

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTJUL 13 2009
OCD-ARTESIAFORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010**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.

SUBMIT IN TRIPLICATE - Other instructions on page 2		7 If Unit of CA/Agreement, Name and/or No
1 Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	8 Well Name and No Oilers Federal #2	
2. Name of Operator Mack Energy Corporation	9 API Well No. 30-015-35994	
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) 2310 FSL & 330 FEL, Sec. 9 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 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 must 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 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 Corporation proposes to drill out plugs as follows.

Rig up and test BOPE. RIH w/8 3/4 bit drill out plugs to original TD of 9272'.

Production casing: 5 1/2" HCP-110 LT&C 17# casing from 0-9272' with a external casing packer and ported collar at 6500' to cement 5 1/2 casing back to surface w/760sx Class C 11.8ppg, 210sx Class C 13.2ppg, 100sx Class C 14.8ppg. 5 1/2 casing from 6500-9272' set with isolation packers and strata ports. Safety Factors: 5 1/2 C/B/T 1.780/3.790/3.547.

Mack Energy proposes Option 1(Cementing with well service unit) production string cementing plan for the Trans Federal #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. Rig 2 7/8" BOPE test to 1000# for 30 minutes using cement pump. 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.

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Jerry W. Sherrell		Title Production Clerk	SEE ATTACHED FOR
Signature <i>Jerry W. Sherrell</i>		Date 6/23/09	CONDITIONS OF APPROVAL
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		APPROVED	
Approved by	Title	JUL 8 2009	
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	Date <i>Wesley W. Ingram</i>	
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		WESLEY W. INGRAM PETROLEUM ENGINEER	

**Oilers Federal 2
30-015-35994
Mack Energy Corporation
June 27, 2009
Conditions of Approval**

- 1. Any new surface disturbance must receive prior approval.**
- 2. Closed loop system to be used.**
- 3. A 2M BOP/BOPE is to be installed and tested per Onshore Order 2.**
- 4. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before re-entering the previously drilled 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.**
- 5. 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.**
- 6. The ported collar must be a minimum of 50' below the top of the Abo formation.**
- 7. 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.**
- 8. Subsequent sundry to be submitted detailing work completed (both options) and annulus pressure readings (Option 1).**
- 9. If cement does not circulate to surface on the 5 -1/2" casing (both options), contact the BLM. Additional cement will be required with the yields that were given for the cement (First = 1.33; Middle = 1.64; Tail = 1.33). The excess cement calculates to a negative 11%.**

WWI 070809