

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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.

MAY 08 2012

RECEIVED

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-0175774
2. Name of Operator Shackelford Oil Company	6. If Indian, Allottee or Tribe Name
3a. Address 3510 N. A St. Bldg. B Ste 100	7. If Unit or CA/Agreement, Name and/or No.
3b. Phone No. (include area code) 432-682-9784	8. Well Name and No. Mobil Federal #3
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310' FSL & 330' FWL Sec. 21 T19N R32E	9. API Well No. 30-025-30694
	10. Field and Pool, or Exploratory Area West Lusk
	11. County or Parish, State Lea, NM

12. CHECK 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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input 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 recompleate 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 recompleation 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.)

See Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

BLM PET witness required.

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) Don SHACKELFORD	Title President
Signature <i>[Signature]</i>	Date 3/1/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title
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 Lea

APPROVED

MAY 3 2012

WESLEY W. INGRAM
PETROLEUM ENGINEER

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.

MAY 08 2012

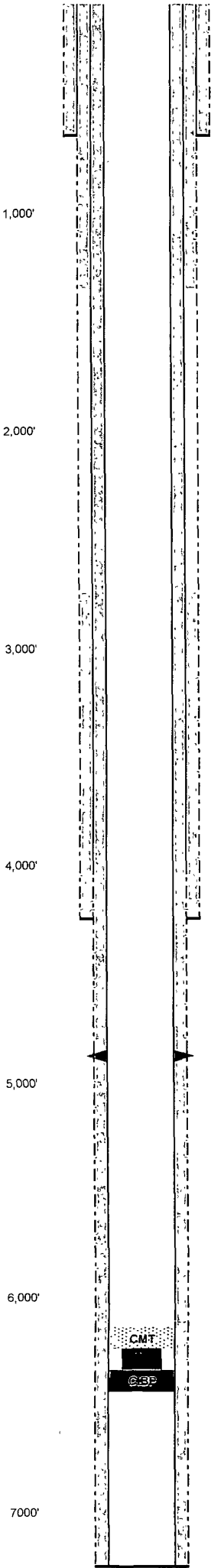
Proposed Procedures on Mobil Federal #3

1. MIRU POOH w/RODS and tubing
2. Set CIBP @ 4900' w/30' of cement on top — *See COA*
3. Test casing to 1500 psi
4. Perf squeeze holes in 5 ½" @ 2754 and 1484 to displace cement
5. GIH set cement Retainer @1490
6. Sting into Retainer. Pump 45 sks of cement
7. POOH. Wait on cement 12 hours
8. GIH w/bit drill cement Retainer drill cement to 2780. Test casing to 1500 psi
9. POOH
10. GIH w/wireline perf 2777-2767 and 2739-2751. 4 spf
11. GIH w/ppi Acidizing tool, Acidize zones individually. POOH
12. GIH w/Packer swab test lower zone
13. Frac zones w/17,500 lbs of sand 5,500 gals
14. GOG w/packer to swab test well

Shackelford Oil Co

API	30-025-30694	Location	Section 21 - 19S - 32E
Field	Lusk	Footage	2310' FSL & 330' SWL
Cnty, State	Lea, New Mexico		

STATUS: Recomp



Hole Size	???		
Casing	13 3/8 "	54 # @	455 '
Cement	475 sx	Class "C"	
TOC	Circulated to Surface		

Comments As of 1/30/2012 bond log shows no cement between 8 5/8" and 5 1/2" casing from 1482' to 2754

Hole Size	???		
Casing	8 5/8 "	32 # @	4,256 '
Cement	245 sx	Class "C"	
TOC	Circulated to Surface	Comments	

Perfs 4910 - 26'

Hole Size	7 7/8 "		
Casing	5 1/2 "	15.5 # @	7,240 '
Cement	1000 sx	Class "C"	
TOC			

PBTD	6,189
TD	7,240

Conditions of Approval

Shackelford Oil Company

Mobile Federal - 03

API 3002530694 193221

May 03, 2012

Timing Limitation Stipulation / Condition of Approval for lesser prairie-chicken:

Oil and gas activities including 3-D geophysical exploration, and drilling will not be allowed in lesser prairie-chicken habitat during the period from March 1st through June 15th annually. During that period, other activities that produce noise or involve human activity, such as the maintenance of oil and gas facilities, pipeline, road, and well pad construction, will be allowed except between 3:00 am and 9:00 am. The 3:00 am to 9:00 am restriction will not apply to normal, around-the-clock operations, such as venting, flaring, or pumping, which do not require a human presence during this period. Additionally, no new drilling will be allowed within up to 200 meters of leks known at the time of permitting. Normal vehicle use on existing roads will not be restricted. Exhaust noise from pump jack engines must be muffled or otherwise controlled so as not to exceed 75 db measured at 30 feet from the source of the noise.

