

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.

OG HOBS OGD
HOBS

SEP 05 2012

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

SHACKELFORD OIL COMPANY

3a. Address

203 W. Wall Ste 200 Midland, TX 79702

3b. Phone No. (include area code)

432-682-9784

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

2310' FSL + 330' FWL

Sec. 21 T19S R32E

5. Lease Serial No.

NM-0175774

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Mobil Federal #3 /

9. API Well No.

30-025-30694 /

10. Field and Pool, or Exploratory Area

East West Lusk Yates

11. County or Parish, State

LCA, NM

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

- | | | | |
|-----------------------------------------------|-------------------------------------------|----------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <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 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 shall 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 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 Report

ACCEPTED FOR RECORD

SEP 3 2012

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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

Name (Printed/Typed)

Don SHACKELFORD

Title

President

Signature

Date

7/27/12

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Petroleum Engineer

SEP 06 2012

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

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.

SEP 06 2012

GENERAL INSTRUCTIONS

This form is designed for submitting proposals to perform certain well operations, and reports of such operations when completed, as indicated on Federal and Indian lands pursuant to applicable Federal law and regulations. Any necessary special instructions concerning the use of this

form and the number of copies to be submitted, particularly with regard to local area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from the local Federal office.

SPECIFIC INSTRUCTIONS

Item 4 - Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult the local Federal office for specific instructions.

Item 13 - Proposals to abandon a well and subsequent reports of abandonment should include such special information as is required by the local Federal office. In addition, such proposals and reports should include reasons for the abandonment; data on any former or present

productive zones, or other zones with present significant fluid contents not sealed off by cement or otherwise; depths (top and bottom) and method of placement of cement plugs; mud or other material placed below, between and above plugs; amount, size, method of parting of any casing, liner or tubing pulled and the depth to top of any left in the hole; method of closing top of well and date well site conditioned for final inspection looking to approval of the abandonment.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 351 et seq., 25 U.S.C. 396; 43 CFR 3160.

PRINCIPAL PURPOSE: The information is used to: (1) Evaluate, when appropriate, approve applications, and report completion of subsequent well operations, on a Federal or Indian lease; and (2) document for administrative use, information for the management, disposal and use of National Resource lands and resources, such as: (a) evaluating the equipment and procedures to be used during a proposed subsequent well operation and reviewing the completed well operations for compliance with the approved plan; (b) requesting and granting approval to perform those actions covered by 43 CFR 3162.3-2, 3162.3-3, and 3162.3-4; (c) reporting the beginning or resumption of production, as required by 43 CFR 3162.4-1(c); and (d) analyzing future applications to drill or modify operations in light of data obtained and methods used.

ROUTINE USES: Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions in connection with congressional inquiries or to consumer reporting agencies to facilitate collection of debts owed the Government.

EFFECT OF NOT PROVIDING THE INFORMATION: Filing of this notice and report and disclosure of the information is mandatory for those subsequent well operations specified in 43 CFR 3162.3-2, 3162.3-3, 3162.3-4.

The Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) requires us to inform you that:

This information is being collected to evaluate proposed and/or completed subsequent well operations on Federal or Indian oil and gas leases.

Response to this request is mandatory.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 25 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer, (WO-630), Mail Stop 401 LS, 1849 C St., N.W., Washington D.C. 20240 and the Office of Management and Budget, Interior Desk Officer, (1004-0135), Office of Information and Regulatory Affairs, Washington, D.C. 20503.

Shackelford Oil

Mobil Fed. #3

5/15/12 Rigged up pulling unit – shut down

5/16/12 POOH w/ Rods and Tbg- Rigged up wireline- set CIBP @ 4895'. RIH w/150 STDS in Hole- cir 125 BBLs of 2% KCL wtr- shut down- witnessed by Kathy Haston of BLM

5/17/12 Waited on cementers

5/21/12 RU cement crew- pumped 25 sxs plug @4882' top of CIBP covered 250'- pulled up to 4589' and pumped plugging mud to 4310'- moved up to 4310'- pumped 25 sxs plug- POOH- waited 4 hrs- RIH and tagged cmt @ 4021'- laid down 39 jts- put 854 in derrick- shut down

5/22/12 Rigged up wireline truck- run in hole to 2754' shot 4 holes to squeeze between 5 ½ and 8 5/8- pull up to 1675' shot 4 holes- RIH w/PKR and set @2697'- tried to cir- couldn't- RIH w/perf gun to 1950'- shot 4 holes- RIH w/PKR to 2697'- still wouldn't cir- shut down

5/23/12 RIH w/perf guns and reshot @2754'- tried to pump- wouldn't break- tested csg to 1500 PSI- held

5/24/12 Tested csg for 30 mins to 1500 PSI- held good- witness by BLM- Paul Flowers

5/25/12 Waiting on BLM

5/29/12 Rigged up wireline- Perf well from 2739'-2754'- RIH wt Model "R" double grip PKR- set @2677'- Pumped 1500 PSI on tbg- well started cir between 5 ½ and 8 5/8- POOH w/PKR- RIH w/ Tension PKR set @ 1924' didn't test- pull up to 1403- set PKR tested good RIH to 1664' set PKR get cir pumped 20 BBLs at 2% KCL wtr- Pull above all perms- shut down

