

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.

OCD Hobbs

HOBBS OCD

AUG 29 2014

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		8. Well Name and No. WOLF FEDERAL 1
2. Name of Operator MACK ENERGY CORPORATION Contact: ROBERT CHASE E-Mail: JERRYS@MEC.COM		9. API Well No. 30-025-42026-00-X1
3a. Address ARTESIA, NM 88211-0960	3b. Phone No. (include area code) Ph: 575-748-1288 Fx: 575-746-9539	10. Field and Pool, or Exploratory YOUNG
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 3 T18S R32E SENW 2310FNL 1650FWL 32.777462 N Lat, 103.757447 W Lon		11. County or Parish, and State LEA COUNTY, 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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Change to Original APD
	<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.)

MACK ENERGY CORPORATION PROPOSES TO MAKE THE FOLLOWING CHANGES:

PER EMAIL TO WESLEY INGRAM 8/14/14:

AFTER THE INTERMEDIATE CASING IS SET AND CEMENTED IN PLACE WE WILL REMOVE THE 13 3/8" X 13 5/8" X 3000# WELLHEAD AND INSTALL A PLATE FROM THE 13 3/8" TO THE 9 5/8" CASING WITH A NIPPLE AND PIPING FROM THE 13 3/8" CASING TO GROUND LEVEL IN WHICH A VALVE CAN BE CONNECTED. THE NEW WELLHEAD (8 5/8" X 11" X 5000#) WILL BE INSTILLED ON THE 8 5/8" CASING.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

**Electronic Submission #256980 verified by the BLM Well Information System
For MACK ENERGY CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by WESLEY INGRAM on 08/20/2014 (14WWI0138SE)**

Name (Printed/Typed) DEANA WEAVER	Title PRODUCTION CLERK
Signature (Electronic Submission)	Date 08/14/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>WESLEY INGRAM</u>	Title <u>PETROLEUM ENGINEER</u>	Date <u>08/27/2014</u>
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 ****

SEP 02 2014

Additional data for EC transaction #256980 that would not fit on the form

32. Additional remarks, continued

SURFACE WELLHEAD CHANGE TO 13 3/8" X 13 5/8" X 3000# FROM 13 3/8" X 13 5/8" X 5000# (AS PER THE APPROVED APD). THE BOPE TEST ON THE SURFACE WILL BE 3000# NOT 5,000# (AS PER THE APPROVED APD).

**Wolf Federal 1
30-025-42026
Mack Energy Corporation
August 27, 2014
Conditions of Approval**

See attached e-mails for chain of events. This type of request to remove a wellhead and install another will not be approved on future wells.

- 1. Operator states that the intermediate casing is 9-5/8" and 8-5/8". The BLM approved 8-5/8" casing and the conditions of approval are written for that size casing.**
- 2. Operator shall monitor the annulus until the production casing is set and cemented.**
- 3. During the productive life of the well, operator shall install some type of electronic pressure monitor on the 13-3/8" by 8-5/8" annulus. The operator shall maintain the records for BLM review if requested. Operator will not be required to keep more than a six year log of these readings. This means that once the well has been on for seven years, the first year's data may be deleted.**
- 4. The operator requested a change in the pressure rating of the wellhead to 3000 psi and a BOP/BOPE test to 3000 psi. That is approved.**
- 5. Operator stated in their APD that the 13-5/8" BOP would be nipped up on the 8-5/8" casing even though operator is installing an 11" wellhead. The operator shall install as stated with the double stud adapter.**

WWI 082714



Ingram, Wesley <wingram@blm.gov>

Wolf Federal #1

Ingram, Wesley <wingram@blm.gov>

Wed, Aug 20, 2014 at 3:55 PM

To: Jim Krogman <jimkrogman@mec.com>

Cc: Lee Livingston <leel@mec.com>, Stephen Caffey <scaffey@blm.gov>, Jerry Sherrell <jerrys@mec.com>

Jim,

Steve and I have decided that we will allow Mack to do as proposed. The e-mail correspondence will be attached to the sundry.

Sincerely,
Wesley W. Ingram
Supervisory Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Phone: 575-234-5982
Fax: 575-234-5927

On Mon, Aug 18, 2014 at 1:23 PM, Jim Krogman <jimkrogman@mec.com> wrote:

Wesley,

Your e-mail sent about the surface and intermediate already have been set and cemented was confusing to me since the previous e-mails are about removing the surface well head after the intermediate casing is set and cemented. I misunderstood your e-mail.

My first e-mail regarding my plans states After the intermediate section is drilled and 8 5/8" casing is cemented in place I will nipple down the BOP and cut off the 13 5/8"x 13 3/8"x3000# well head and weld on a 8 5/8"x 11"x 5000# well head to the 8 5/8" casing and nipple the BOP on the 8 5/8" intermediate casing.

