OCD-HOBBS

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

SUBMIT IN TRIPLICATE *– Other instructions on page 2.*

5. Lease Serial No
NM-14496

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☐ Oil Well ☐ Gas Well ☑ Other SWD

8. Well Name and No.
Ling Federal No. 1

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

9. API Well No.
30-025-28064

3a. Address
303 West Wall St , Suite 1800, Midland, TX 79701

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

10. Field and Pool or Exploratory Area SWD;
Delaware Mountian Group

4. Location of Well *(Footage, Sec., T ,R ,M., or Survey Description)*
1980' FNL & 1980' FEL, Sec 31, T19s, R34E

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			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☑ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other Tracer Survey
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Fasken Oil and Ranch, Ltd. submitted a Tracer Survey for the Ling Federal No. 1 to the NMOCD per the attached letter.

Please see attached letter and tracer survey.

This is for you information only.

RECEIVED
OCT 08 2009
HOBBSOCD

ACCEPTED FOR RECORD
OCT 6 2009
/s/ Myles Kristof
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

14 I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*
Kim Tyson

Title Regulatory Analyst

Signature Kim Tyson

Date 09/30/2009

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title PETROLEUM ENGINEER

Date OCT 09 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

KR

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)

FILE
cc: JWD/CB/CH
DEL

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

Administrative Order SWD-1142
September 29, 2008

APPLICATION OF FASKEN OIL & RANCH, LTD. FOR PRODUCED WATER DISPOSAL, LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Fasken Oil & Ranch, Ltd. (OGRID 151416) made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Ling Federal Well No. 1 (API No. 30-025-28064) located 1980 feet from the North line and 1980 feet from the East line of Section 31, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations. Satisfactory information has been provided that affected parties as defined in Rule 701B(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met and the operator will be in compliance with the Division's Rule 40 after production wells surrounding this subject injection well are re-activated.

IT IS THEREFORE ORDERED THAT:

Fasken Oil & Ranch, Ltd. is hereby authorized to utilize its Ling Federal Well No. 1 (API No. 30-025-28064) located 1980 feet from the North line and 1980 feet from the East line of Section 31, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Delaware Mountain Group through perforations from 5679 feet to 8303 feet and through plastic-lined tubing set with a packer located within 100 feet of the top of the injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Within 6 months of beginning injection, the operator shall supply the Division with a copy of an injection [temperature and tracer survey] log run while injecting at this well's average injection rate, identifying the injection intervals within the perforated interval.

After installing injection tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 1136 psi.** In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of injection to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1115 of the Division Rules and Regulations.

Without limitation on the duties of the operator as provided in Division Rules 19 and 116, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

In accordance with Rule No 705.C, the injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause shown. One year after injection operations into the well has ceased, the injection authority will terminate *ipso facto.*

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad

INJECTION PROFILE

STRAV WIRELINE

Company FASKEN OIL & RANCH LTD.
Well LING FEDERAL #1
Field ----------
County LEA State NEW MEXICO
Location: API #: 30-025-2864
1980' FNL & 1980' FEL
SEC 31 TWP 19-S RGE 34-E

Other Services: CALIPER

Permanent Datum	G.L.	Elevation	------
Log Measured From	K.B. 22'		
Drilling Measured From	K.B.		

Elevation: K.B. 3652' D F 3651' G L 3629.6'

Company	FASKEN OIL & RANCH LTD
Well	LING FEDERAL #1
Field	----------
County	LEA
State	NEW MEXICO

Date	09/24/09
Run Number	ONE
Depth Driller	13,691' (PBTD 8300')
Depth Logger	8279'
Bottom Logged Interval	8579'
Top Log Interval	5400'
Open Hole Size	N/A
Type Fluid	WATER
Density / Viscosity	N/A
Max. Recorded Temp.	100 DEG.
Estimated Cement Top	N/A
Time Well Ready	9 AM
Time Logger on Bottom	10 AM
Equipment Number	81
Location	LEVELLAND
Recorded By	BOLES
Witnessed By	

Borehole Record

Run Number	Bit	From	To

Tubing Record

Size	Weight	From	To
2.375"		0'	5630'

Casing Record	Size	Wgt/Ft	Top	Bottom
Surface String				
Prot. String				
Production String	5.5"	17# & 20#	0	13,690'
Liner				

<<< Fold Here >>>

Comments

THIS LOG WAS CORROLATED TO ENERTECH 03/11/09

PERFORATIONS

PERFS: SEE COMMENTS

INJECTION WELL

INJECTION WELL:

SHUT-IN DATE 09/23/09 HOUR 3 P.M. TOTAL S.I. TIME 1 HR S.I. PRESS 0 PSI
METERED INJ. RATE1605 B/D PRESSURE 1400 PSI TEMP FLUID TYPE WATER
TOTAL VOLUME TO DATE FLUID LEVEL TUBING INJECTING

PRODUCER:

FLOWING PUMPING CHOKE SETTING HOURS PROD.
FLUID LEVEL CSG. TBG. RATE B/W B/O
FLUID TYPE

FRAC OR ACID WELLS:

TIME FINISHED FRAC OR ACID ACID % FLUID - GALS SAND #
RATE - BPM PRESSURE

CONCLUSIONS

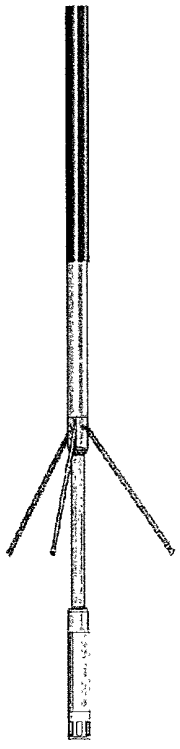
THIS SURVEY WAS RAN TO DETERMINE THE ZONES OF INJECTION.
THERE WAS NO INDICATION OF A CHANNEL FROM THE CASING SHOE.

PERFS: 5682-5702, 5782-90, 6020-40, 6078-6102, 6188-6196, 6210-34, 6370-94, 6490-6502, 6626-40, 6744-52, 6874-90, 7464-78, 7750-68, 7950-60, 7986-8006, 8010-20

THE TEMPERATURE AND TRACER INDICATE A POSSIBLE LOSS THROUGH AN UNPERFORATED INTERVAL FROM BETWEEN 6240-6254'.

100% CASING RATE- 1605 B/D

Sensor	Offset (ft)	Schematic	Description	Len (ft)	OD (in)	Wt (lb)
			TREJCT-20CC138 (TR_20_1)	3.06	1 38	10.00
			CCL-Probe (080749) 1 3/8" Probe Logging CCL	1 89	1 38	5 00
CCL	6.67					
DET	5 00					
			TRDET-PROBE1 (080769T) 1 3/8" Probe Top Gamma	3 46	1 38	15 00



DET#2	0.00	TRDET #2 -Probe2 (080769B) 1 3/8" Probe Bottom Gamma	3 46	1.38	15.00
XCAL	-3 93				
YCAL	-3.93	XYC-PROBE (PROBE01) 1 3/8" Probe Caliper	3 43	1.38	20.00
TEMP	-5.18	TEMP-Probe (080510) Probe 1 3/8" Temp	1 00	1.38	4 00

Dataset:	ling1 db: LING/1/TRACER3/pass17
Total Length:	16 29 ft
Total Weight:	69.00 lb
O D	1 38 in

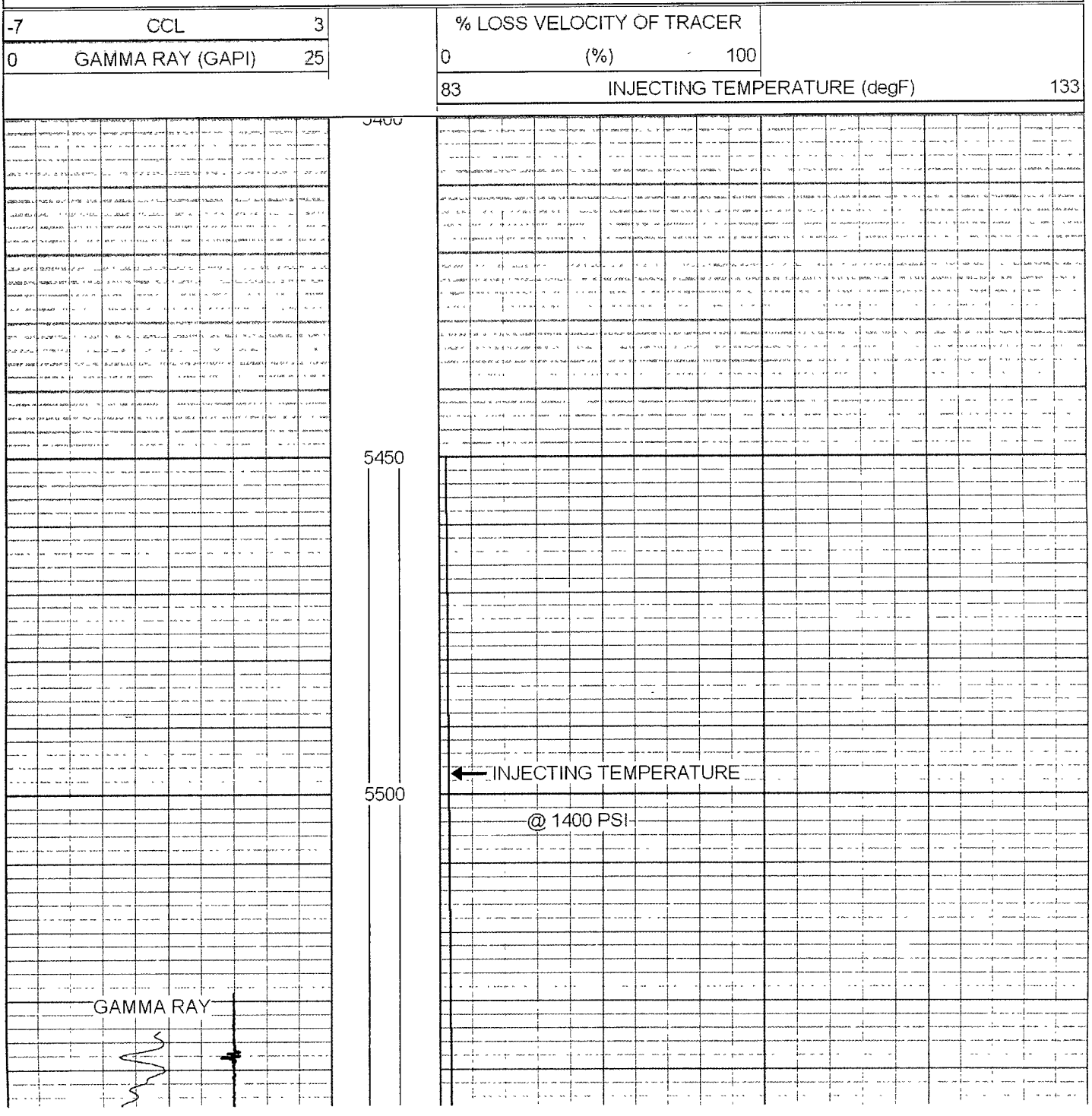
Company:
Well:
File: C:\Warrior\Data\ling1.db
Dataset: LING/1/TRACER3/_tracer_/_shottabl_/1

