

Office

Energy, Minerals and Natural Resources

May 27, 2004

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

RECEIVED
AUG 26 2010
HOBBSOCD

OIL CONSERVATION DIVISION

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

WELL API NO. 30-025-39340	5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.	
7. Lease Name or Unit Agreement Name Quail "16" State	
8. Well Number 2	9. OGRID Number 151416
10. Pool name or Wildcat Laguna Valley; Morrow (Gas)	

SUNDRY NOTICES AND REPORTS ON WELLS
 (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

Unit Letter N : 1230' feet from the South line and 1980' feet from the West line
 Section 16 Township 20S Range 34E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3636' GL

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 COMPL ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐OTHER: Production Casing & TD ☒

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

6-18-2010 - 7-25-2010

Drilled a 8 3/4" hole from 5248' - 13,600'. TD @ 13,600. Set 317 jts. of 5-1/2" 17.0# HCP-110 LT&C casing @ 13,585' & 1 Weatherford hydraulic DV tool @ 8493'. Cemented w/ 1st Stage: Cement Detail: 10 bfw, 500 gallons Mud Flush 102, 10 bfw, 1200 sx Super "H" Modified with 0.4% Halad-344, 0.5% CFR-3, 1/8# Poly-E-Flake, 2.5# salt, 0.3% HR-601 (s.w. 13.2 ppg, yield 1.63 ft³/sx). PD at 10:00 pm CDT 7-23-10. Differential pressure 1600 psig prior to bumping plug. Checked floats okay. Inflated packer with 3348 psig maximum pressure, held pressure for 8 minutes. Opened hydraulic DV tool at 4100 psig and circulated 138 sx excess cement to pit. Circulated DV for 6 hrs. 2nd Stage: Cement Detail: 20 bfw, 700 sx Halliburton Light "H" with 1/8# Poly-E-Flake (s.w. 12.4 ppg, yield 2.0 ft³/sx) plus 200 sx "H" neat (s.w. 15.6 ppg, yield 1.18 ft³/sx). Differential pressure 1700 psig prior to bumping plug. Plug down at 6:00 pm CDT 7-23-10. Top of cement at 3706' per temperature survey. WOC 6 hrs. between stages. Centralized middle of 1st joint, top of second joint, each joint of flint coat and the intervals from 10,900'-11,000', 9500'-9600', 8700'-9000' and 6100'-6200', (30 total centralizers).

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 NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Kim Tyson TITLE Regulatory Analyst DATE 8-25-2010Type or print name Kim TysonE-mail address: kimt@forl.com

Telephone No. (432) 687-1777

For State Use OnlyAPPROVED BY: [Signature]TITLE PETROLEUM ENGINEERDATE AUG 27 2010Conditions of Approval (if any): [Signature]