

OCD-HOBBS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

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.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC065710A
2. Name of Operator SHACKELFORD OIL COMPANY		6. If Indian, Allottee or Tribe Name
Contact: CLAY HOUSTON E-Mail: CHOUSTON92083@YAHOO.COM		7. If Unit or CA/Agreement, Name and/or No. NMNM94514X
3a. Address 203 W WALL ST STE 200 MIDLAND, TX 79701	3b. Phone No. (include area code) Ph: 432-682-9784 Fx: 432-684-5026	8. Well Name and No. LUSK WEST DELAWARE #7
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 20 T19S R32E 1660FNL 2300FEL		9. API Well No. 30-025-24869
		10. Field and Pool, or Exploratory LUSK WEST DELAWARE
		11. County or Parish, and State LEA COUNTY, NM

RECEIVED

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.)

RECOMPLEATE FROM 6400' WATER FLOOD INTERVAL TO CHERRY CANYON INTERVALS

1. NIPPLE UP 3000# BOP
2. POOH W/ TUBING AND PACKER
3. GIH AND SET CIBP @ 6400' W/ 35' CEMENT
4. TAG TOP OF CEMENT
5. TEST CASING TO 500 PSI. RUN CHART.
6. PERFORATE THE FOLLOWING INTERVALS IN UPPER CHERRY CANYON 4 SPF
4842-54
4890-4904
4920-4930
7. GIH W/ PACKER AND PLUG AND ACIDIZE INTERVALS INDIVIDUALLY W/ 500 GALS OF NEFE ACID
8. POOH W/ PLUG. GIH W/ PACKER AND TUBING SWAB TEST

**WITNESS
PLUG BACK**

**SUBJECT TO LIKE
APPROVAL BY STATE**

14. I hereby certify that the foregoing is true and correct. Electronic Submission #236839 verified by the BLM Well Information System For SHACKELFORD OIL COMPANY, sent to the Hobbs Committed to AFMSS for processing by CHRISTOPHER WALLS on 03/18/2014 0		SEE ATTACHED FOR CONDITIONS OF APPROVAL
Name (Printed/Typed) DON SHACKELFORD	Title PRESIDENT	
Signature (Electronic Submission)	Date 02/25/2014	APPROVED JUL 24 2014 Paul R. Swartz BUREAU OF LAND MANAGEMENT CARLSBAD FIELD OFFICE
THIS SPACE FOR FEDERAL OR STATE OFFICE USE		
Approved By _____	Title _____ Office _____	
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.		
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.		

