

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

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.

5. Lease Serial No.
NMLC029403A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
NMNM71009A

8. Well Name and No.
PEARSALL QN 10

9. API Well No.
30-025-00848-00-S1

10. Field and Pool, or Exploratory
PEARSALL

11. County or Parish, and State
LEA COUNTY, NM

1. Type of Well
☐ Oil Well ☐ Gas Well ☒ Other: INJECTION

2. Name of Operator
MACK ENERGY CORPORATION

Contact: ROBERT CHASE
E-Mail: jerrys@mackenergycorp.com

3a. Address
P O BOX 960
ARTESIA, NM 88211-0960

3b. Phone No. (include area code)
Ph: 505.748.1288
Fx: 505.746.9539

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 5 T18S R32E SWNE Tract 1 1980FNL 1980FEL

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☒ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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.)

Mack Energy Corporation Proposes to Plug well as follows:

1. Notify BLM 24 hours prior to starting plugging operations.
2. Set 100' cement plug from 3564-3464' or CIBP @ 3564' w/35' cement cap.
3. Circulate hole w/mud gel.
4. Set 100' cement plug from 1111-1011', 50' above and below 8 5/8" casing. ~ TAG
5. Perforate @ 60' circulate cement to surface.
6. Install dry hole marker.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

*Perforate 5 1/2" Casing @ 1280' & Squeeze W/ Sufficient Cement (40 SX) To Have
Solid Plug F/ 1280-1180' ~ TAG*

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #32454 verified by the BLM Well Information System
For MACK ENERGY CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by LINDA ASKWIG on 06/28/2004 (04LA0218SE)

Name (Printed/Typed) JERRY SHERRELL Title PRODUCTION CLERK

Signature (Electronic Submission) Date 06/28/2004

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By DAVID R GLASS Title PETROLEUM ENGINEER Date 07/29/2004

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 Hobbs

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.

****BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

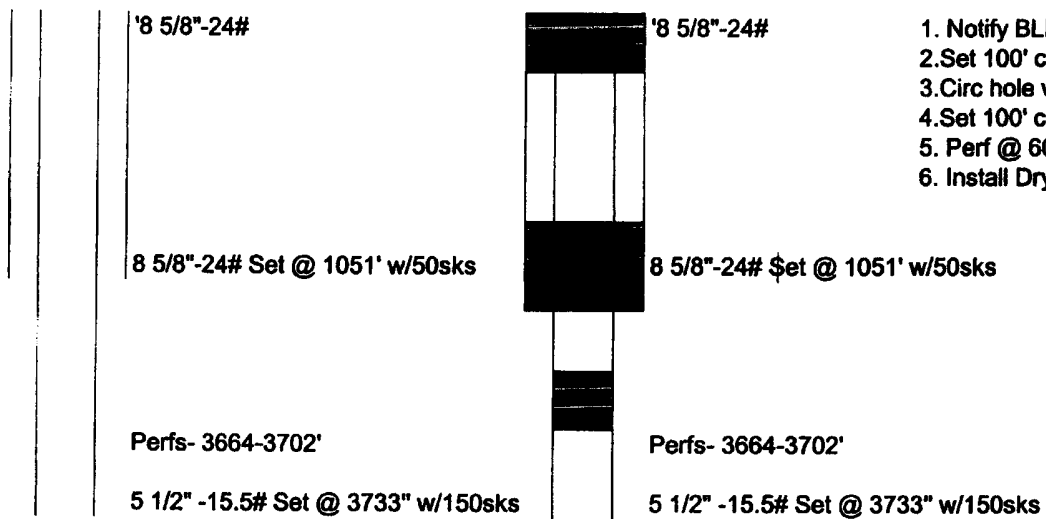
GW

BLM

MACK ENERGY CORPORATION
PEARSALL QUEEN UNIT #10
Sec 5 T18S R32E 1980 FNL 1980 FEL

BEFORE

AFTER



1. Notify BLM 24 hrs. prior to any work done.
2. Set 100' cmt plug 3564-3464' or set CIBP @ 3564' w/35' cmt cap
3. Circ hole with mud gel.
4. Set 100' cmt plug 1111-1011' 50' above & below 8 5/8"
5. Perf @ 60' circ cmt to surface
6. Install Dry Hole Marker

BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(505) 627-0272

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. **Plugging operations** shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon. **If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (505) 627-0272, in Eddy County call (505) 361-2822; for wells in Lea County call (505) 393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 50 feet of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.