

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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 reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Serial No. NM - 06767
2. Name of Operator Shackelford Oil Co.	6. If Indian, Allottee or Tribe Name
3a. Address 3510 N. 4th St. Bldg. B Ste 100 - Midland TX 79705	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 432-682-9784	8. Well Name and No. Lebow Fed #7
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1980' FNL - 1650' FEL Sec. 25 T19S R30E	9. API Well No. 30-015-04635
	10. Field and Pool, or Exploratory Area Hackberry Seven Rivers
	11. County or Parish, State Gddy Co.

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input checked="" 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 recompleat 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1-6-11 - 1st plug @ 2068' to 1711' w/30 SXS - Tagged
1-7-11 - 2nd plug @ 1710' to 1180' w/50 SXS - Tagged
1-13-11 - 3rd plug @ 1150' - cir. cement inside 4 1/2' to 390' & behind 7" + 8 5/8" to surface
w/170 SXS - Tagged
1-14-11 4th plug @ perf. @ 380' cir cement inside & out 4 1/2' to surface - 50 SXS
1-18-11 - cut off well head - cement @ surface - installed dry hole marker - 1-18-11
4-12-11 - cleaned & resceded loc "Rejected" See Attached

RECLAMATION
DUE 7-16-11

has not been completed

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Art Marquez	Title Operator Marquez
Signature [Signature]	Date 4-12-11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

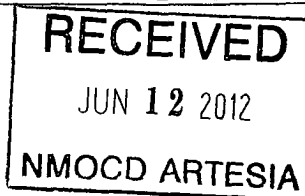
Approved by James G. Owens	Title SEAS	Date 6-9-12
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	Office CFO	

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)

6/13/2012

NMOCD





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220-6292

In Reply Refer To:
3162.4 (NM-080)
NMNM06767

January 8, 2012

Shackelford Oil Company
3510 N. A Street, Bldg B-100
Midland, TX 79705

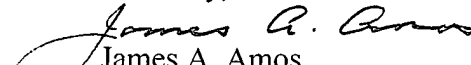
Re: NMNM06767; Lebow Federal No. 7
1980' FNL & 1650' FEL Section 25, T19S-R30E
Eddy County, New Mexico

Gentlemen:

The above well location was recently plugged and abandoned. Reclamation was to be completed by 7/16/11 (6 months from plugging). A recent field inspection found the location not reclaimed as per BLM objectives as outlined with the NOI to Abandon. Chloride contaminants exist over most of the location, and need to be removed and the location capped with adequate caliche and soils to prevent chlorides from leaching to surface. Debris adjacent to the location needs to be removed along with the out of service power line and poles. The location was not contoured to blend with the surrounding landscape (fill along the edges of the pad need contouring). The location was not bermed from the access road. This is allowing vehicular traffic to enter upon the location. Install berms or fencing along the access road to prevent vehicle entry onto the location. Upon completion, seed the location with a combination of BLM #3 and #4 seed mix.

If you have any questions contact Jim Amos, at 575-234-5909.

Sincerely,


James A. Amos
Supervisory EPS