5/30-6/5/12 Worked on cementer

6/6/12 RIH w/PKR set @ 1664'- get cir- POOH w/tbg- Picked up cement retainer- RIH to 1664 and set- cir hole- got ready with cementer- Had problems w/cementer- shut down

6/7/12 Get ready to pump cmt- had problem w/cementer- get problem fixed- Pumped 160 sxs of cmt- cir clean POOH w/ tbg- shut down

6/8/12 Opened up well- 0 PSI- picked up 6 collars and 4 ¾ bit- RIH Tagged cement @ 1551- drilled down to 1587'- cmt green- shut down

6/11/12 Opened up well- started drilling cmt @ 1587' to cmt Retainer didn't finish drilling retainer- shut down

6/12/12 Opened up well- finished drilling cmt retainer- cmt down to 1978 run out of cmt- shut down

6/13/12 Opened up well- cleaned well down to 2857'- POOH w/tbg Laid down collars- RIH w/PKR- set @ 2083- tested csg to 1000 PSI- held good- RU wireline Logged well from 2800' to 1400'- Perf well from 2739' to 2754'- RIH w/RRK- left swinging @ 2701'- shut down

6/14/12 Opened up well- RU Acid truck- spotted acid- set PKR @ 2669'- started to break formation- put 1400 PSI- cmt broke behind- 5 ½ and 8 5/8- moved PKR to 1894- Tested good POOH w/tbg- shut down

6/18/12 Opened up well- RIH w/PKR and set @ 2020- Tbg leaking w/1000 PSI- Run PKR to 2704- got cir- POOH w/tbg- RIH w/Retainer set @ 2704'- pumped though retainer- Pumped 60 sxs of cmt- POOH w/tbg- shut down

6/19/12 Opened up well- O- PSI- RIH w/collars and Tbg- started drilling on cmt retainer- got Bearings of Bit on returns- shut down

6/20/12 Opened up well- POOH w/ tbg- missing cone off bit- RIH w/magnet cone POOH w/tbg- picked up new Bit- RIH- finished drilling cmt Retainer and cmt- down to 2749- cir well- pressure up to 1500 PSI- held good- POOH w/tbg- shut down

6/21/12 Rigged up wireline and Perf well from 2739' to 2754'- RIH w/PKR rigged up Acid truck- Acidized well w/500 gals of 15%- Broke @ 2460 PSI- Pumped 2 BPM @ 1270 PSI- Rigged up to Swab- Swabbed well dry after 4 runs- Trace of Oil- Total of 18 BBLS- shut down

6/22/12 Opened up well- 20 PSI- Swabbed on well- Fl level @ 2000' on first run- got mostly wtr- swabbed well dry- Made hourly runs- Rec 100' of Fl entry- Made 2 runs- waited 2 hrs- had 100' Fl entry- Rec total of 6 BBLS- showing trace of oil- shut down

6/25/12 Opened up well- 20 PSI- Fl level @ 2000' on- Showing 3% oil cut- Swabbed well dry- made 2 hr runs- 100' Fl entry- then 50' entry in 2 hrs- made total of 5 BBLS- @ 3% oil cut- shut down

6/26/12 Opened up well- Fl level @ 2450' on first run- 3% oil cut- made hourly run- had 50' entry- Released PKR- POOH w/tbg- RIH w/production- Mud Jt- 4' perf sub- SN- 86 jts of 2 7/8 Tbg- RIG w/ 2 ½ x 1 ½ x 16' pump and 110 ¾ rods- hung well on- Left well down- shut down

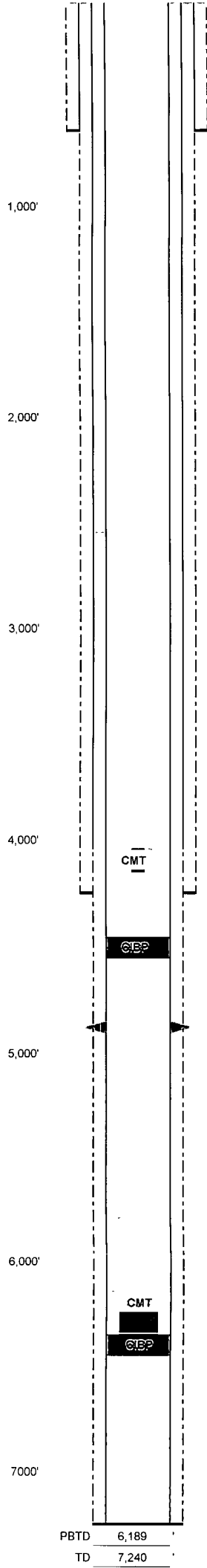
7/2/12 Get well pumping- Rigged down- moved off- Waiting on frac job

Shackelford Oil Co

API 30-025-30694
Field Lusk
Cnty, State Lea, New Mexico

Location Section 21 - 19S - 32E
Footage 2310' FSL & 330' SWL

STATUS: Recomp



Hole Size 7 7/8 "

