OCD-HOB	BS C	· ·····		\subseteq		
Form 3160-5 (August 2007)	UNITED STATE: EPARTMENT OF THE I SUREAU OF LAND MANA	NTERIOR [*]	NASADO	DYN FI	OMB N Expires	APPROVED IO. 1004-0135 July 31, 2010
	NOTICES AND REPO		LLS		5. Lease Serial No. NMLC063586	
Do not use th	is form for proposals to all. Use form 3160-3 (AP	drill or to re-	enter an		6. If Indian, Allottee	or Tribe Name
SUBMIT IN TR	IPLICATE - Other instruc	ctions on rev	erse side.	· · ·	7. If Unit or CA/Agree NMNM94514X	ement, Name and/or No.
1. Type of Well 3 Oil Well Gas Well Ot	her	12			8. Well Name and No LUSK WEST DE	LAWARE UNIT 902
2. Name of Operator SHACKELFORD OIL COMPA	Contact: ANY E-Mail: chouston9	•	om		9. API Well No. 30-025-30329-0	00-S1
3a. Address 203 WEST WALL SUITE 200 MIDLAND, TX 79701)	3b. Phone No. Ph: 432-68 Fx: 432-684		SOCD	10. Field and Pool, or W LUSK	Exploratory
4. Location of Well (Footage, Sec., 1	F., R., M., or Survey Description)	JUL Z	9 2014	11. County or Parish,	and State
Sec 29 T19S R32E NWNE 99	90FNL 1900FEL				LEA COUNTY,	NM
an an dh' fhaile ann a' leannachadh a bhliain an dean an ann branchadh ann an agus an ann an agus bhaile bhai			RECE	IMED		
12. CHECK APP	ROPRIATE BOX(ES) TO	DINDICATE	NATURE OF NO	OTICE, RE	PORT, OR OTHE	R DATA
TYPE OF SUBMISSION			TYPE OF A	ACTION	· · · ·	
🖪 Notice of Intent		🗖 Deep			on (Start/Resume)	UWater Shut-Off
_	Alter Casing	G Fract	ure Treat	C Reclama	ition	🗖 Well Integrity
Subsequent Report	Casing Repair	_		🔀 Recomp		C Other
Final Abandonment Notice	Change Plans			-	arily Abandon	
13. Describe Proposed or Completed Op	Convert to Injection	O Plug		U Water D	* 	
testing has been completed. Final A determined that the site is ready for f RECOMPLETE FROM 6400' 1. NIPPLE UP 3000# BOP 2. POOH W/ RODS, TUBING 3. RUN IN HOLE W/ CASING 4. GIH W/ CIBP SET AT 6370 5. TEST CASING TO 500 PS 6. REPERFORATE THE FOL 4600-4608 4654-4660 4706-4714 4723-4730 4750-4760	inal inspection.) WATER FLOOD INTERV SCRAPER TO 6390' W/ 35' CEMENT CAP. (RUN CHART.	AL TO CHER SIH AND TAG UPPER CHE	RY CANYON INT PLUG.	ERVALS	VIOUSLY PRODUC	
	· · · · · · · · · · · · · · · · · · ·				menti u en for diversering	angu ar nga angang an anga anga A
	Electronic Submission #	FORD OIL CO	VPANY: sent to th	e Hobbs 04/28/2014	APPR	ECT TO LIKE OVAL BY STATE
- Signature (Electronic			Date 02/25/201	<u> </u>	ADDDA	V/FR 1
	THIS SPACE FC	DR FEDERA			AFFRU	
Approved By			Title	1		Date
Conditions of approval, if any, are attache certify that the applicant holds legal or eq which would entitle the applicant to condu	uitable title to those rights in the uct operations thereon.	e subject lease	Office		Paul	winsh .
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a statements or representations as	crime for any per to any matter wit	son knowingly and w hin its jurisdiction.	illully to the	CARLSBAD FIEL	
** BLM REV	ISED ** BLM REVISED	D ** BLM RE		REVISED		D **

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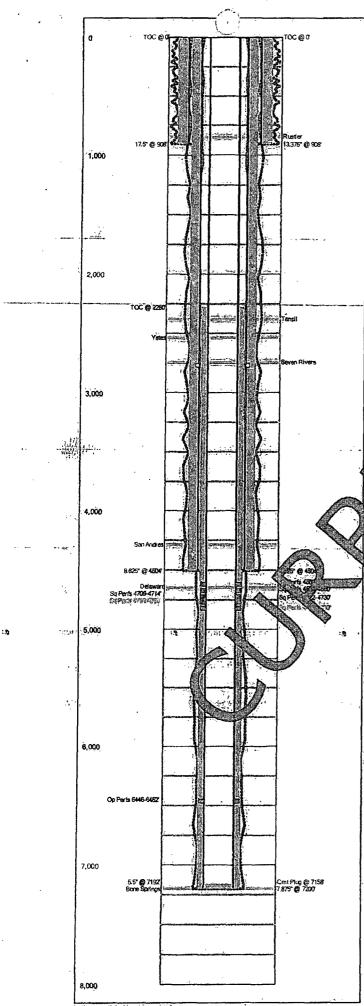
Additional data for EC transaction #236855 that would not fit on the form

32. Additional remarks, continued

4803-4820

4803-4820 7.GIH W/ PACKER AND PLUG AND ACIDIZE INTERVALS INDIVIDUALLY W/ 250 GALS OF NEFE ACID 8. POOH W/ PLUG. GIH W/ PACKER AND TUBING SWAB TEST 9. SET PACKER AND TUBING AT 4500'. PRESSURE UP BACKSIDE TO 500 PSI. FRAC W/ 65,000 # SAND 10. RECOVER LOAD FROM FRAC 11. POOH W/ TUBING AND PACKER 12. GIH W/ TUBING AND MULESHOE CLEAN WELL TO BOTTOM 13. POOH W/ TUBING. GIH W/ TUBING, RODS, PUMP PUT ON PRODUCTION 14. CHANGE NAME OF WELL BY SUNDRY IF OPERATION IS SUCCESSFUL