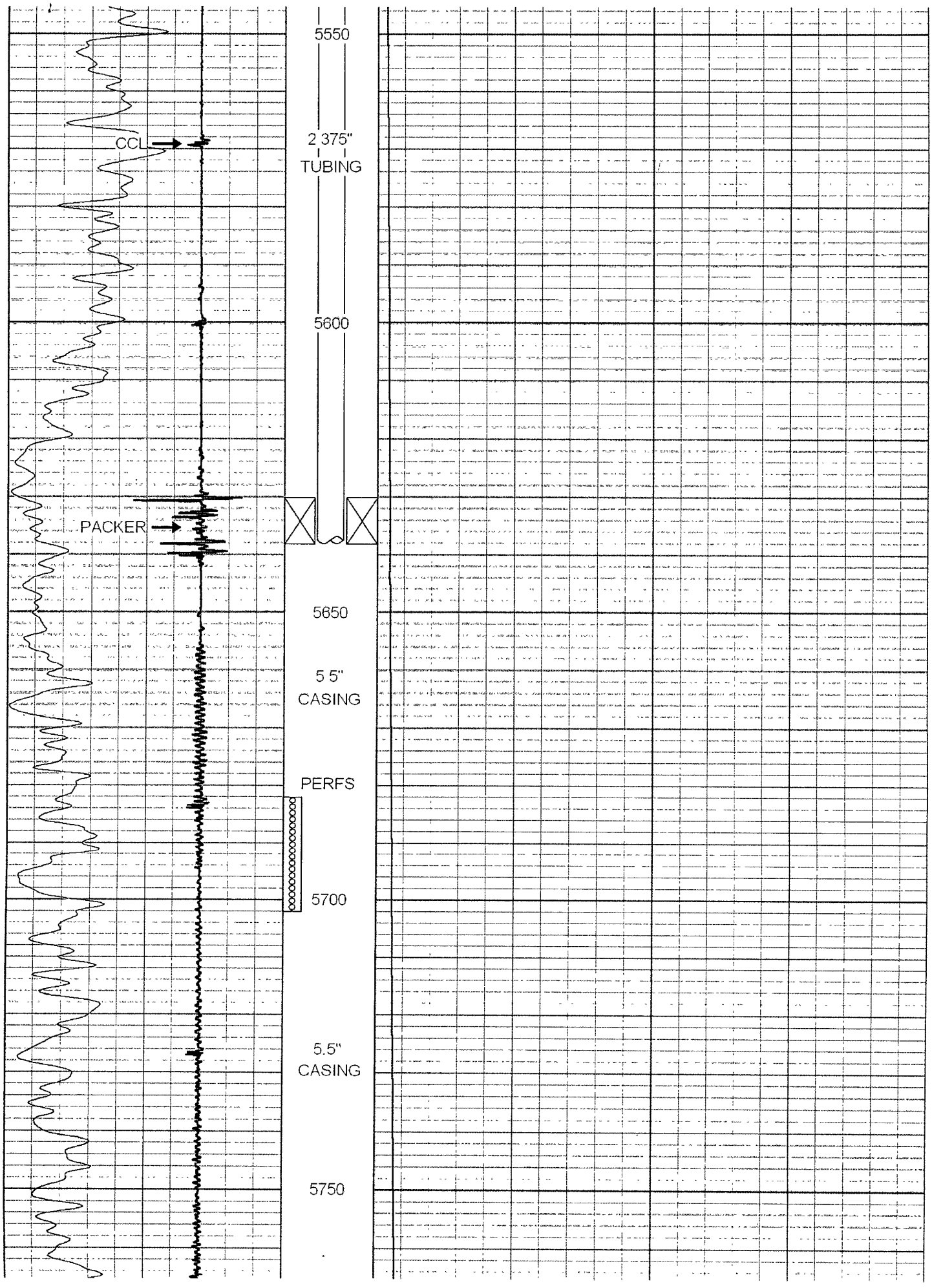
TRACER RESULTS

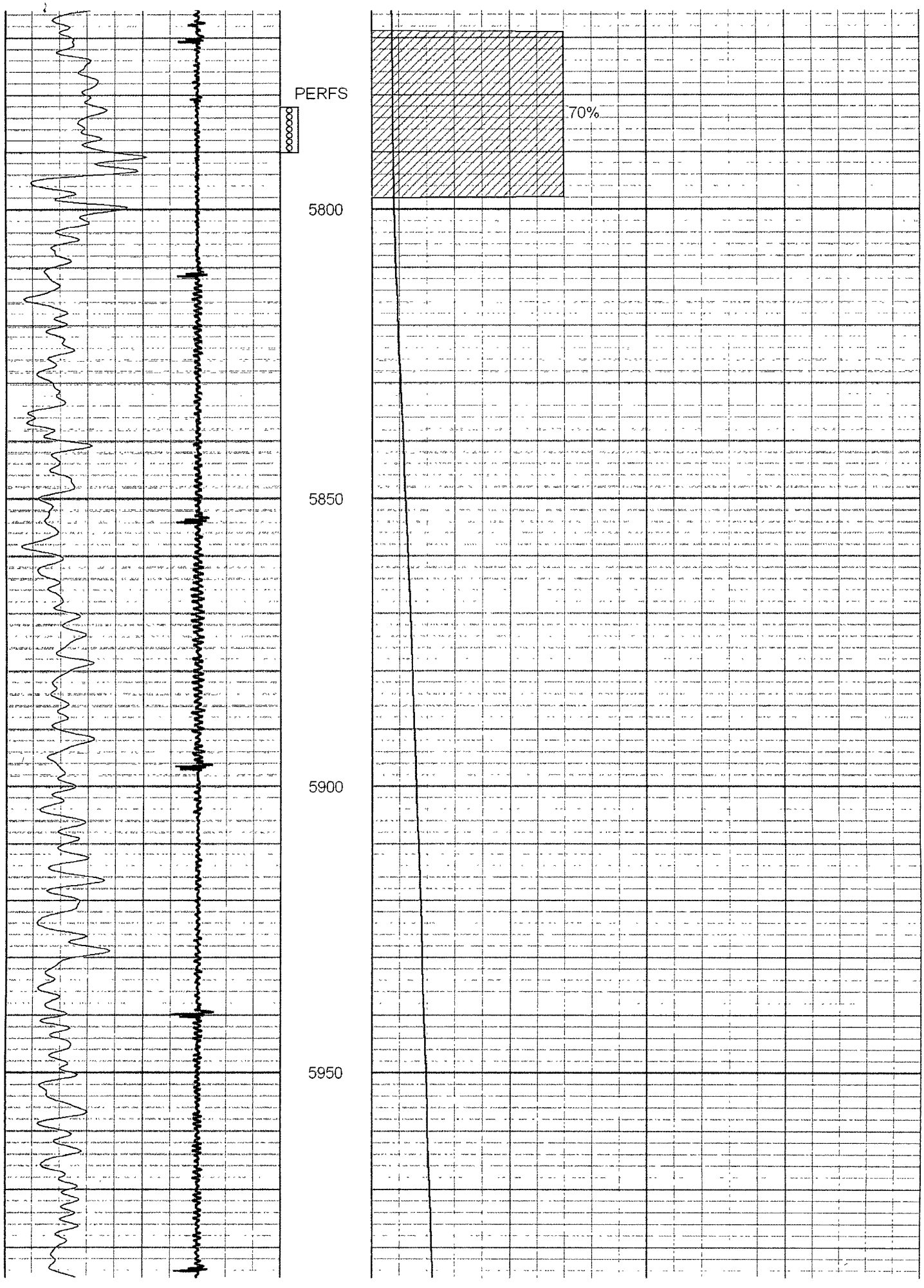
#	Depth (ft)	Time	Integration	Flow (%)	Delta (%)	Comment
1	5670.00	14:23:16	1605.00	100.00		
2	5699.00	14:23:20	1605.00	100.00	0.00	
3	5735.00	14:23:28	1605.00	100.00	0.00	
4	5769.00	14:23:38	1605.00	100.00	0.00	
5	5798.00	14:23:44	484.00	30.16	69.84	
6	5823.00	14:23:48	484.00	30.16	0.00	
7	5843.00	14:23:54	484.00	30.16	0.00	
8	5882.00	14:23:58	484.00	30.16	0.00	
9	5912.00	14:24:03	484.00	30.16	0.00	
10	5938.00	14:24:09	484.00	30.16	0.00	
11	5970.00	14:24:16	484.00	30.16	0.00	
12	6000.00	14:24:27	484.00	30.16	0.00	
13	6028.00	14:24:33	484.00	30.16	0.00	
14	6074.00	14:24:41	484.00	30.16	0.00	
15	6108.00	14:24:49	484.00	30.16	0.00	
16	6144.00	14:24:55	484.00	30.16	0.00	
17	6170.00	14:24:59	484.00	30.16	0.00	
18	6206.00	14:25:06	484.00	30.16	0.00	

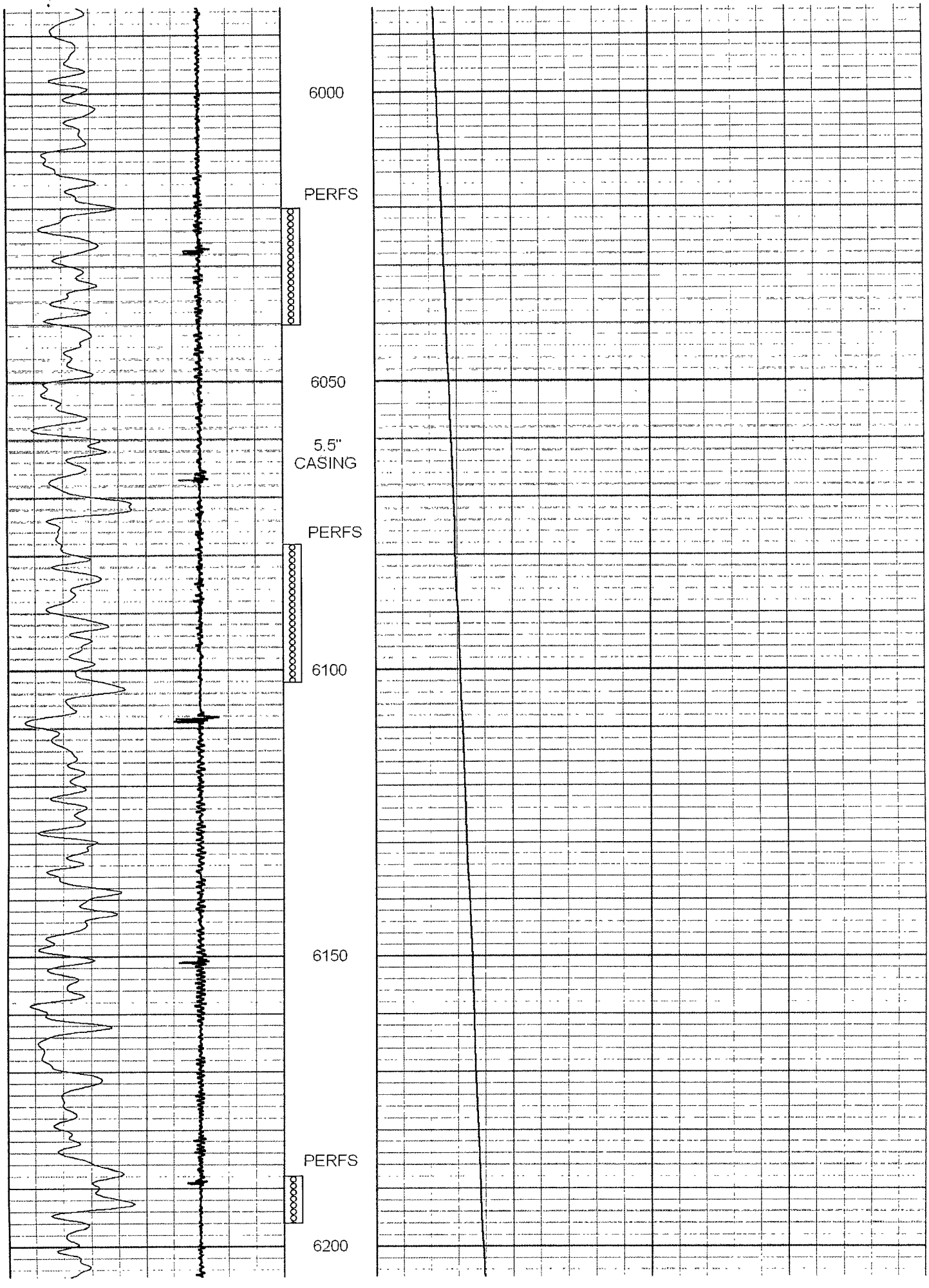
19	6240.00	14:25:15	245.00	15.26	14.89	
20	6254.00	14:25:24	100.00	6.23	9.03	
21	6274.00	14:25:36	100.00	6.23	0.00	
22	7875.00	14:25:44	100.00	6.23	0.00	
23	7914.00	14:25:53	100.00	6.23	0.00	
24	7942.00	14:25:58	100.00	6.23	0.00	
25	7974.00	14:26:03	100.00	6.23	0.00	
26	8003.00	14:26:08	68.00	4.24	1.99	
27	8020.00	14:26:13	0.00	0.00	4.24	

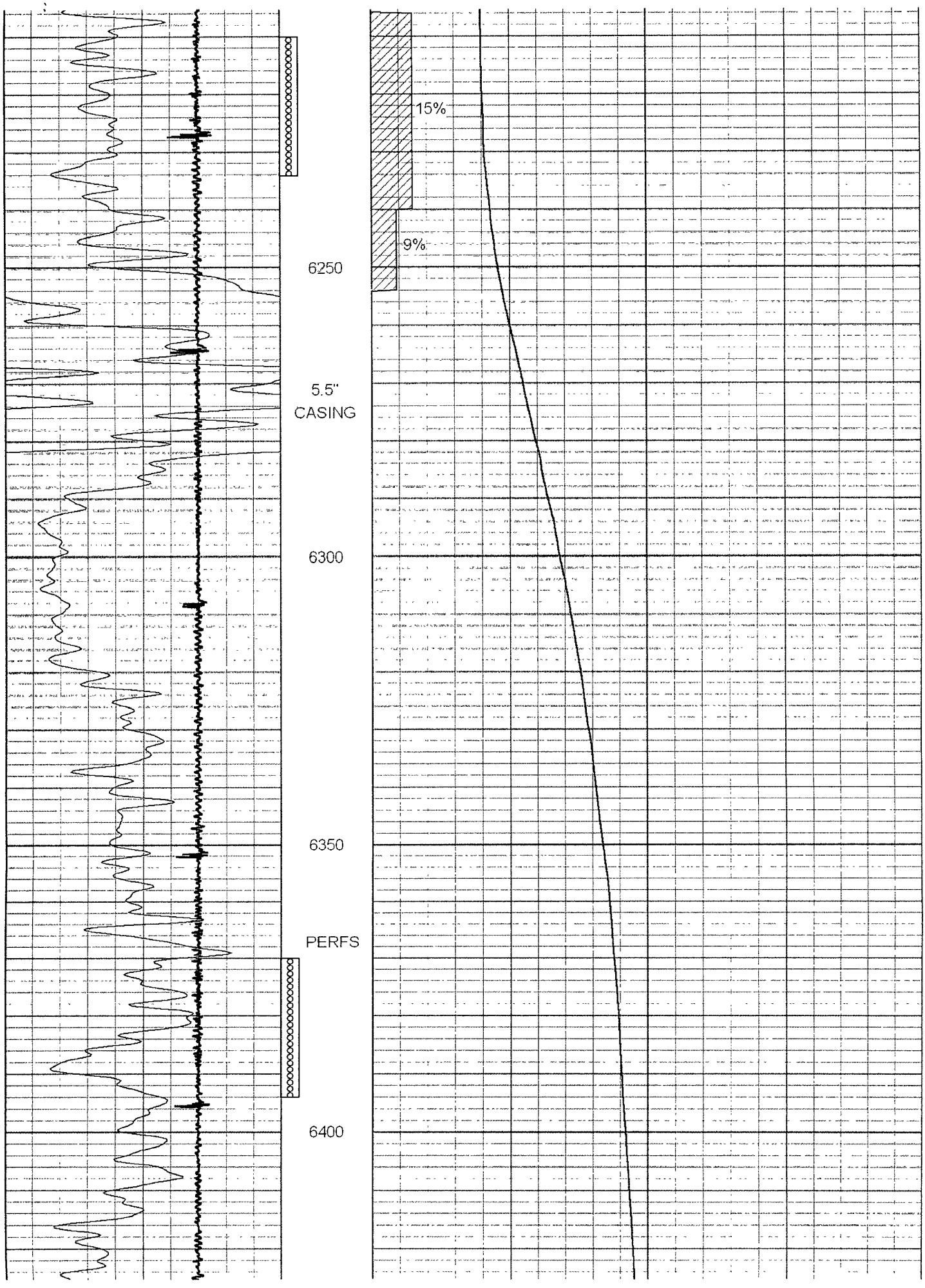
Database File: ling1.db
Dataset Pathname. LING/1/TRACER3/_compos5_
Presentation Format: trccomp
Dataset Creation Thu Sep 24 15:20:51 2009
Charted by Depth in Feet scaled 1 240