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

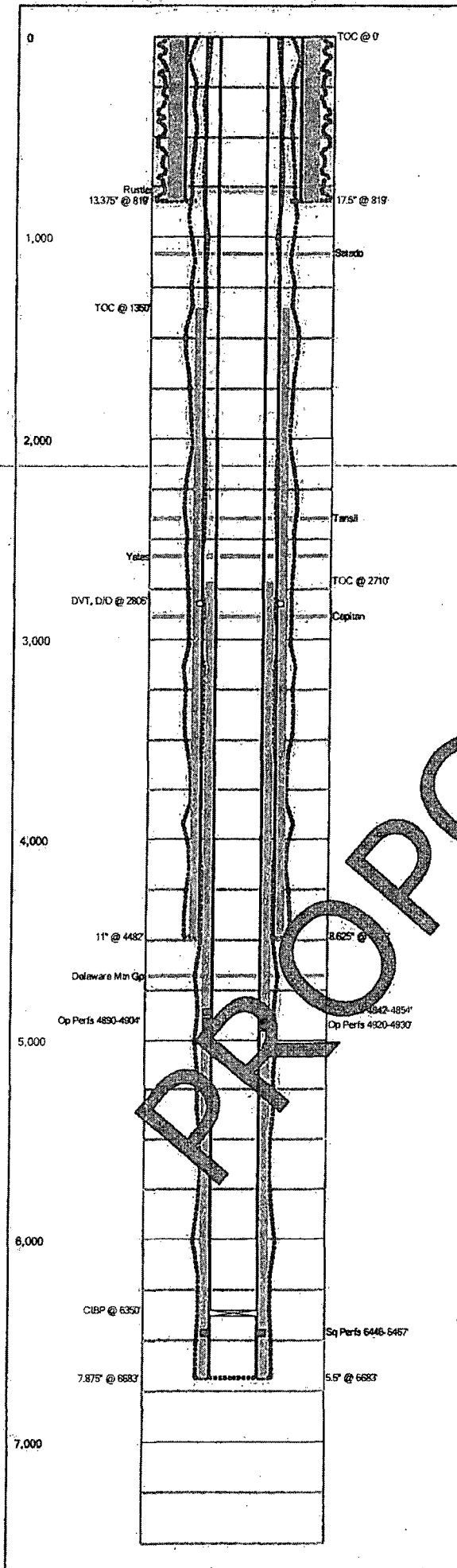
JUL 30 2014

Additional data for EC transaction #236839 that would not fit on the form

32. Additional remarks, continued

9. SET PACKER AND TUBING AT 4700'. PRESSURE UP BACKSIDE TO 500 PSI. FRAC W/ 45,000 # SAND
10. RECOVER LOAD FROM FRAC
11. POOH W/ TUBING AND PACKER
12. GIH W/ TUBING AND MULESHOE CLEAN WELL TO BOTTOM
13. POOH W/ TUBING. GIH W/ TUBING, RODS, PUMP PUT ON PRODUCTION
14. CHANGE NAME OF WELL BY SUNDRY IF OPERATION IS SUCCESSFUL

Last Updated: 2/11/2014 03:57 PM



Field Name		Lease Name		Well No.
Lusk West Delaware Unit		Lusk West Delaware Unit		7
County, State			API No.	
Lea, New Mexico			30025248690000	
Version		Version Tag		
2 Proposed				
G.L. (ft)	K.B. (ft)	Sec.	Township/Block	Range/Survey
		20	19S	32E
Operator		Well Status	Latitude	Longitude
Shackelford Oil Co				
Footage Call				
PropNum		Spud Date	Comp. Date	
			4/22/1989	
Additional Information				
Reentry 4/11/1989				
Convert to non-unit well producer				
Prepared By		Updated By	Last Updated	
Brady Shackelford		Brady Shackelford	2/11/2014 3:57 PM	

Hole Summary

Date	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	17.500	0	819	
	11.000	0	4,482	
	7.875	0	6,683	

Tubular Summary

Date	Description	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)
	Surface Casing	13.375	48.00	H40	0	819
	Intermediate Casing	8.625	32.00	J55	0	4,482
	Production Casing	5.500	15.50	J55	0	6,683

Casing Cement Summary

Date	No. Sx	Seg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
		13.375	0	819	Circulated
	1,950	8.625	1,350	4,482	Temp Survey
	800	5.500	2,710	6,683	Temp Survey

Tools/Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)
	DVT, D/O	8.625	0.000	2,805	0
	CIBP	5.500	2.375	6,350	0

Perforation Summary

C	Date	Perf. Status	Formation	OA Top (MD ft)	OA Bottom (MD ft)	Shots
	2/13/2014	Open		4,842	4,854	
	2/11/2014	Open		4,890	4,904	
	2/12/2014	Open		4,920	4,930	
		Squeezed		6,448	6,467	

Formation Tops Summary

Formation	Top (TVD ft)	Comments
Rustler	770	
Salado	1,083	
Tansil	2,395	
Yates	2,583	
Capitan	2,885	
Delaware Mtn Gp	4,676	

Last Updated: 2/11/2014 03:57 PM

Field Name		Lease Name		Well No.	County, State		API No.	
Lusk West Delaware Unit		Lusk West Delaware Unit		7	Lea, New Mexico		30025248680000	
Version	Version Tag			Spud Date	Comp. Date	G.L. (ft)	K.B. (ft)	
	2 Proposed				4/22/1989			
Sec.	Township/Block	Range/Survey		Footage Call				
20	19S	32E						
Operator				Well Status	Latitude	Longitude	PropNum	
Shackelford Oil Co								
Last Updated			Prepared By		Updated By			
02/11/2014 3:57 PM			Brady Shackelford		Brady Shackelford			
Additional Information								
Reentry 4/11/1989								
Convert to non-unit well producer								

Hole Summary

Date	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	17.500	0	819	
	11.000	0	4,482	
	7.875	0	6,683	

Tubular Summary

Date	Description	No. Jts	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)	Comments
	Surface Casing		13.375	48.00	H40	0	819	
	Intermediate Casing		8.625	32.00	J55	0	4,482	
	Production Casing		5.500	15.50	J55	0	6,683	

Casing Cement Summary

Date	No. Sx	Yield (cuft/sk)	Vol. (cuft)	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	500	1.00	500	13.375	0	819		Circulated
	1,850	1.00	1,650	8.625	1,350	4,482		Temp Survey
	800	1.00	800	5.500	2,710	6,683		Temp Survey

