 psi
12:35 pm	13/64"	1750		Opened well
1:00 pm	10/64"	1740	27 in 25"	27
2:00 pm	17/64"	875	19	46
3:00 pm	30/64"	550	11	57
4:00 pm	30/64"	345	29	86
5:00 pm	30/64"	250	22	108
6:00 pm	30/64"	190	9	117
8:00 pm	30/64"	190	5	131
10:00 pm	12/64"	23	4	140
12:00 am	12/64"	0	2	144
5:00 am	12/64"	0	Dead	144

Swabbed well. WH sample was trace of oil.

Swabbed well. Set 5-1/2" RBP at 9610' below bottom perforations at 9566'. Swabbed well and WH sample 10-15% oil cut.

Swabbed well. WH sample 15-20% oil cut. Engaged and released 5-1/2" RBP.

1-13-09 - 1-14-09

RIW w/299 joints of 2-3/8" EUE 8rd N-80 tubing @ 9628.10'.

ND BOP and set TAC w/ 15K tension. Installed wrap around, NUWH and RIW w/ rods as follows:

2" x 1-1/2" x 24' RHBM pump	24.00'
18 1-1/2" Flexbar C sinker bars w/ 3/4" pins SHSM couplings	450.00'
240 3/4" N-97 steel rods w/ FHSM couplings	6000.00'
125 7/8" N-97 steel rods w/ SHSM couplings	3125.00'
7/8" x 8', 4', 4', 2', 2' w/ SHSM couplings	20.00'
1-1/4" x 26' polished rod w/ 1-1/2" x 14' liner	+ 26.00'
Total	9645.00'

RDPU, cleaned location and released all rentals.

1-17-09 - 1-18-09

Contractor delivered and set Permian 456 pumping unit SN DGZC2008-183 with 107" stroke and Ajax DPC-60 engine.

Contractor made final adjustments to Ajax engine and installed longer bridle on pumping unit. Started unit @ 12:01pm CDT 1-17-09 running 10 SPM. Left well pumping to battery and installed 16/64" positive choke in casing.