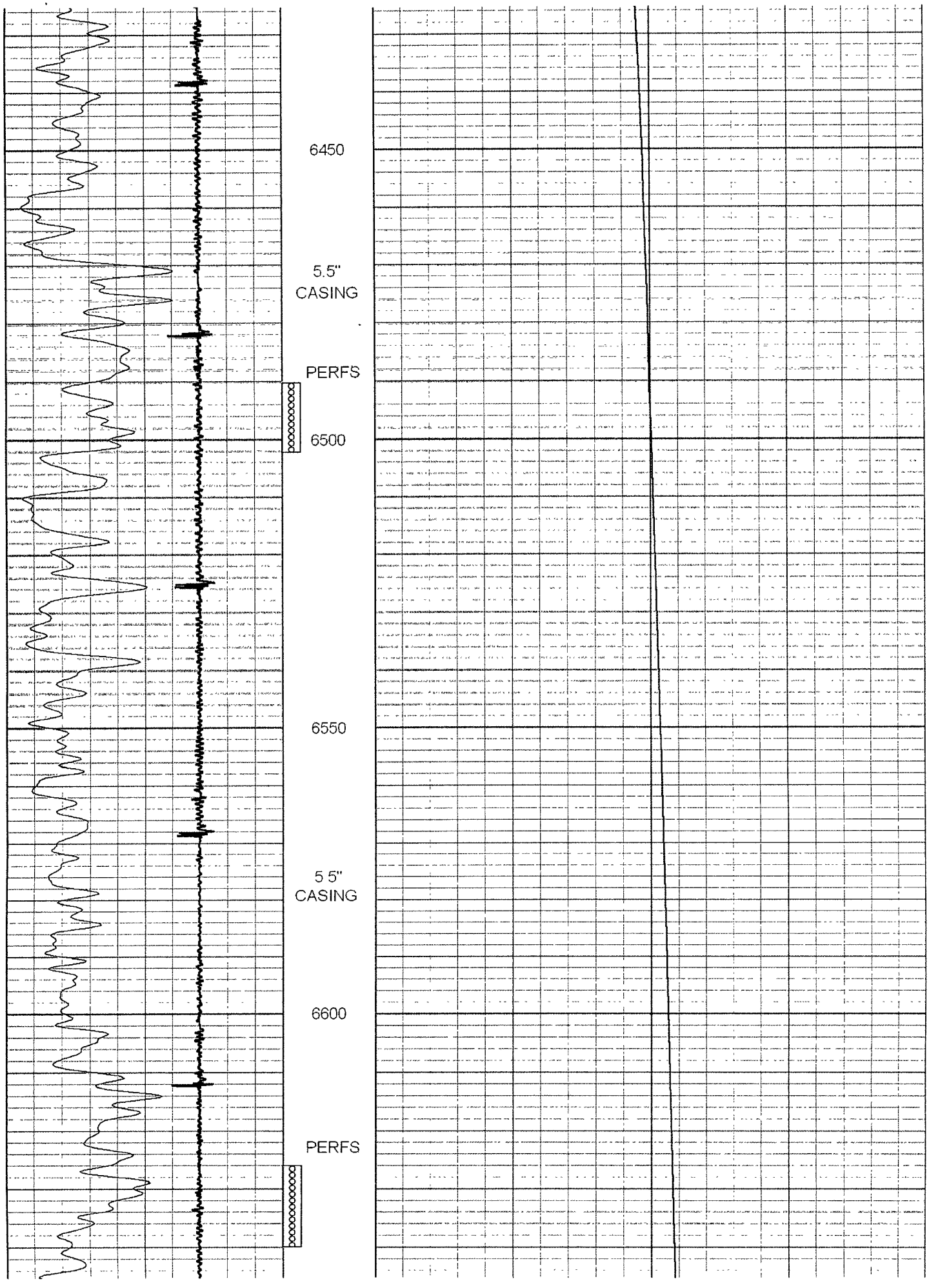


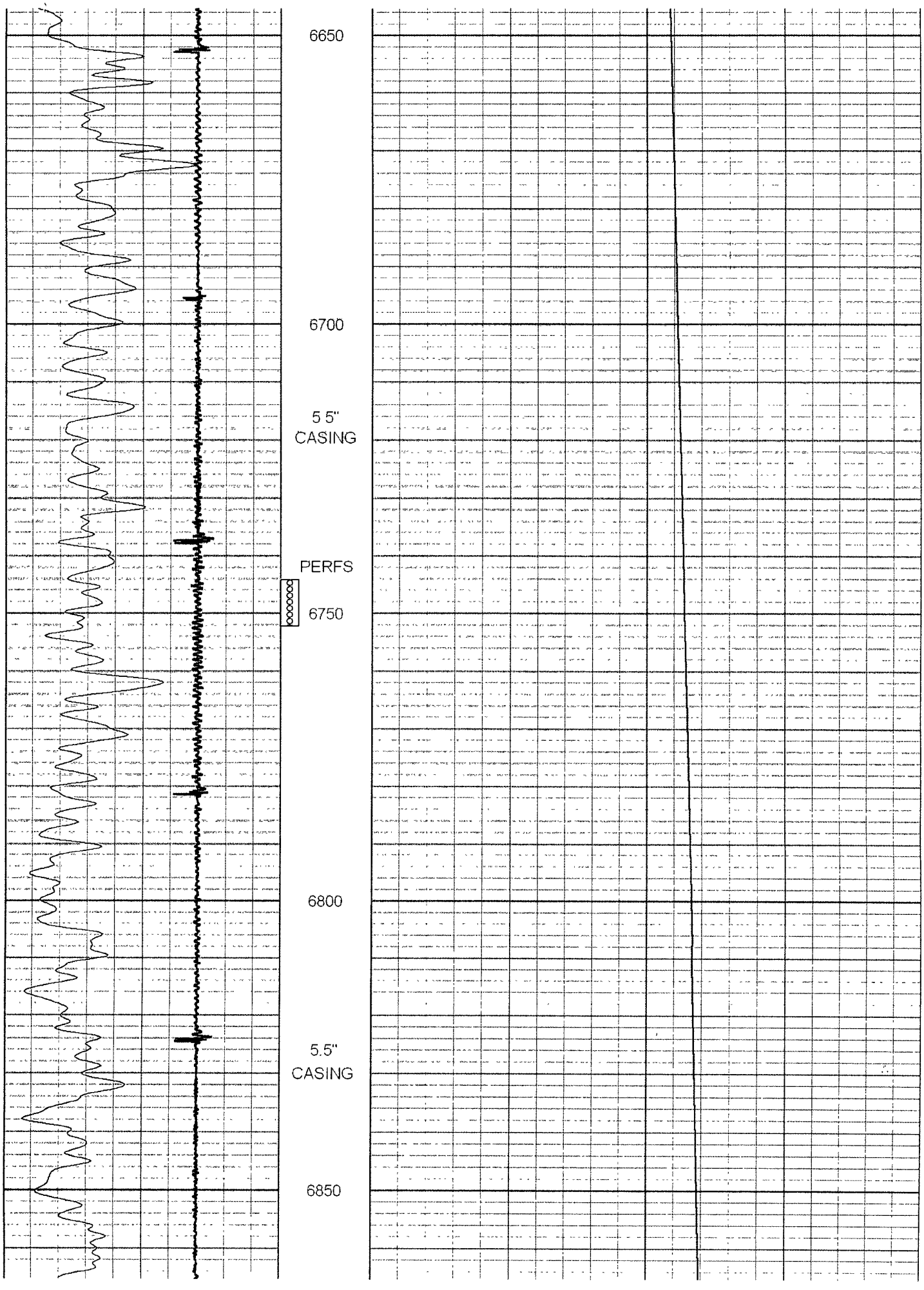

5550
CCL
2 375"
TUBING
5600
PACKER
5650
5 5"
CASING
PERFS
5700
5.5"
CASING
5750

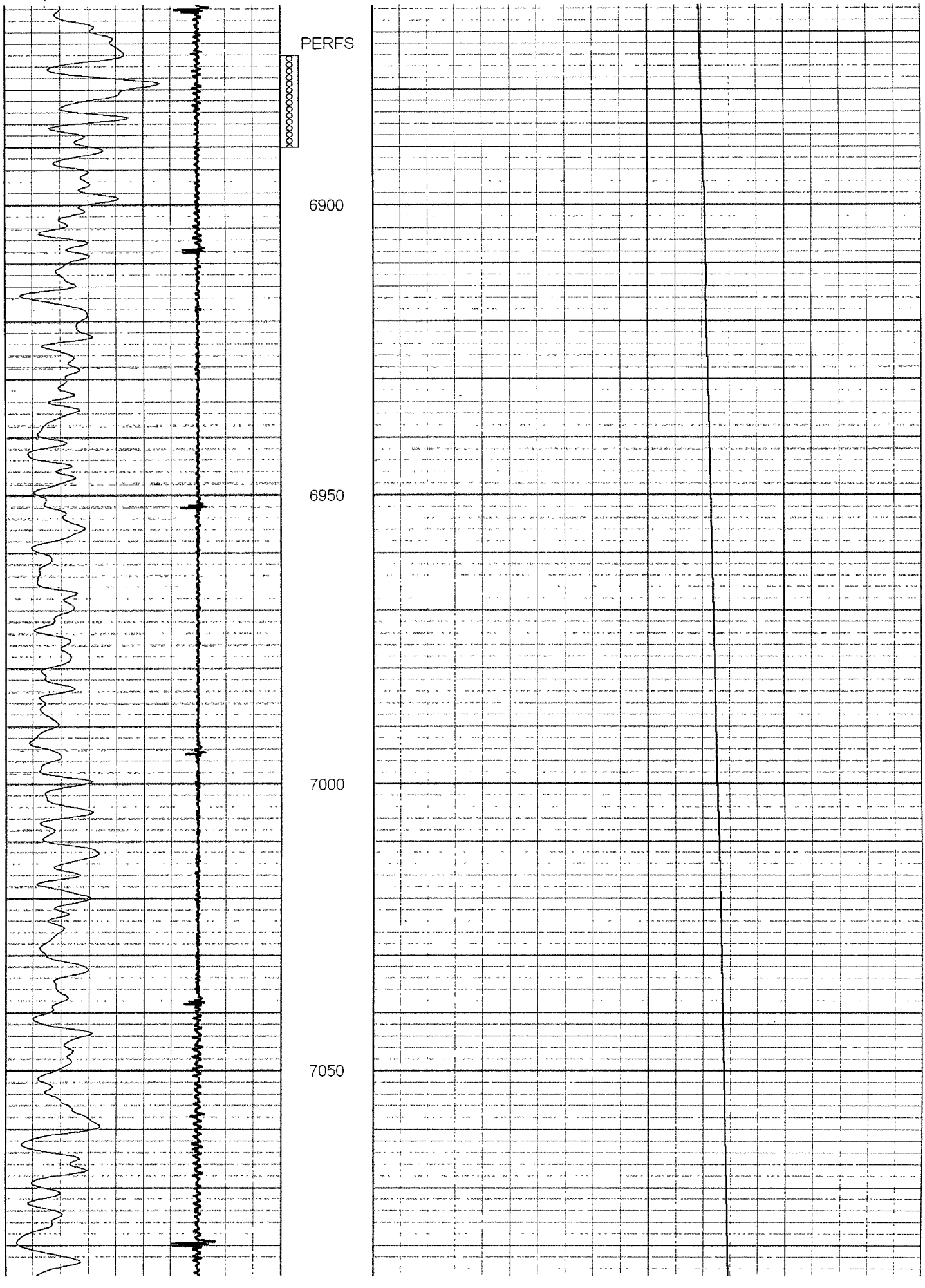

PERFS
70%
5800
5850
5900
5950

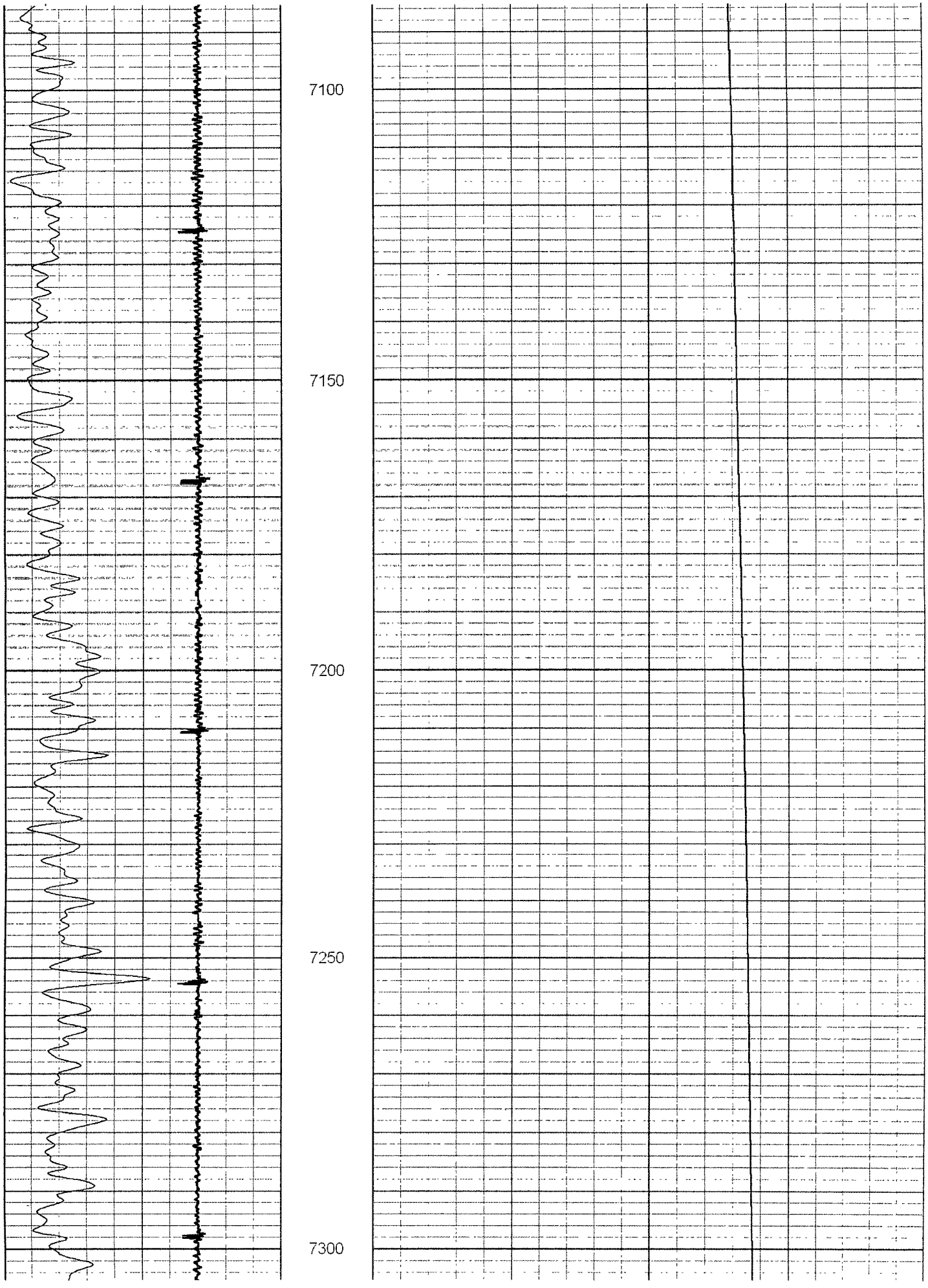

6000
PERFS
6050
5.5"
CASING
PERFS
6100
6150
PERFS
6200

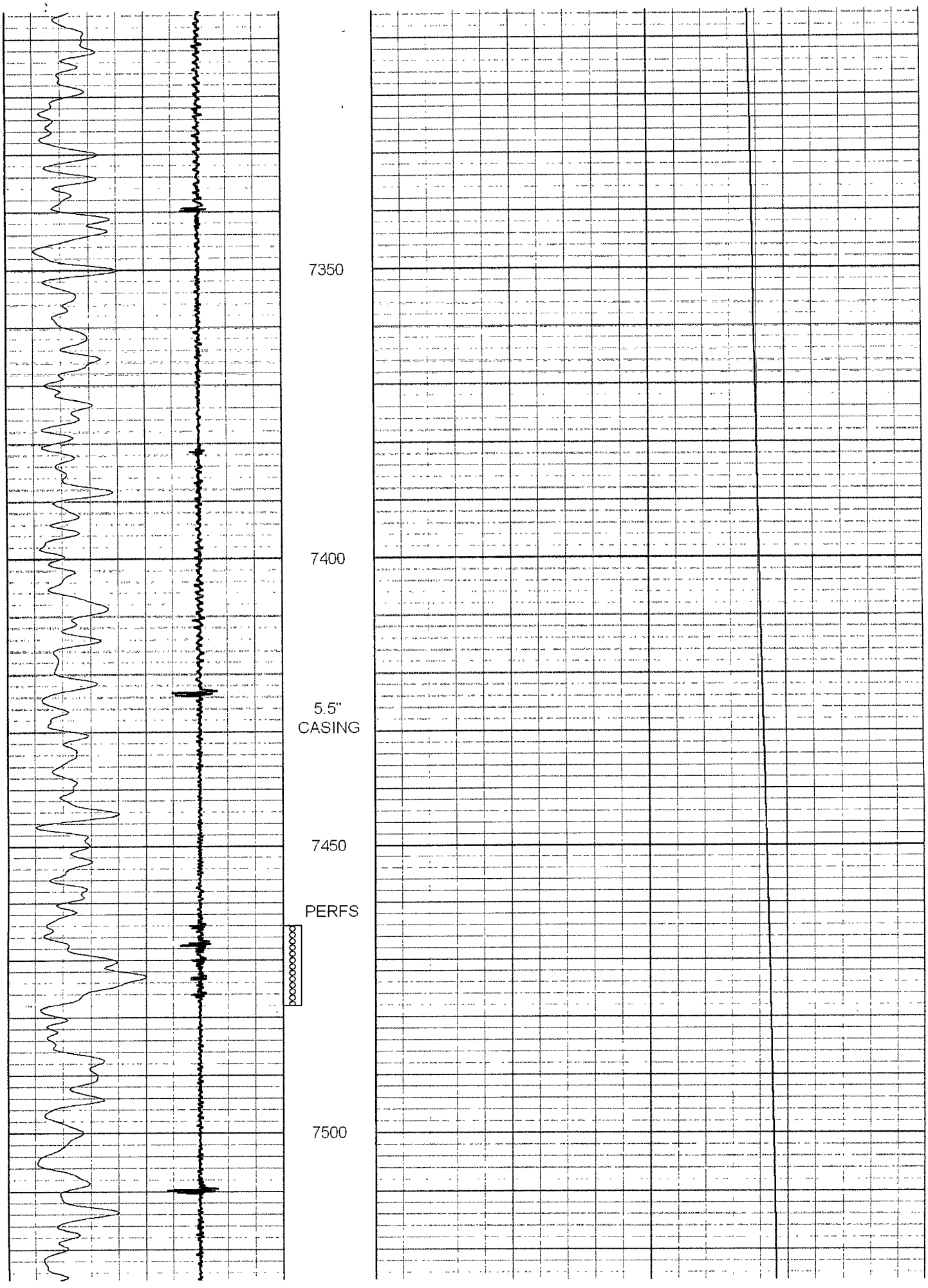

15%
9%
6250
5.5"
CASING
6300
6350
PERFS
6400

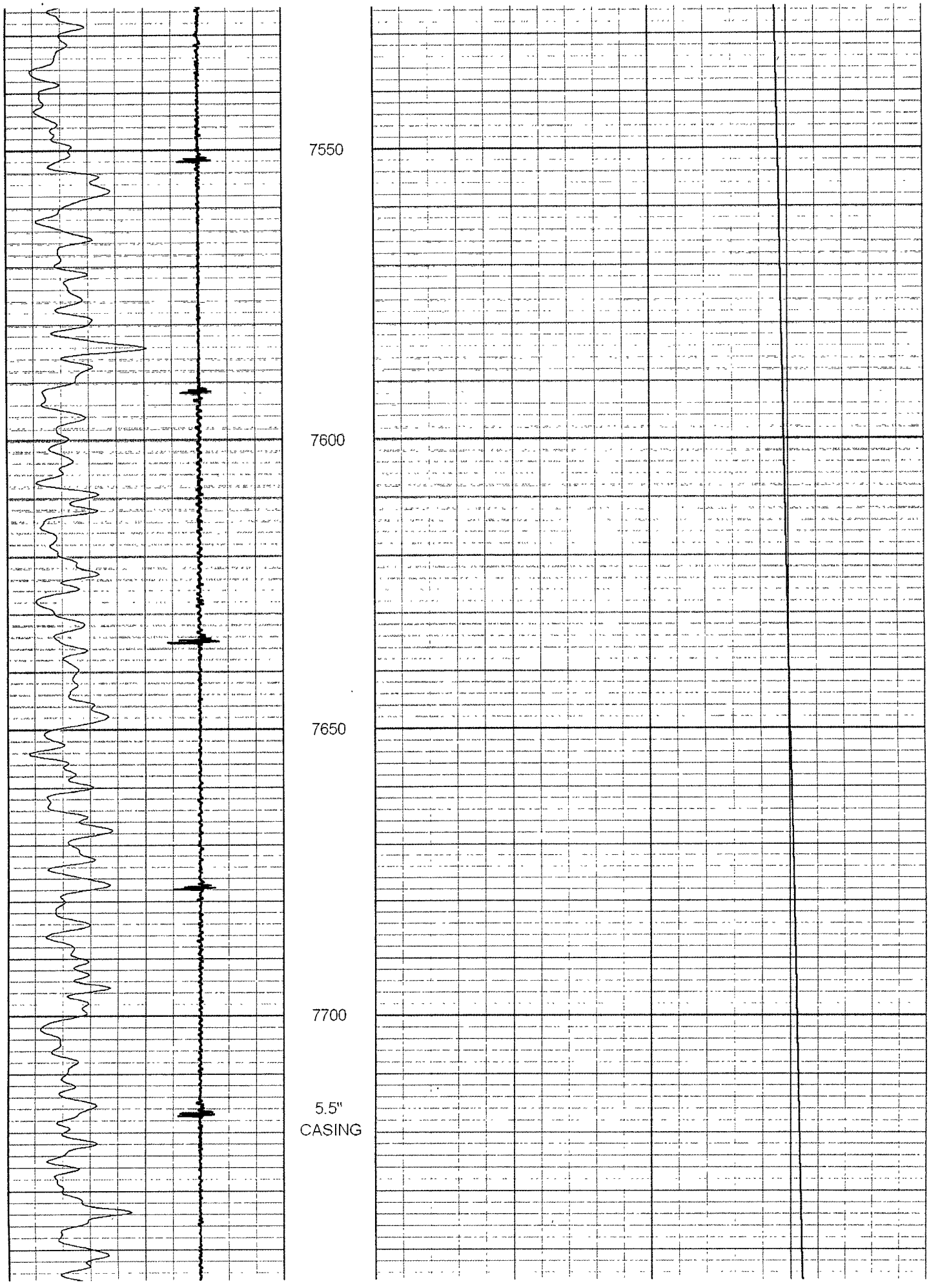

