

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUN 30 2009

OCD-ARTESIA

FORM APPROVED
OMB No 1004-0137
Expires July 31 2010

RM

SUNDRY NOTICES AND REPORTS ON WELLS
*Do not use this form proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*5 Lease Serial No
NMLC-046119A
6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

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

1. Type of Well

☒ Oil Well☐ Gas Well☐ Other8 Well Name and No
Bills Federal Com #1

2 Name of Operator

Mack Energy Corporation

9. API Well No
30-015-36586

3a. Address

P.O. Box 960 Artesia, NM 88210-0960

3b Phone No. (include area code)

(575) 748-1288

10 Field and Pool or Exploratory Area

County Line Tank; Abo

4. Location of Well (Footage, Sec, T, R, M, or Survey Description)

1495 FNL & 330 FWL, Sec. 20 T16S R29E

11 Country or Parish, State

Eddy, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" 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 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 checked="" 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 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.)

Mack Energy proposes to change the casing strings as follows.

Surface casing: Drill 12 1/4 hole, set 8 5/8 J-55 24# ST&C set at 380', cmt w/400sx Class C. Safety factors C/B/T 7.376/5 763/5.9.

Production casing: Drill a 7 7/8 pilot hole to 7300', log well. Set cement plug back to KOP of approximately 6450'. Drill 7 7/8 hole to 6800', reduce hole size to 6 1/8" to 11,470'.

A split string using a crossover of production casing will be run. 5 1/2" casing from 0-6200' with an external casing packer and ported collar at 6100' to cement 5 1/2 casing back to surface w/715sx 50/50/10 Class C + add, wt 11 8, yld 2.45 175sx 61/15/11 Class Poz + add, wt 13.2, yld 1 64 100sx Class C + add, wt 14 8, yld 1 33 4 1/2 casing from 6200-11,470' with isolation packers and strata ports. Safety Factors: 5 1/2 17# HCP-110 LT&C C/B/T 2 554/3 349/3.547. 4 1/2 11 6# HCP-110 Buttress C/B/T 3.504/3 593/3 563.

Mack Energy Option 1 (Cementing with well service unit) production string cementing plan for the Bills Federal Com #1 as follows:

Production casing will be run and packers inflated. Casing cut off and collar welded on. Swedge with valve, gauge and bleed off line with a pop-off valve set at 150psi to a frac tank will be installed to maintain less than 150psi on annulus. Mack Energy personnel will check gauge for pressure daily. Drilling rig moved off location and pad prepared for well service unit. Well service unit rigged up between 2(minimum) and 5(maximum) days. Rig up unit and cementing equipment, test BOPE to 1000# for 30 min. RIH with 2 7/8 tubing open ported collar and establish circulation. Cement casing to surface and close ported collar.

Note: If any issues or loss circulation is encountered during drilling BLM will be notified and Option 2 (Cementing with drilling rig) cementing plan will be used.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Jerry W. Sherrell

Title Production Clerk

Signature

Date 6/17/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

Office

APPROVED

JUN 27 2009

WESLEY W. INGRAM

PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for my 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)

JWR

**Bills Federal Com 1
30-015-36586
Mack Energy Corporation
June 27, 2009
Conditions of Approval**

- 1. No variance for BOP/BOPE testing – BOP/BOPE to be tested per Onshore Order 2.**
- 2. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Abo formation, and shall be used until production casing is run and cemented (Option 2) or rig is removed in preparation for well service unit. If using Option 1, pressure will be monitored as stated on sundry.**
- 3. The operator is to monitor the mud system for possible gas kicks until such time that the production casing is cemented (Option 2) as the proposed casing program will not permit shutting in the BOP without creating the possibility of an underground blowout. Pressure will be monitored for Option 1.**
- 4. Pilot plug as noted is to go from bottom hole to kick off point.**
- 5. The ported collar must be a minimum of 50' below the top of the Abo formation. This will be verified with the logs run to 7300'.**
- 6. Option 1 - The BLM (575-361-2822) is to be notified immediately if pressure is detected on the 8-5/8" by 5-1/2" annulus during the time period while the rig is being moved and the well service unit is installed.**
- 7. Subsequent sundry to be submitted detailing work completed (both options) and annulus pressure readings (Option 1).**
- 8. If cement does not circulate to surface on the 5 -1/2" casing (both options), contact the BLM.**

WWI 062709