1. A new "Well Location and Acreage Dedication Plat" (NMOCD Form C-102) is required with the notice of intent package when opening another pay zone.
2. Notify BLM 575-393-3612 Lea Co. before plug back procedures. The procedures are to be witnessed. Note the contact, time, & date in your subsequent report.
3. Surface disturbance beyond the existing pad must have prior approval.
4. A closed loop system is required. The operator shall properly dispose of drilling/circulating contents at an authorized disposal site. Tanks are required for all operations, no excavated pits.
5. H₂S monitoring equipment to be used on location and functional.
6. A minimum of 3000 (3M) BOPE is to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (3M) Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.

7. All waste (i.e. trash, salts, chemicals, sewage, gray water, etc.) created as a result of work over operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.
8. **Operator shall pump a 25 sack Class "C" mixed 14.8lb/gal, 1.32 ft³/sx, and 6.3gal/sx water cement plug on the CIBP at 4900'. This will cover the perforations and the top of the Delaware.**
9. **Spot a 25 sack Class "C" mixed 14.8lb/gal, 1.32 ft³/sx, and 6.3gal/sx water cement plug from 4310' and cover the 8 5/8" casing shoe. Tag the plug at 4190' or higher.**
10. **Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.**
11. The BLM PET witness is to run tubing tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test (WOC time of 4 hours recommended) as requested by BLM PET witness.
12. **Provide BLM with an electronic copy (Adobe Acrobat Document) of a cement bond log record from 4800' or below to top of cement. Schedule the CBL after the proposed 5 1/2" x 8 5/8" cement repair and before the proposed perforations. Less than 500' between the proposed top perforation and top of cement may require correction. The CFO BLM on call engineer may be reached at 575-706-2779.**
13. **Before perforating, perform a BLM PET witnessed 30 minute charted casing integrity test to 1500 psig as proposed. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.**
14. File a **subsequent sundry** Form 3160-5 within 30 days of the plug back and acid treatment. Include an updated wellbore diagram.
15. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
16. Workover approval is good for 90 days (completion to be within 90 days of approval). A legitimate request is necessary for extension of that date.

PRS / WWI 050312

Use of Form 3160-5 "Sundry Notices and Reports on Wells"

§ 43 CFR 3162.3-2 Subsequent Well Operations.

a) A proposal for further well operations shall be submitted by the operator on Form 3160-5 for approval by the authorized officer prior to commencing operations to redrill, deepen, perform casing repairs, plug-back, alter casing, perform nonroutine fracturing jobs, recompleteness in a different interval, perform water shut off, commingling production between intervals and/or conversion to injection. If there is additional surface disturbance, the proposal shall include a surface use plan of operations. A subsequent report on these operations also will be filed on Form 3160-5. The authorized officer may prescribe that each proposal contain all or a portion of the information set forth in §3162.3-1 of this title.

(b) Unless additional surface disturbance is involved and if the operations conform to the standard of prudent operating practice, prior approval is not required for routine fracturing or acidizing jobs, or recompleteness in the same interval; however, a subsequent report on these operations must be filed on Form 3160-5.

(c) No prior approval or a subsequent report is required for well cleanout work, routine well maintenance, or bottom hole pressure surveys.

[47 FR 47765, Oct. 27, 1982. Redesignated and amended at 48 FR 36583-36586, Aug. 12, 1983, further amended at 52 FR 5391, Feb. 20, 1987; 53 FR 17363, May 16, 1988; 53 FR 22847, June 17, 1988]

§ 43 CFR 3160.0-9 (c)(1) Information collection.

(c)(1) The information collection requirements contained in part 3160 have been approved by the Office of Management and Budget under 44 U.S.C. 3507 and assigned the following Clearance Numbers:

Operating Forms

Form No.	Name and filing date	OMB No.
3160-3	Application for Permit to Drill, Deepen, or Plug Back—Filed 30 days prior to planned action	1004-0136
3160-4	With Completion of Recompleteness Report and Log—Due 30 days after well completion	1004-0137

3160-5	Sundry Notice and Reports on Wells—Subsequent report due 30 days after operations completed	1004-0135
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The information will be used to manage Federal and Indian oil and gas leases. It will be used to allow evaluation of the technical, safety, and environmental factors involved with drilling and producing oil and gas on Federal and Indian oil and gas leases. Response is mandatory only if the operator elects to initiate drilling, completion, or subsequent operations on an oil and gas well, in accordance with 30 U.S.C. 181 *et seq.*

§ 3162.4-1 (c) Well records and reports.

Not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.