6450
5.5"
CASING
PERFS
6500
6550
5 5"
CASING
6600
PERFS

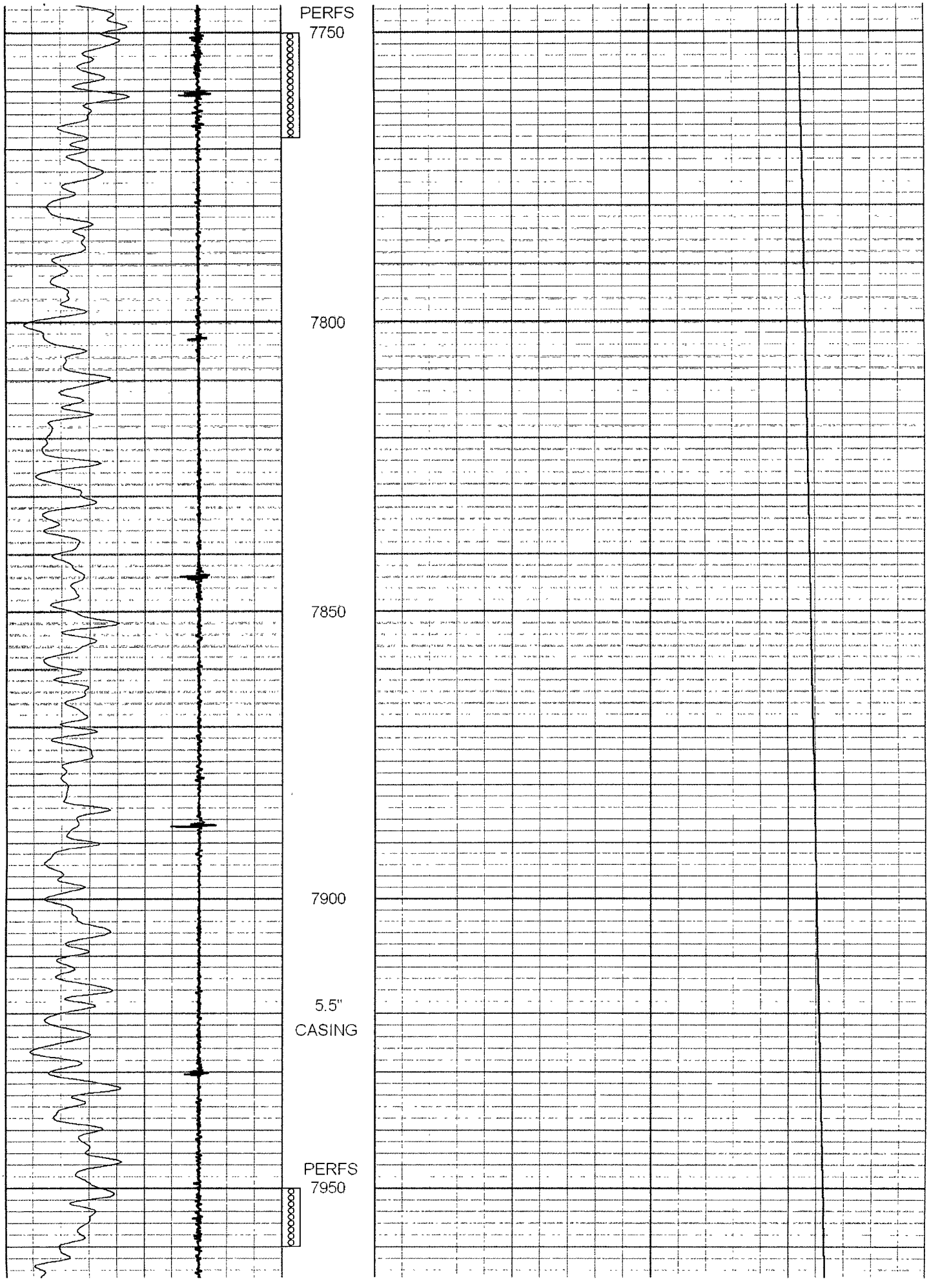

6650
6700
5 5"
CASING
PERFS
6750
6800
5.5"
CASING
6850

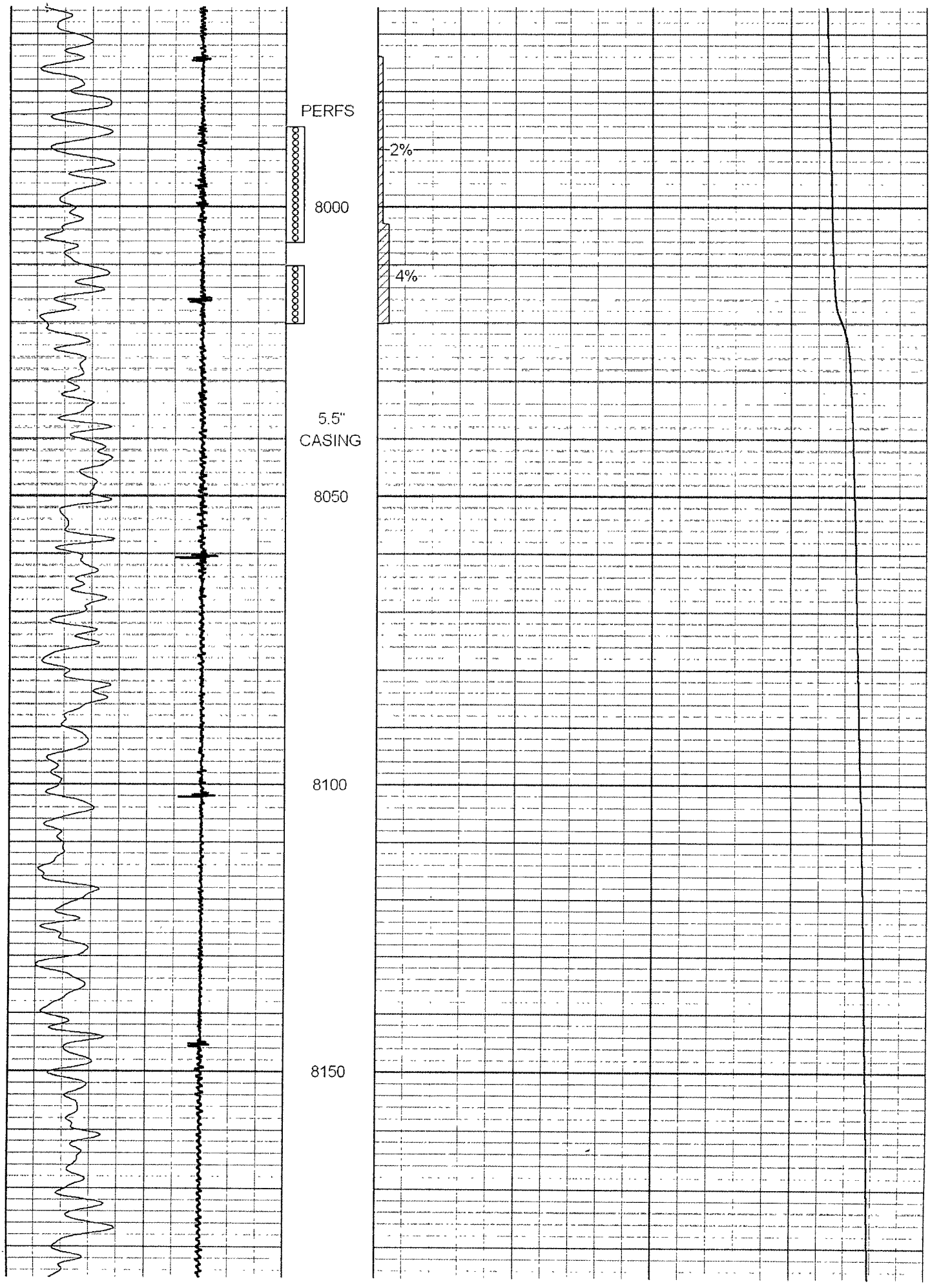

PERFS
6900
6950
7000
7050

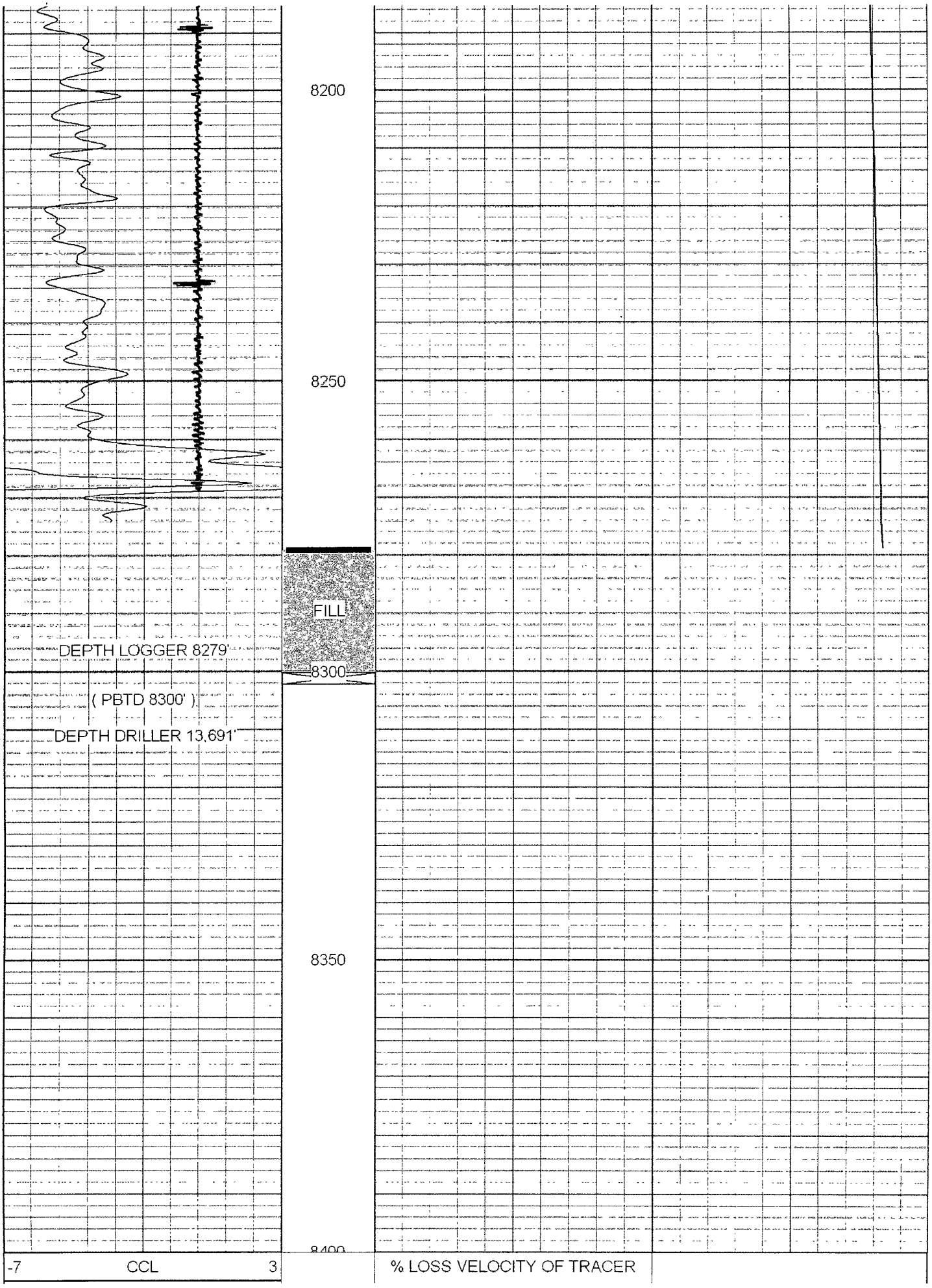

7100
7150
7200
7250
7300


7350
7400
5.5"
CASING
7450
PERFS
7500


7550
7600
7650
7700
5.5"
CASING


PERFS
7750
7800
7850
7900
5.5"
CASING
PERFS
7950


PERFS
8000
5.5"
CASING
8050
8100
8150
2%
4%


8200
