(August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR

JUN 3 0 2009 OCD-ARTESIA

FORM APPROVED OMB No 1004-0137 Expires July 31, 2010

W. INGRAM

5. Lease Serial No BUREAU OF LAND MANAGEMENT NMLC-068677 N~ 1500/ SUNDRY NOTICES AND REPORTS ON WELLS 6 If Indian, Allottee or Tribe Name Do not use this form proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals. 7. If Unit of CA/Agreement, Name and/or No SUBMIT IN TRIPLICATE - Other instructions on page 2 1 Type of Well 8 Well Name and No Oil Well Gas Well Other Jets Federal Com #1 2 Name of Operator 9 API Well No Mack Energy Corporation 30-015-36529 3b Phone No (include area code) 10 Field and Pool or Exploratory Area 3a Address P.O. Box 960 Artesia, NM 88210-0960 County Line Tank; Abo (575) 748-1288 4 Location of Well (Footage, Sec., T,R,M, or Survey Description) 11. Country or Parish, State 220 FSL & 330 FWL, Sec. 10 T16S R29E Eddy, NM 12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA TYPE OF ACTION TYPE OF SUBMISSION Water Shut-Off Production (Start/Resume) Acidize Deepen Notice of Intent Alter Casing Fracture Treat Reclamation Well Integrity New Construction Casing Repair Recomplete Other Subsequent Report Plug and Abandon Temporarily Abandon Change Plans . Water Disposal Final Abandonment Notice Convert to Injection Plug Back 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 LL-470' A split string using a crossover of production casing will be run 5 1/2" casing from 0-6200' with a external casing packer and ported collar at 6100' to cement 5 1/2 casing back to surface w/715xx 50/50/10 Class C + add, wt 11.8, yld 2 45 175xx 61/15/11 Class Poz + add, wt 13 2, yld 1 64 100xx 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. Option 1(Cementing with well service unit) production string cementing plan for the Jets 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 personel will check guage 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 Date 6/18/09 Signature THIS SPACE FOR FEDERAL OR STATE OFFICE USE 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 Office

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,

(Instructions on page 2)

entitle the applicant to conduct operations thereon.

fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Jets Federal Com 1 30-015-36529 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 and Wolfcamp formations, 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.

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