Tools/Problems Summary

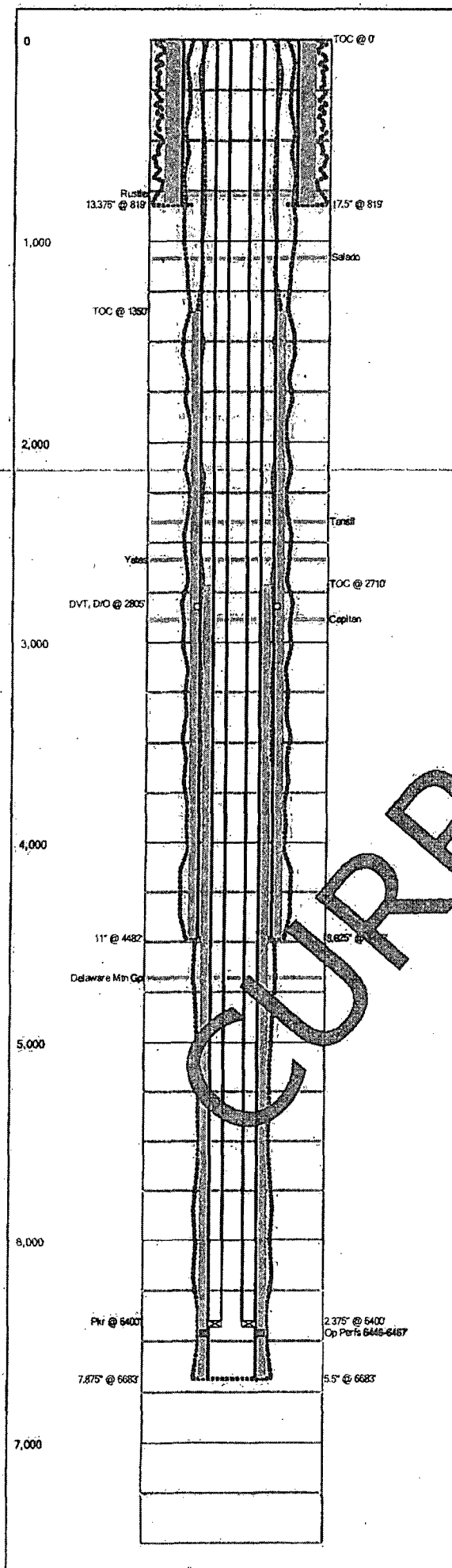
Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	DV tool (drilled out)	8.625	0.000	2,805	0		
	Cast Iron Bridge Plug	5.500	2.375	6,350			35' cement on top

Perforation Summary

C	Date	Perf. Status	Formation		Comments	
		Squeezed				
	Top (MD ft)	Bottom (MD ft)	SPF	Shots	Phasing (deg)	Interval Comments
	6,446	6,467				
C	Date	Perf. Status	Formation		Comments	
	2/11/2014	Open				
	Top (MD ft)	Bottom (MD ft)	SPF	Shots	Phasing (deg)	Interval Comments
	4,890	4,904				
C	Date	Perf. Status	Formation		Comments	
	2/12/2014	Open				
	Top (MD ft)	Bottom (MD ft)	SPF	Shots	Phasing (deg)	Interval Comments
	4,920	4,930				
C	Date	Perf. Status	Formation		Comments	
	2/13/2014	Open				
	Top (MD ft)	Bottom (MD ft)	SPF	Shots	Phasing (deg)	Interval Comments
	4,842					

Formation Top Summary

Formation Name	Top (TVD ft)	Comments
Rustler	770	
Salado	1,083	
Tansil	2,395	
Yates	2,583	
Capitan	2,885	
Delaware Mtn Gp	4,676	



Last Updated: 2/18/2014 09:30 AM

Field Name	Lease Name	Well No.
Lusk West Delaware Unit	Lusk West Delaware Unit	7
County, State	API No.	
Lea, New Mexico	30025248690000	
Version	Version Tag	
1	Current Status	
G.L. (ft)	K.B. (ft)	Sec.
	20	19S
		32E
Operator	Well Status	Latitude
Shackelford Oil Co		
Longitude		
Footage Call		
PropNum	Spud Date	Comp. Date
		4/22/1989
Additional Information		
Reentry 4/11/1989		
Prepared By	Updated By	Last Updated
Brady Shackelford	Brady Shackelford	2/18/2014 9:30 AM