8250
FILL
DEPTH LOGGER 8279'
8300
(PBTD 8300')
DEPTH DRILLER 13,691'
8350
-7
CCL
3
% LOSS VELOCITY OF TRACER

0	GAMMA RAY (GAPI)	25

0	(%)	100
83	INJECTING TEMPERATURE (degF)	133

TRACER

Database File.	ling1.db
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Presentation Format	trcprof
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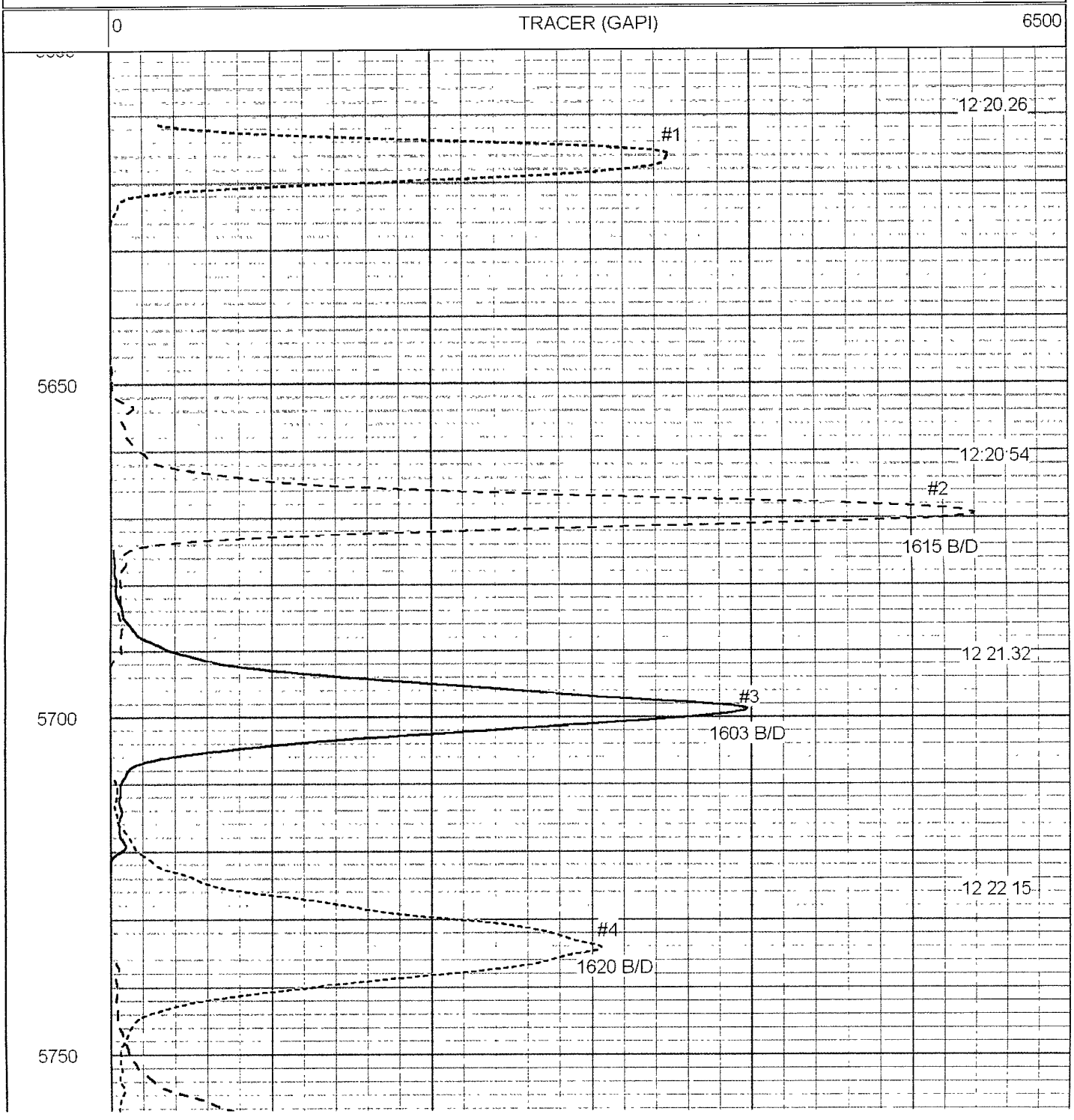
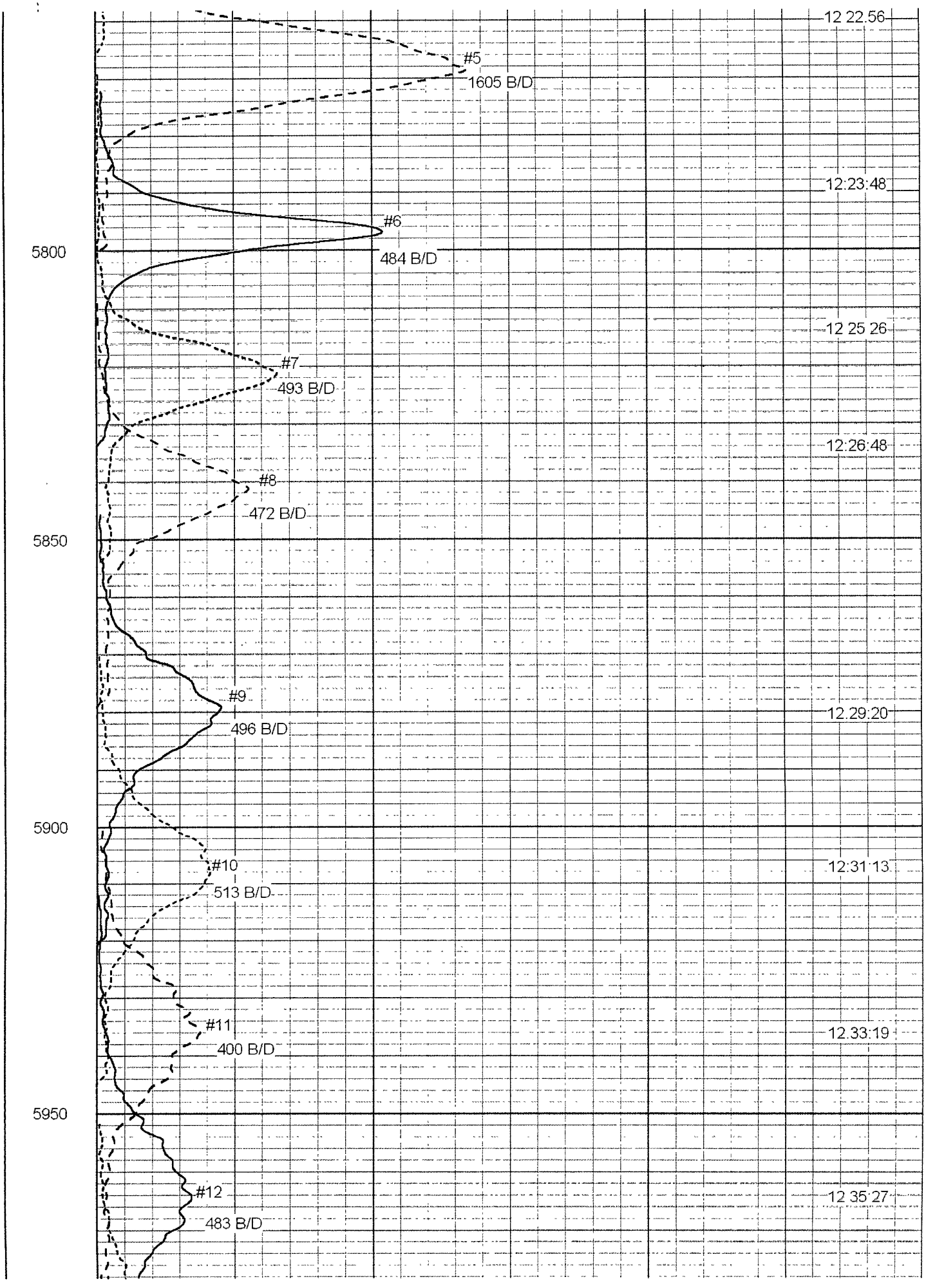
Charted by:	Depth in Feet scaled 1:240