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
As of 6/03/2012 bond log no cement between 8 5/8 and 5 1/2 from 1952 to 2754

Comments perf 2739 - 2754 Acidized w/500 gallons
TOC 2754

Hole Size 7 7/8 "

Casing 8 5/8 " 32 # @ 4,256 '

Cement 245 sx Class "C"

TOC Circulated to Surface

Comments 5/16/12 set CIBP @ 4895 witnesses by Kathy Haston from BLM
5/21/12 spotted 25 sx plug set @ 4645 pumped plugging mud to 4310
POOH waited 4 HRS tagged @ 4021

Perfs 4910 - 26'

Hole Size 7 7/8 "

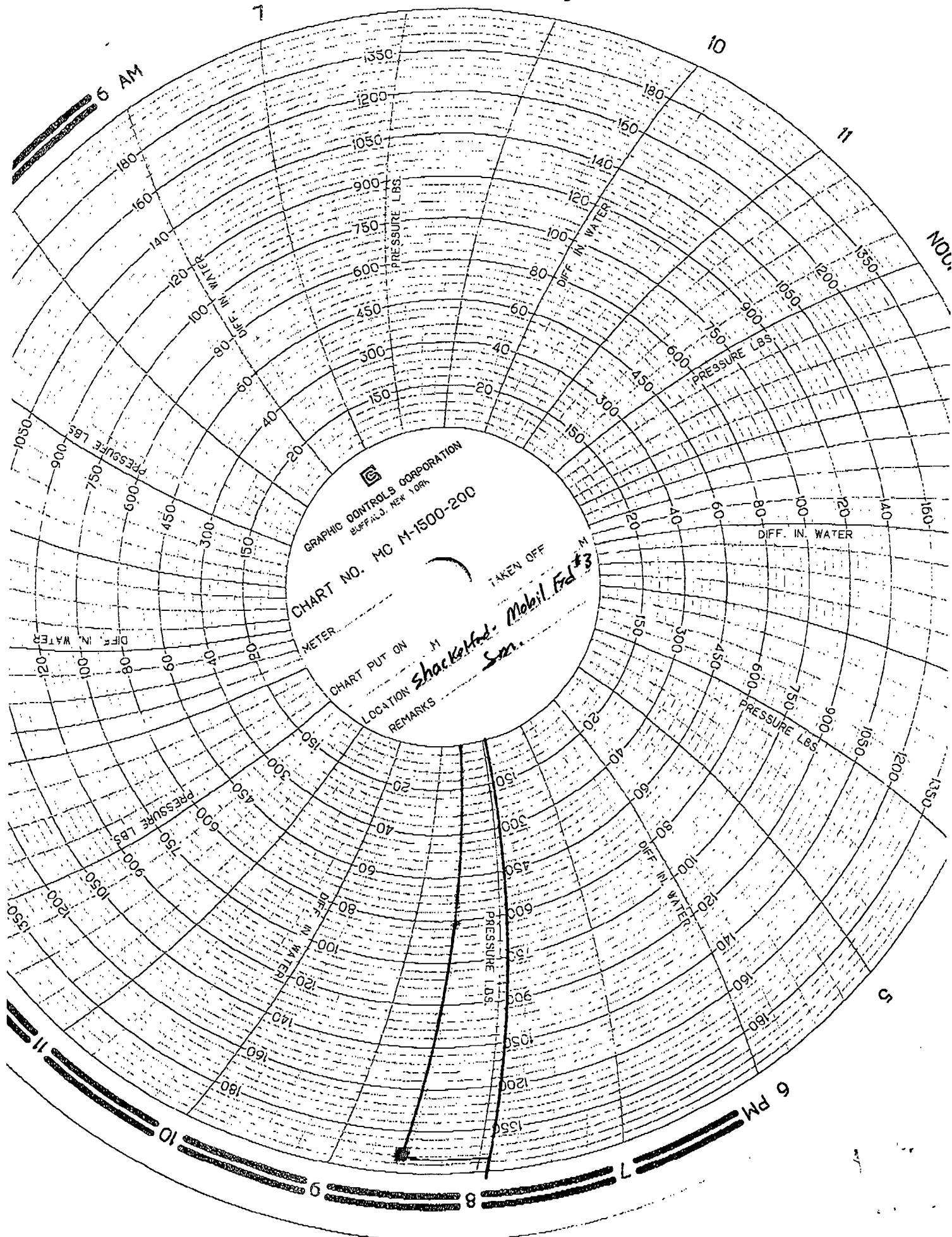
Casing 5 1/2 " 15 5 # @ 7,240 '

Cement 1000 sx Class "C"

TOC

PBTD 6,189
TD 7,240

Date 8/16/2006
By M TADLOCK



GRAPHIC CONTROLS CORPORATION
BUFFALO, N.Y. 10611

CHART NO. MC M-1500-200

CHART PUT ON M TAKEN OFF M
LOCATION *Shackelford, Mobil Field #3*
REMARKS *Sm.*

Paul Flowers

B1 M

Witnessed

1450 lbs pres

Held 30 min

0 pres Loss

5/24/12 @ 9:30 AM