Hole Summary

Date	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	17.500	0	819	
	11.000	0	4,482	
	7.875	0	6,683	

Tubular Summary

Date	Description	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)
	Surface Casing	13.375	48.00	H40	0	819
	Intermediate Casing	8.625	32.00	J55	0	4,482
	Production Tubing	5.500	15.50	J55	0	6,683
	Tubing	2.375		IPC	0	6,400

Cement Summary

Date	No.	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	1	13.375	0	819	Circulated
	2	8.625	1,350	4,482	Temp Survey
	3	5.500	2,710	6,683	Temp Survey

Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)
	DVT, D/O	8.625	0.000	2,805	0
	Pkr	5.500	2.375	6,400	0

Perforation Summary

C	Date	Perf. Status	Formation	OA Top (MD ft)	OA Bottom (MD ft)	Shots
		Open		6,446	6,467	

Formation Tops Summary

Formation	Top (TVD ft)	Comments
Rustler	770	
Salado	1,083	
Tansil	2,395	
Yates	2,583	
Capitan	2,885	
Delaware Mtn Gp	4,676	

Last Updated: 2/18/2014 09:30 AM

Field Name		Lease Name		Well No.	County, State		API No.	
Lusk West Delaware Unit		Lusk West Delaware Unit		7	Lea, New Mexico		30025248690000	
Version	Version Tag			Spud Date	Comp. Date	G.L. (ft)	K.B. (ft)	
1	Current Status				4/22/1989			
Sec.	Township/Block		Range/Survey		Footage Call			
20	19S		32E					
Operator				Well Status		Latitude	Longitude	PropNum
Shackelford Oil Co								
Last Updated			Prepared By			Updated By		
02/18/2014 9:30 AM			Brady Shackelford			Brady Shackelford		
Additional Information								
Reentry 4/11/1989								

Hole Summary

Date	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	17.500	0	819	
	11.000	0	4,482	
	7.875	0	6,683	

Tubular Summary

Date	Description	No. Jts	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)	Comments
	Surface Casing		13.375	48.00	H40	0	819	
	Intermediate Casing		8.625	32.00	J55	0	4,482	
	Production Casing		5.500	15.50	J55	0	6,683	
	Tubing		2.375		IPC	0	6,400	Pl Coated

Casing Cement Summary

Date	No. Sx	Yield (cuft/sk)	Vol. (cuft)	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	500	1.00	500	13.375	0	819		Circulated
	1,650	1.00	1,650	8.625	1,350	4,482		Comp Survey
	800	1.00	800	5.500	2,710	6,683		Survey

Tools/Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	DV tool (drilled out)	8.625	0.000	2,805	0		
	Packer	5.500	2.375	6,400			

Perforation Summary

C	Date	Perf. Status	Formation			Comments
		Open				
	Top (MD ft)	Bottom (MD ft)	SPF	Shots	Phasing (deg)	Interval Comments
	6,448	6,467				

Formation Top Summary

Formation Name	Top (TVD ft)	Comments
Rustler	770	
Salado	1,083	
Tansil	2,394	
Yates	5,583	
Capitan	2,885	
Delaware Mtn Gp	4,676	

Conditions of Approval

Shackelford Oil Company
Lusk West Delaware - 07
API 3002524896, T19S-R32E, Sec 20
July 24, 2014

1. Due to being within the Lesser Prairie Chicken habitat, this workover activity will be restricted to the hours of 9:00am through 3:00am for the period of March 1 through June 15. Exceptions to these restrictions may be granted by BLM's Johnny Chopp <jchopp@blm.gov> 575.234.2227 or Bob Ballard <bballard@blm.gov> 575.234.5973.
2. Operator is removing well from the unitized formation. Operator shall remove "Unit" from the well name via sundry, and or rename well to be produced on a lease basis.
3. Before casing or a liner is added, replaced, or repaired prior BLM approval of the design is required. Use notice of intent Form 3160-5.
4. Subject to like approval by the New Mexico Oil Conservation Division.
5. **Provide BLM with an electronic copy (Adobe Acrobat Document) cement bond log record from 6600 or below to top of cement. The CBL may be attached to a pswartz@blm.gov email. The CFO BLM on call engineer may be reached at 575-706-2779.**
6. **The well is within the BLM designated Capitan Reef four casing boundary and was allowed to be completed with only surface, one intermediate, and production casings. It is critical to protect the C. R. The operator shall maintain annual casing integrity (above the top perforation) test records available for BLM access.**
7. Notify BLM 575-393-3612 Lea Co as work begins. Some procedures are to be witnessed. If there is no response, call 575-361-2822, leave a voice mail with the API#, workover purpose, and a call back phone number.
8. Surface disturbance beyond the existing pad must have prior approval.
9. 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.
10. Functional H₂S monitoring equipment shall be on location.
11. 5000 (5M) Blow Out Prevention Equipment to be used. All BOPE and workover procedures shall establish fail safe well control. Blind ram(s) and pipe ram(s) designed to close on all workstring diameters used is required equipment. A manual BOP closure system (hand wheels) shall be available for use regardless of BOP design. Function test the installed BOPE to 500psig when well conditions allow. Related equipment, (choke manifolds, kill trucks, gas vent or flare lines, etc.) shall be employed when needed for reasonable well control requirements.
12. 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.