12 22.56
#5
1605 B/D
12:23:48
#6
5800
484 B/D
12 25 26
#7
493 B/D
12:26:48
#8
472 B/D
5850
#9
12:29:20
496 B/D
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#10
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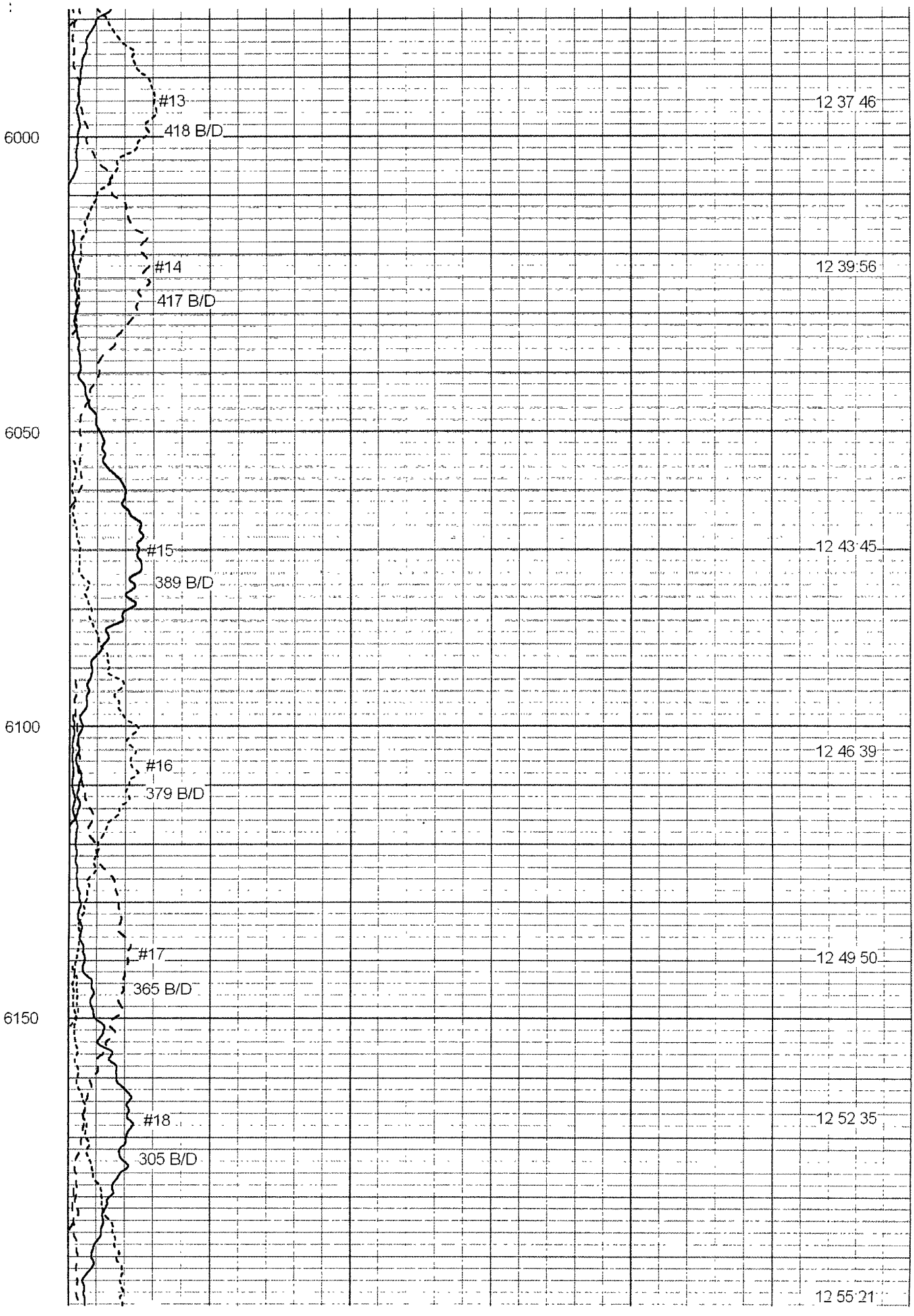
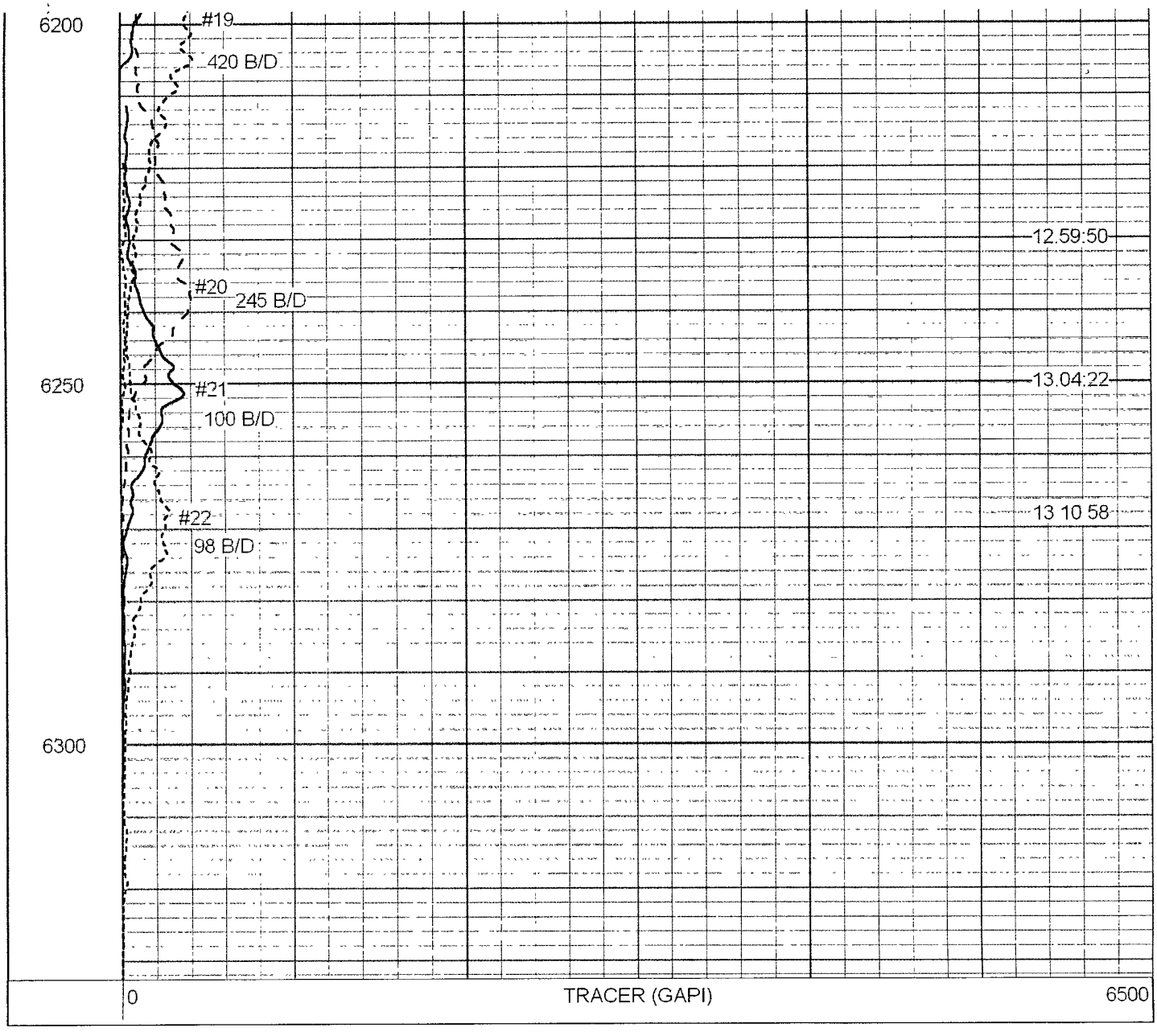
#11
12:33:19
400 B/D
5950
#12
12 35 27
483 B/D


6000
6050
6100
6150
#13
418 B/D
12 37 46
#14
417 B/D
12 39:56
#15
389 B/D
12 43 45
#16
379 B/D
12 46 39
#17
365 B/D
12 49 50
#18
305 B/D
12 52 35
12 55 21