As you are aware Mack Energy Corporation just received the approved permit on 8/5/2014. Mack Energy Corporation is presently building the location and the drilling rig will move in later this week.

As you are aware the sundries for the changes have been submitted.

Are we approved to proceed with the plan of removing the surface well head and install a plate between the 8 5/8" and 13 3/8" casing with piping to ground level so a gauge can be installed to monitor annulus.

Sincerely,

Jim Krogman

Mack Energy Corp.
Drilling Supervisor
(575) 748-1288 Work
(575) 703-7385 Mobile
(575) 746-2674 Home
jimkrogman@mec.com
Post Office Box 960
Artesia, New Mexico 88211-0960
United States of America

From: Ingram, Wesley [mailto:wingram@blm.gov]

Sent: Monday, August 18, 2014 11:29 AM

To: Jim Krogman

Cc: Lee Livingston; Stephen Caffey; Jerry Sherrell

Subject: Re: Wolf Federal #1

Jim,

Since your response confirmed the question regarding if the surface and intermediate casings have already been set and cemented. Please submit the cementing reports for those casing stings.

Sincerely,

Wesley W. Ingram
Supervisory Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Phone: 575-234-5982
Fax: 575-234-5927

On Thu, Aug 14, 2014 at 8:00 AM, Jim Krogman <jimkrogman@mec.com> wrote:

Wesley,

Yes. The last statement of the e-mail I sent yesterday implies that the casings have already been set and cemented.

Thanks,

Jim Krogman

Mack Energy Corp.
Drilling Supervisor
(575) 748-1288 Work
(575) 703-7385 Mobile
(575) 746-2674 Home
jimkrogman@mec.com
Post Office Box 960
Artesia, New Mexico 88211-0960
United States of America

From: Ingram, Wesley [mailto:wingram@blm.gov]

Sent: Thursday, August 14, 2014 7:44 AM

To: Jim Krogman

Cc: Lee Livingston; Stephen Caffey; Jerry Sherrell

Subject: Re: Wolf Federal #1

Jim,

The last statement of the e-mail sent yesterday implies that the casings have already been set and cemented. Is that the case?

Thank you.

Sincerely,

Wesley W. Ingram
Supervisory Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Phone: 575-234-5982
Fax: 575-234-5927

On Wed, Aug 13, 2014 at 3:12 PM, Jim Krogman <jimkrogman@mec.com> wrote:

Wesley,

What would it take to get a variance to this office policy? If we have circulated cement on both the surface and intermediate strings.

Thanks,

Jim Krogman

Mack Energy Corp.
Drilling Supervisor
(575) 748-1288 Work
(575) 703-7385 Mobile
(575) 746-2674 Home
jimkrogman@mec.com
Post Office Box 960
Artesia, New Mexico 88211-0960
United States of America

From: Ingram, Wesley [mailto:wingram@blm.gov]
Sent: Wednesday, August 13, 2014 12:34 PM
To: Jim Krogman
Cc: Lee Livingston; Stephen Caffey
Subject: Re: Wolf Federal #1

Jim,

First, I modified the casing program in the APD to state J-55 Hybrid as we discussed in the meeting. J-55 48# is a non-API casing and therefore should be listed as a hybrid.

We have not been approving the removal of a wellhead after it is installed unless the operator has cement problems on the next casing string. We have had too many instances with cement circulated on the intermediate that a problem eventually develops in the intermediate by surface casing annulus due to a microannulus and we have no control. This has been an internal CFO policy since about mid-year 2011 when we discovered that operators were removing the initial wellhead.

Sincerely,

Wesley W. Ingram
Supervisory Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office
620 E. Greene Street
Phone: 575-234-5982
Fax: 575-234-5927

On Mon, Aug 4, 2014 at 12:41 PM, Jim Krogman <jimkrogman@mec.com> wrote:

Wesley,

On the Wolf Federal #1 in Sec 3-T18s-R32e in Lea County, the lease # is NMNM-036852. The approved surface and intermediate casing program is surface casing 13 3/8-48#-J-55 set at 1,280' and Intermediate

casing 8 5/8"-32#-J-55 set at 2,700' This is regarding my plans. After the intermediate section is drilled and 8 5/8" casing is cemented in place I will nipple down the BOP and cut off the 13 5/8"x 13 3/8"x3000# well head and weld on a 8 5/8"x 11"x 5000# well head to the 8 5/8" casing and nipple the BOP on the 8 5/8" intermediate casing.

Let me know if you have any questions or comments.

Thanks,

Jim Krogman

Mack Energy Corp.

Drilling Supervisor

(575) 748-1288 Work

(575) 703-7385 Mobile

(575) 746-2674 Home

jimkrogman@mec.com

Post Office Box 960

Artesia, New Mexico 88211-0960

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