

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

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FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator

Mack Energy Corporation

3 Address and Telephone No

P.O. Box 960 Artesia, NM 88211-0960

(505)748-1288

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

2310 FNL & 330 FWL, Sec. 15 T16S R28E

5 Lease Designation and Serial No

NMMN-117550

6 If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

8 Well Name and No

Santa Claus State Com #1

9 API Well No

30-015-36257

10 Field and Pool, or Exploratory Area

Crow Flats; Wolfcamp

11 County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____

- ☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work) *

Revised Casing Plan

Surface; 17 1/2 hole, 13 3/8 csg, ST&C, 48#, H-40, 0-330'. Cmt w/300sx Class C, 1.34 yield. SF C/B/T 7.84/3.352/13.42.

Intermediate; 12 1/4 hole, 9 5/8 csg, LT&C, 36# J-55, 0-1800'. Cmt w/700sx Class C, 1.34 yield. SF C/B/T 2.137/12.111/11.733.

2nd Intermediate; 8 3/4 hole, 7" csg, LT&C, 29# P-110, 0-6100', Buttress, 6100-6750'. Cmt w/1400sx Class C 1.34 yield. SF C/B/T 2.597/42.351/37.400.

Production; 6 1/8 hole, 4 1/2 liner, 11.6#, HCP-110, Buttress 6700-10952', set w/10k casing hanger. SF C/B/T 3.504/3.593/3.563.

We will do a completion w/isolation packers on 4 1/2 casing.

Mack Energy is requesting a variance to test the 13 3/8" casing to 1000# using the rig pump.

Mack Energy is requesting a variance from the FIT below the 9 5/8 shoe. According to page 11 of the COA. This well was permitted and placed in an existing pool Crow Flats; Wolfcamp(97102), which should have excluded it from the exploratory well status.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Signed

Garry W. Sherrill

Title

Production Clerk

(This space for Federal or State office use)

ACCEPTED FOR RECORD

Approved by

Conditions of approval, if any

Title

AUG 8 2008

APPROVED

Date

AUG 2 2008

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

Garry W. Sherrill, Deputy Field Inspector
NMOC District II ARTESIA

WESLEY W. INGRAM
PETROLEUM ENGINEER

•See Instruction on Reverse Side

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mack Energy Corporation
LEASE NO.:	NM117550
WELL NAME & NO.:	Santa Claus State Com No 1
SURFACE HOLE FOOTAGE:	2310' FNL & 330' FWL
BOTTOM HOLE FOOTAGE:	2285' FNL & 330' FEL
LOCATION:	Section 15, T. 16S., R 28 E., NMPM
COUNTY:	Eddy County, New Mexico

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified a minimum of 2 hours in advance for a representative to witness:

- a. Spudding well
- b. Setting and/or Cementing of all casing strings
- c. BOPE tests

☒ **Eddy County**

Call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220,
(575) 361-2822

1. **Hydrogen Sulfide has been reported as a hazard, but no measurements have been recorded. It is recommended that monitoring equipment be onsite for potential Hydrogen Sulfide. If Hydrogen Sulfide is encountered, please report measurements to the BLM.**
2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

B. CASING

Changes to the approved APD casing and cement program require submitting a sundry and receiving approval prior to work. Failure to obtain approval prior to work will result in an Incident of Non-Compliance being issued.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Lead slurry does not have to reach 500 pounds, but information still required to show compressive strength within 18-24 hours depending on water basin or potash. WOC for water basin or potash applies to entire wellbore.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

High cave/karst.

Possible lost circulation in the Grayburg and San Andres formations.

Possible high pressure gas bursts within the Wolfcamp formation

1. The 13-3/8 inch surface casing shall be set at approximately 330 feet in the Tansill formation and cemented to the surface.

- a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
- b. Wait on cement (WOC) time for a primary cement job will be a minimum 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compressive strength, whichever is greater.
- c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- d. If cement falls back, remedial action will be done prior to drilling out that string.

2. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

- ☒ Cement to surface. If cement does not circulate see B.1.a-d above.

3. The minimum required fill of cement behind the 7 inch second intermediate casing is:

☒ Cement to surface. If cement does not circulate see B.1.a-d above.

4. The minimum required fill of cement behind the 4-1/2 inch production liner is:

☒ No cement required as liner uses isolation packers. **Liner top must be a minimum of 100' inside the 7" casing.**

Seal on liner is to be tested per Onshore Oil and Gas Order 2.III.B.1.b. Call BLM for witness of seal test.

5. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be **2000 (2M) psi.**

3. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8" intermediate casing shoe shall be **3000 (3M) psi. 3M system based on pressures expected by BLM geologist in the Wolfcamp formation.**

4. The appropriate BLM office shall be notified a minimum of 2 hours in advance for a representative to witness the tests.

a. The tests shall be done by an independent service company.

b. The results of the test shall be reported to the appropriate BLM office.

c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

- e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the **Wolfcamp** formation **if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days**. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
- f. A variance to test only the surface casing to the reduced pressure of **1000 psi** with the rig pumps is approved. **The BOP will be tested to 1500 psi by an independent service company.**

D. DRILLING MUD

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

WWI 080208