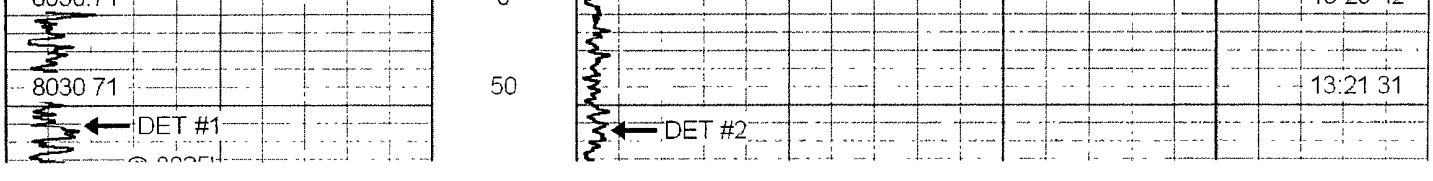


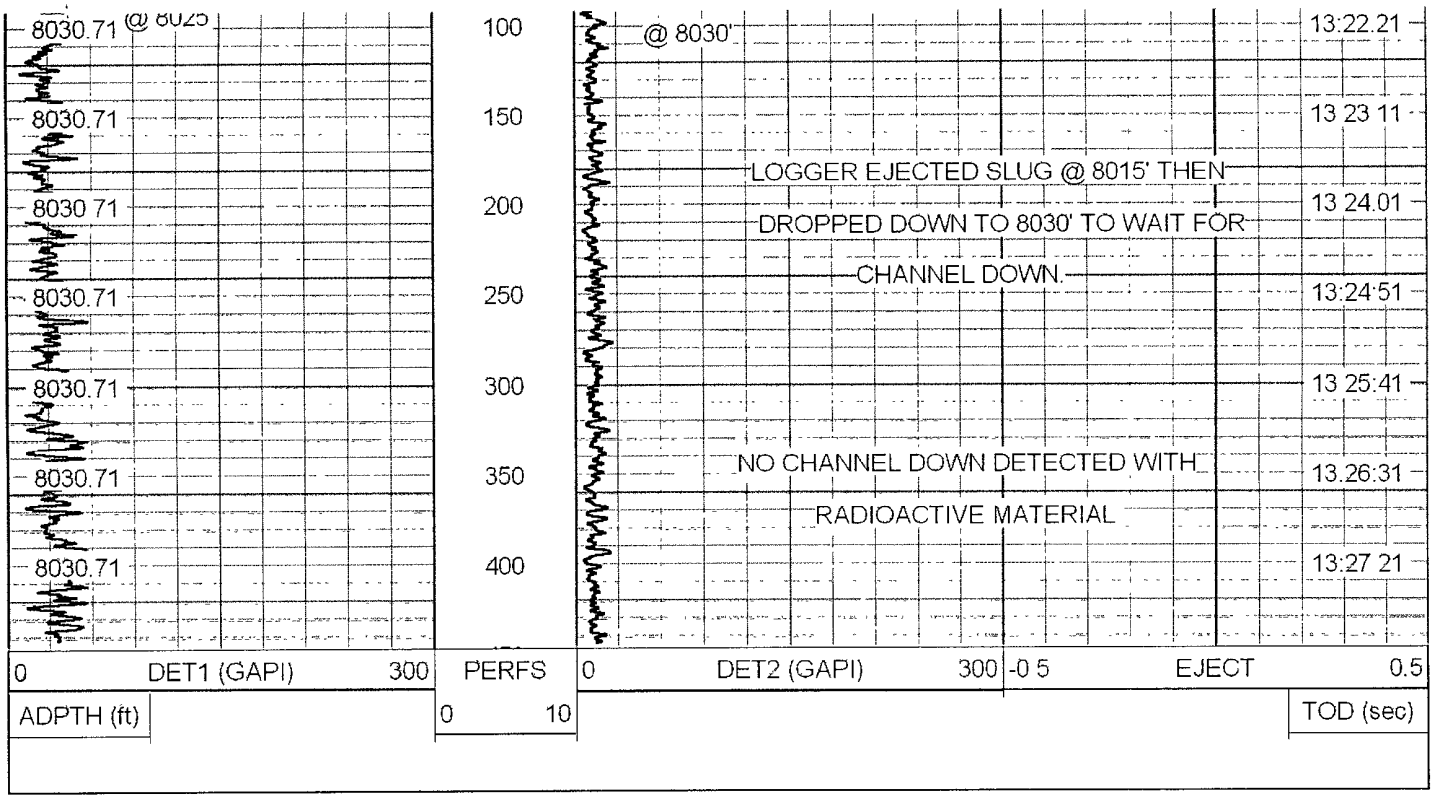
GRAY WIRELINE

CHANNEL DOWN CHECK

Database File	ling1 db
Dataset Pathname:	LING/1/CHANDWN/pass1
Presentation Format	tracer
Dataset Creation:	Thu Sep 24 13 20:42 2009 by Log Std Casedhole 07122
Charted by	Time scaled 36"/hour

0 DET1 (GAPI) 300	PERFS	0 DET2 (GAPI) 300	-0.5 EJECT 0.5
ADPTH (ft)	0 10		TOD (sec)





EJECTED SLUGS DRAG ON DEPTH

Database File	ling1.db
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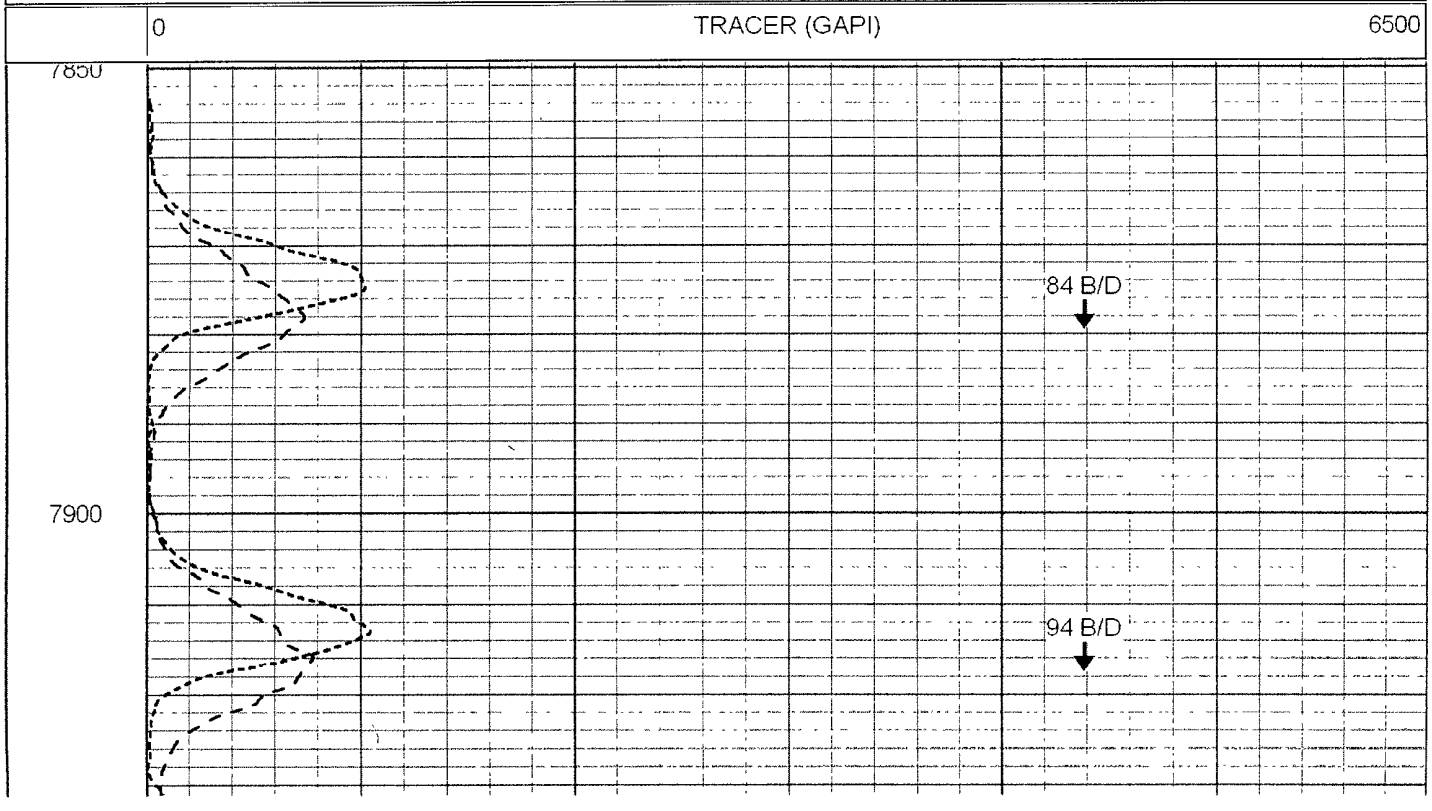
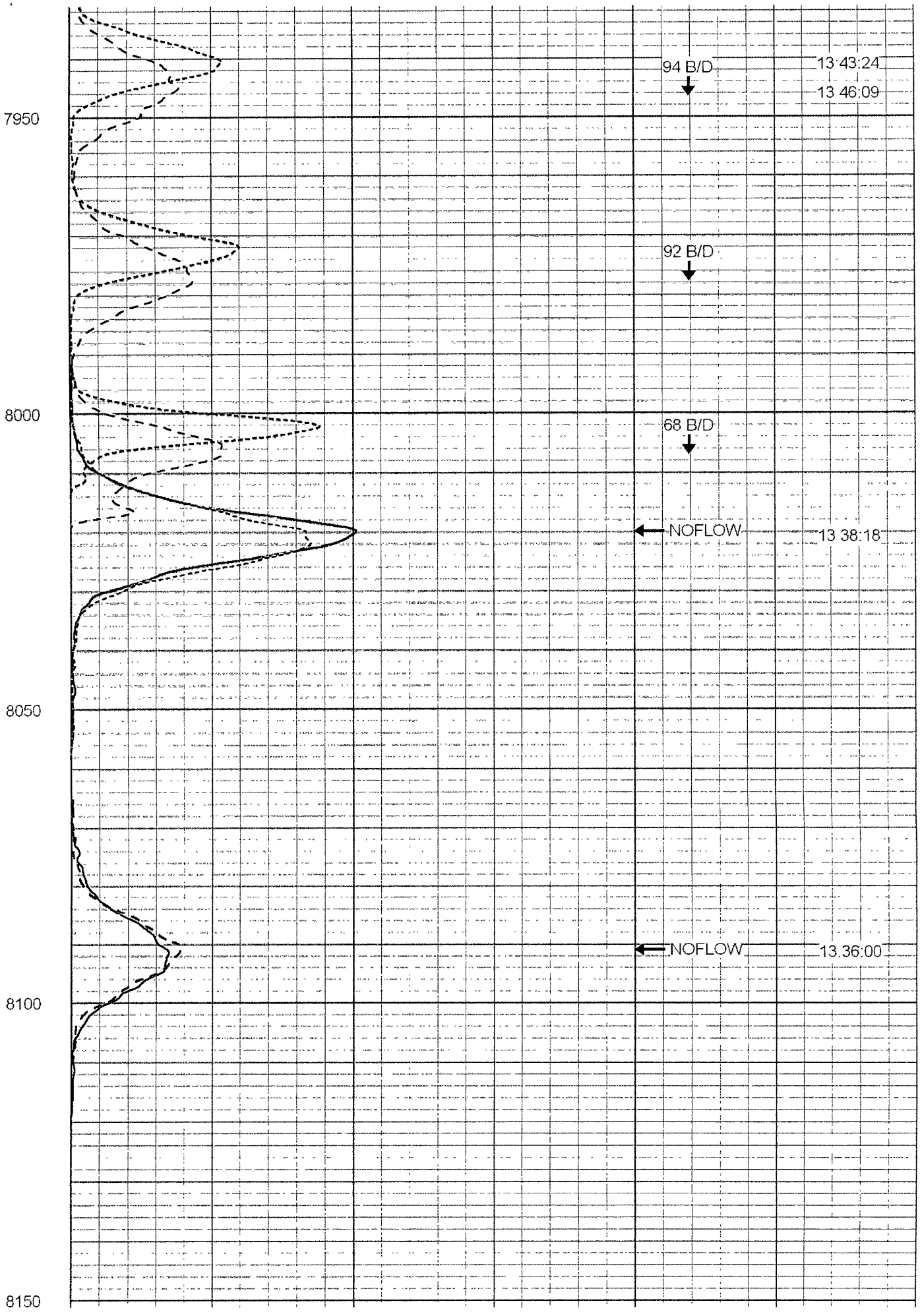
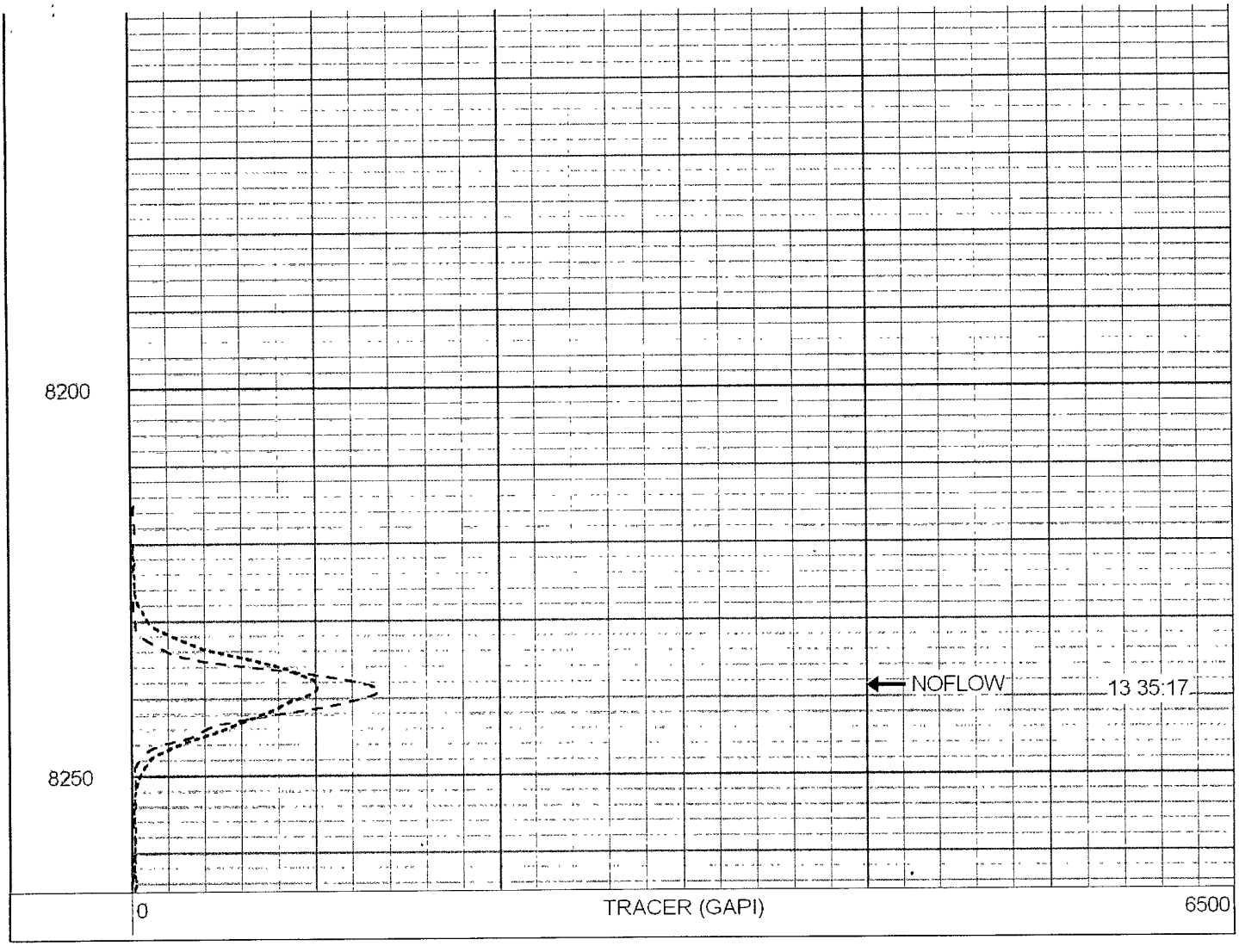
Presentation Format:	trcprof
Dataset Creation	Thu Sep 24 13 47:05 2009
Charted by.	Depth in Feet scaled 1:240