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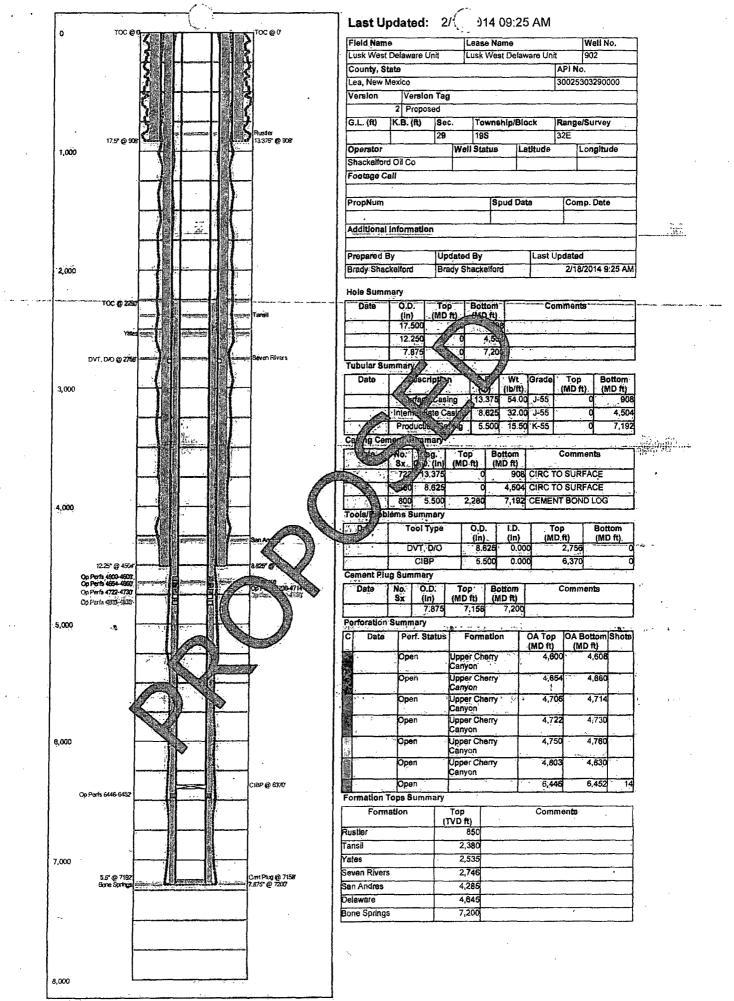
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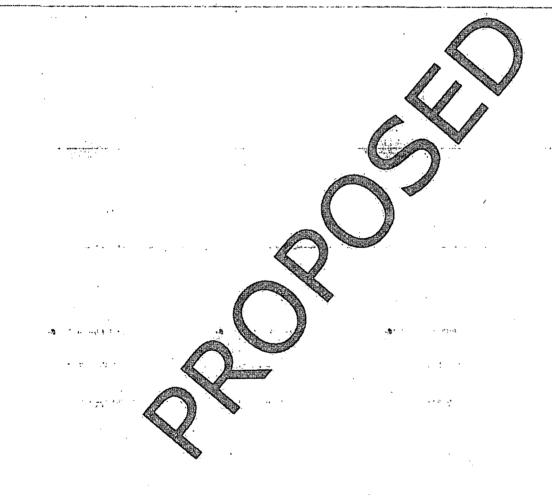
Formation Top Summary

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Formation Name	Top (TVD ft)	·· ·						Comm	ents				
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Seven Rivers	2,746		: -	:			· . :	· .			·	•••	
San Andres	4,285		·				• •			· · · · · ·			
Delaware	4,645				•.	. :	:			· . :			
Bone Springs	7,200									and the second			



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Conditions of Approval

Shackelford Oil Company Lusk West Delaware Unit – 902 API 3002530329, T19S-R32E, Sec 29 July 24, 2014

- Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp
 sightblue.gov> 575.234.2227 or Bob Ballard sightblue.gov> 575.234.5973.
- Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
- 3. Subject to like approval by the New Mexico Oil Conservation Division.
- 4. The well is within the BLM designated Capitan Reef four casing boundary and was allowed to be completed with only surface, intermediate and production casings. It is critical to protect the C. R. The operator shall maintain <u>annual casing integrity (above the top perforation) test records available for BLM access.</u>
- 5. Surface disturbance beyond the existing pad must have prior approval.
- 6. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
- 7. Functional H_2S monitoring equipment shall be on location.
- 8. 3000 (3M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
- 9. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
- 10. <u>Notify BLM 575-393-3612 as work begins. Some</u> procedures are to be witnessed. If there is no response, call 575-361-2822, leave a voice mail with the API#, workover purpose, and a call back phone number.
- 11. Set a 25sx "C" cement plug from PBTD to cover the top of the Bone Springs formation.
- 12. Step 4 of procedure: Place a 25sx "C" cement plug on the CIBP.

- 13. Verify all annular casing vents are plumbed to surface and those valves open to the surface.
- 14. File intermediate subsequent sundry Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.
- 15. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in **paying quantities** or of service use.

- 16. Submit evidence to support your determination that the well has been returned to active "beneficial use" for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies) before 12/20/2014.
- 17. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

"Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

§ 43 CFR 3160.0-9 (c)(1) Information collection.

§ 3162.4-1 (c) Well records and reports.