

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

HOBBS OCB Hobbs

FORM APPROVED  
Budget Bureau No. 1004-0137  
Expires July 31, 2010

5. Lease Serial No.  
NMNM65441

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No  
MADERA 24 FEDERAL #1

9. API Well No.  
30-025-36666

10. Field and Pool, or Exploratory Area  
JABALINA; WOLFCAMP SW

11. County or Parish, State  
LEA COUNTY, NM

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 page 2.

2. Type of Well

☐

Oil

☒

Gas

☐

WDW

2. Name of Operator

SHACKELFORD OIL CO.

3a. Address

3510 N. A. ST., SUITE 100, MIDLAND, TX 79705

3b. Phone No. (include area code)

432-682-9784

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

1310' FSL & 1310' FWL, Sec. 24, T26S, R36E

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

TYPE OF SUBMISSION

☒

Notice of Intent

☐

Subsequent Report

☐

Final Abandonment Notice

TYPE OF ACTION

☐

Acidize

☐

Alter Casing

☐

Casing Repair

☐

Change Plans

☐

Convert to Injection

☐

Deepen

☐

Fracture Treat

☐

New Construction

☐

Plug and Abandon

☐

Plug Back

☐

Production (Start/Resume)

☐

Reclamation

☐

Recomplete

☐

Temporarily Abandon

☒

Water Disposal

☐

Water Shut-Off

☐

Well Integrity

☐

Other

15. 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 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.)

Onshore Oil & Gas Order #7

1. Producing formation: Wolfcamp
2. Daily water production from formation: 6 BWPD
3. Water analysis attached
4. Water is stored in steel tank
5. Water is trucked by Rapid Transport Inc.
6. Disposal Facility: Chance Properties Company, Lea 20 #1, located Unit P, Sec. 20, T26S, R36E, Lea Co., NM  
API 30-025-25957.
7. Salt water disposal permit, SWD-210-0, is attached.

NOT ATTACHED.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed)

Title

Manager

Signature

[Signature]

Date

9-1-11

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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

SEP 8 2011

/s/ JD Whitlock Jr

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

(Instruction on page 2)

CARLSBAD FIELD OFFICE

ELG 9-13-2011

SEP 13 2011

# MITCHELL ANALYTICAL LABORATORY

2638 Faudree  
Odessa, Texas 79765-8538  
561-5579

Company: **WadeCo Specialties, LLC**

Well Number: Madera #24  
Lease: Shackleford  
Location: WC2167  
Date Run: 8/30/2011  
Lab Ref #: 11-aug-w25426

Sample Temp: 70  
Date Sampled: 8/24/2011  
Sampled by: Wade Havens  
Employee #:   
Analyzed by: GR

## *Dissolved Gases*

		Mg/L	Eq. Wt.	MEq/L
Hydrogen Sulfide	(H <sub>2</sub> S)	.00	16.00	.00
Carbon Dioxide	(CO <sub>2</sub> )	<b>NOT ANALYZED</b>		
Dissolved Oxygen	(O <sub>2</sub> )	<b>NOT ANALYZED</b>		

## *Cations*

Calcium	(Ca++)	4,325.52	20.10	215.20
Magnesium	(Mg++)	961.36	12.20	78.80
Sodium	(Na+)	50,768.48	23.00	2,207.33
Barium	(Ba++)	<b>NOT ANALYZED</b>		
Manganese	(Mn+)	.61	27.50	.02

## *Anions*

Hydroxyl	(OH-)	.00	17.00	.00
Carbonate	(CO <sub>3</sub> =)	.00	30.00	.00
BiCarbonate	(HCO <sub>3</sub> -)	122.20	61.10	2.00
Sulfate	(SO <sub>4</sub> =)	600.00	48.80	12.30
Chloride	(Cl-)	88,297.02	35.50	2,487.24
Total Iron	(Fe)	3.49	18.60	.19
Total Dissolved Solids		145,078.68		
Total Hardness as CaCO <sub>3</sub>		14,755.38		
Conductivity MICROMHOS/CM		177,900		

pH 6.910 Specific Gravity 60/60 F. 1.101

CaSO<sub>4</sub> Solubility @ 80 F. 48.51MEq/L, CaSO<sub>4</sub> scale is unlikely