94 B/D
13:43:24
13 46:09
92 B/D
68 B/D
NOFLOW
13 38:18
NOFLOW
13.36:00
7950
8000
8050
8100
8150

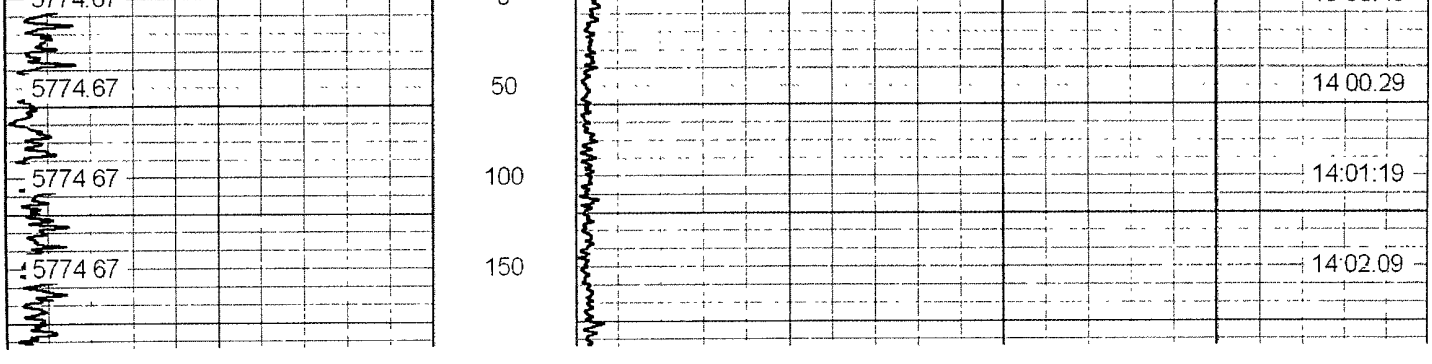


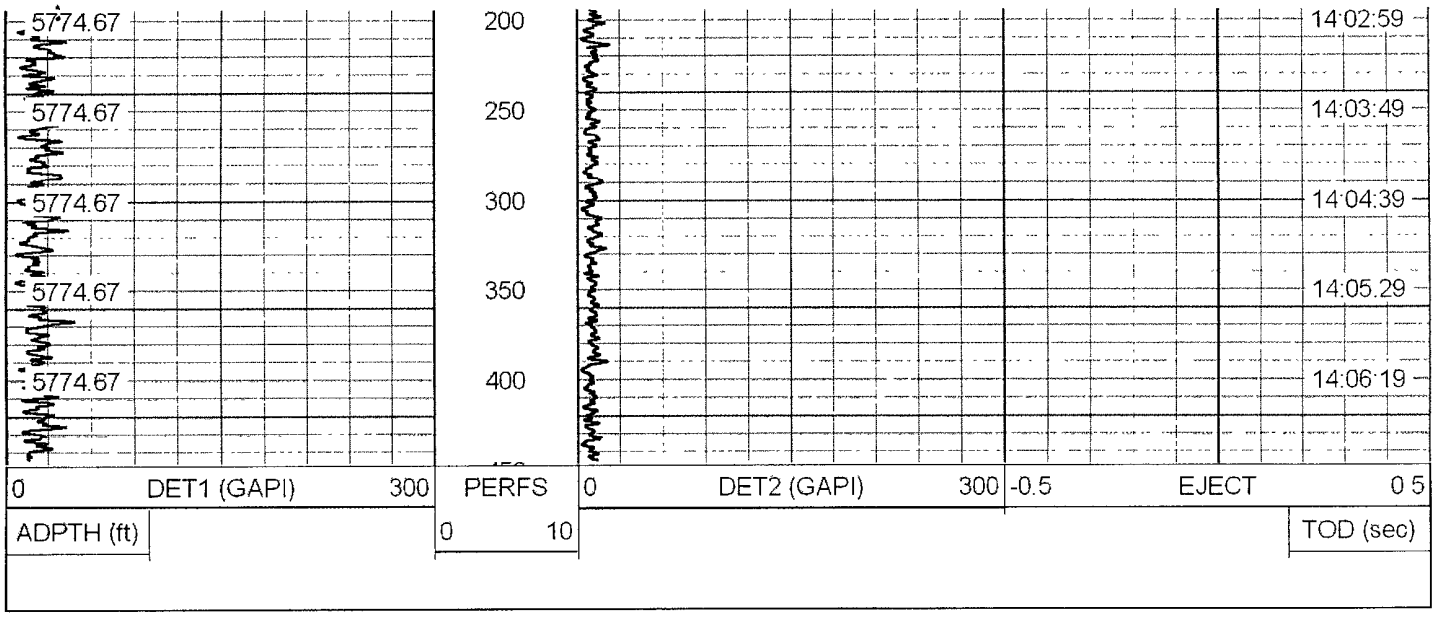
GRAY WIRELINE

CHANNEL UP CHECK

Database File	ling1.db
Dataset Pathname	LING/1/CHANUP/pass1
Presentation Format	tracer
Dataset Creation:	Thu Sep 24 13 59 40 2009 by Log Std Casedhole 07122
Charted by:	Time scaled 36"/hour

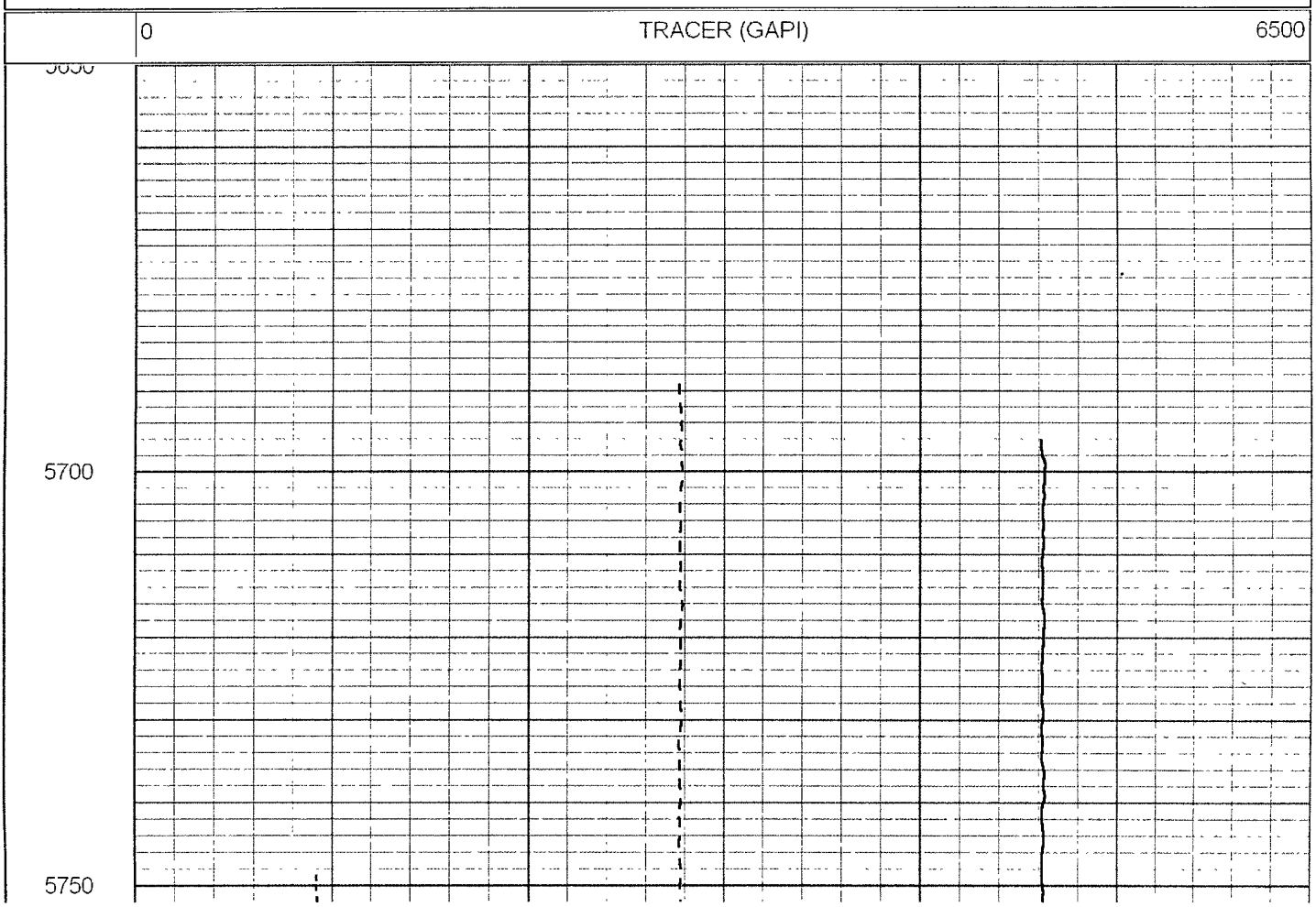
0 DET1 (GAPI) 300	PERFS 0 10	0 DET2 (GAPI) 300	-0 5 EJECT 0.5
ADPTH (ft)			TOD (sec)

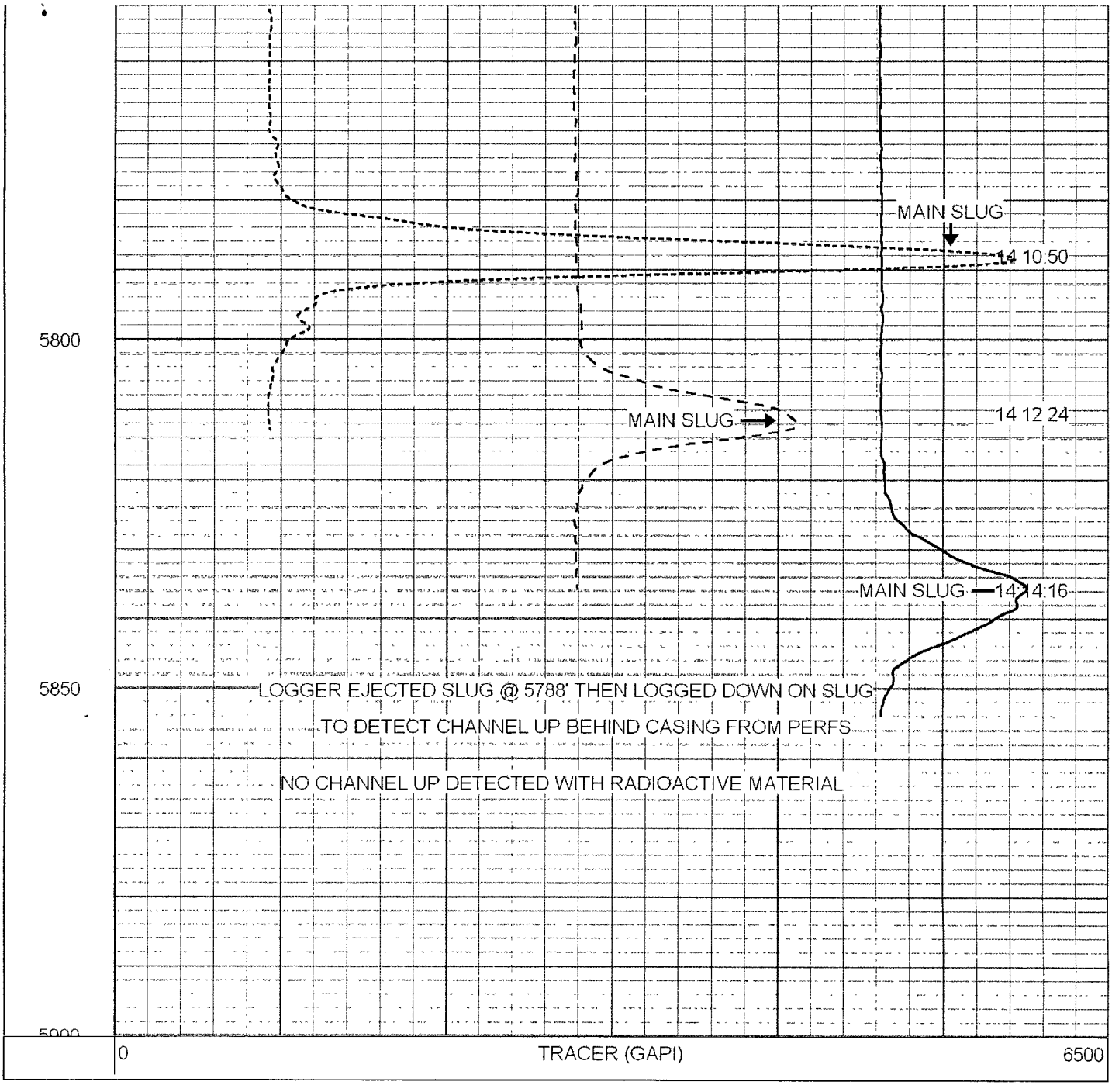




CHANNEL UP CHECK

Database File:	ling1.db
Dataset Pathname:	LING/1/CHANUP2/_profile2_
Presentation Format	trcprof
Dataset Creation	Thu Sep 24 14:15:14 2009
Charted by	Depth in Feet scaled 1:240




MAIN SLUG
14 10:50
5800
MAIN SLUG
14 12 24
MAIN SLUG
14:14:16
5850
LOGGER EJECTED SLUG @ 5788' THEN LOGGED DOWN ON SLUG
TO DETECT CHANNEL UP BEHIND CASING FROM PERFS
NO CHANNEL UP DETECTED WITH RADIOACTIVE MATERIAL
5900
0
TRACER (GAPI)
6500