- 13. The BLM PET witness is to run tbg tally and agree to cement placement. Sample each plug for cement curing time and tag and/or pressure test WOC(H) time of 8 hours recommended) as requested by BLM PET witness.**
14. Set cement plugs to cover a minimum of 100ft plus 10ft for every 1,000ft from the bottom of the plug, rounding the number of necessary sacks up to the nearest 5 sacks. Never use less than 25sx. Examples: A cement plug set at 8000 in 7" casing would require a min of 35sx. A 25sx plug in 5 1/2" casing should cover 250ft, which may exceed 100ft plus 10ft per 1000ft.
- ~~15. Class H > 7500ft & C < 7500ft) cement-plugs(s) will be necessary. For any plug that~~ requires a tag or pressure test a minimum WOC time of 4 hours(C) & 8 hours(H) is recommended. Formation isolation plugs of Class "C" to be mixed 14.8#/gal, 1.32 ft³/sx, 6.3gal/sx water and "H" to be mixed 16.4#/gal, 1.06ft³/sx, 4.3gal/sx water.
16. Minimum requirement for mud placed between plugs is 25 sacks of salt water gel per 100 barrels in 9 lb/gal brine.
- 17. Drill out existing plugs to the cement on the plug at 12212.**
- 18. Set a class "H" cmt plug from that tag to cover a min of 50ft over the Morrow formation top of 12018. Tag the plug with tubing.**
- 19. Reset the CIBP within 50 to 100 feet above the top Strawn perf of 11508 and place a cmt plug to cover a min of 50ft over the Strawn formation top of 11362. Tag the plug with tubing.**
- 20. Reset the CIBP within 50 to 100 feet above the top Wolfcamp perf of 10680 and place a cmt plug from 10758 to cover a min of 50ft over the Wolfcamp formation top of 10486. Or set a plug from 50ft below the sqzd perf of 10708 to cover a min of 50ft over the Wolfcamp formation top of 10486. Tag the plug with tubing.**
- 21. Reset the CIBP within 50 to 100 feet above the top Bone Spring perf of 8839 and place a minimum 25sx of cmt plug on that CIBP. Tag the plug with tubing.**
- 22. Perforate the 5 1/2" casing at least 50ft below the Bone Spring formation top of 7182 and pump enough cmt**
- 23. over the Bone Spring formation top by 50ft or more across the wellbore.**
- 24. After setting the top plug and before perforating, perform a BLM PET witnessed (charted) casing integrity test of 500 psig on a 1000psig full range, calibrated one hour rotation recorder. Verify all annular casing vents are plumbed to surface and those valves open to the surface during this pressure test. Pressure leakoff may require correction for approval. Include a copy of the chart in the subsequent sundry for this workover.**
25. File intermediate **subsequent sundry** Form 3160-5 within 30 days of any interrupted workover procedures and a complete workover subsequent sundry.

26. Submit the BLM Form 3160-4 **Recompletion Report** within 30 days of the date all BLM approved procedures are complete.
27. 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.

An inactive/shut-in well bore is a non-producing completion that is capable of "beneficial use" i.e. production in **paying quantities** or of service use.

28. Submit evidence to support your determination that the well has been returned to active "beneficial use" for BLM approval on the Sundry Notice Form 3160-5 (the original and 3 copies) before 12/20/2014.
29. Should "beneficial use" not be achieved submit for BLM approval a plan for plug and abandonment.

Access information for use of Form 3160-5 "Sundry Notices and Reports on Wells"

NM Fed Regs & Forms - http://www.blm.gov/nm/st/en/prog/energy/oil_and_gas.html

§ 43 CFR 3162.3-2 Subsequent Well Operations.

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

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