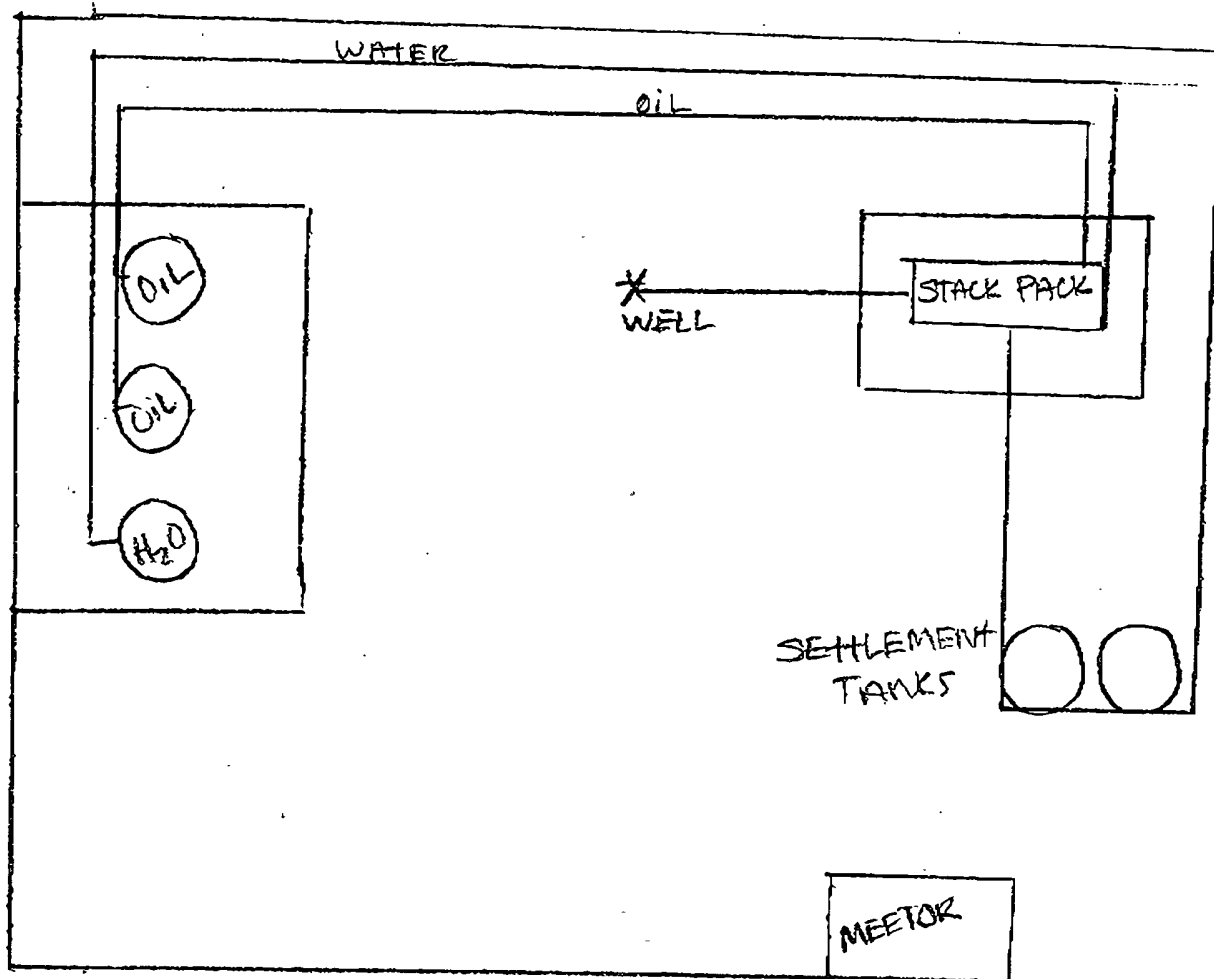
## *CaCO<sub>3</sub> Scale Index*

70.0	.126	100.0	.446	130.0	1.006
80.0	.216	110.0	.706	140.0	1.006
90.0	.446	120.0	.706	150.0	1.346

**WadeCo Specialties, LLC**

N

Madera 24 Feb #1



**BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Disposal of Produced Water From Federal Wells  
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Disposal at any other site will require prior approval.
10. Subject to like approval by NMOCD.

6/17/2011