

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
NMLC-060199A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

SEP 17 2014

1. Type of Well  
 Oil Well     Gas Well     Other

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

2. Name of Operator  
Mack Energy Corporation

8. Well Name and No.  
Cutthroat Federal #5

3a. Address  
P.O. Box 960 Artesia, NM 88210-0960

3b. Phone No. (include area code)  
(575) 748-1288

9. API Well No.  
30-025-41557

4. Location of Well (Footage, Sec., T,R,M, or Survey Description)  
1650 FNL & 2310 FEL, Sec. 29 T17S R32E

10. Field and Pool or Exploratory Area  
Yeso

11. Country or Parish, State  
Lea, NM

12. CHECK THE 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 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 checked="" 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 must 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 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.)

Mack Energy Corporation as operator respectfully requests approval to Plugback and move uphole and perforate the Yeso formation from 5429-7300' acidize and frac the Cutthroat Federal #5 as follows:

- MIRU PU
- POH w/rods stand back 118-1" & 160-7/8" laydown 72-7/8" rods & 14 K- Bars. K-Bars will be run back in hole.
- NU 3K BOP & RU Lucky Well service safety equip. Kill well if needed to hold H2S down.
- POH w/tbg. Standback 230 jts & laydown bottom 50 jts. *See COA Additional Plug*
- RU wireline & set CIBP @ 8921' w/35' cmt. Cover perfs @ 9021'-9129'.
- RIH w/wireline & set CIBP @ 7464' & cap w/35' cmt. Cover Top of Abo @ 7474'.
- Perf yeso 5429'-7300'. *7574 255x min. see COA*
- RIH w/Packer PPI Perfs & pump acid ball job.
- Swab & evaluate
- If zone looks productive proceed w/slickwater frac.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Jerry W. Sherrell  
Title Production Clerk  
Signature *Jerry W. Sherrell*  
Date 8-29-2014

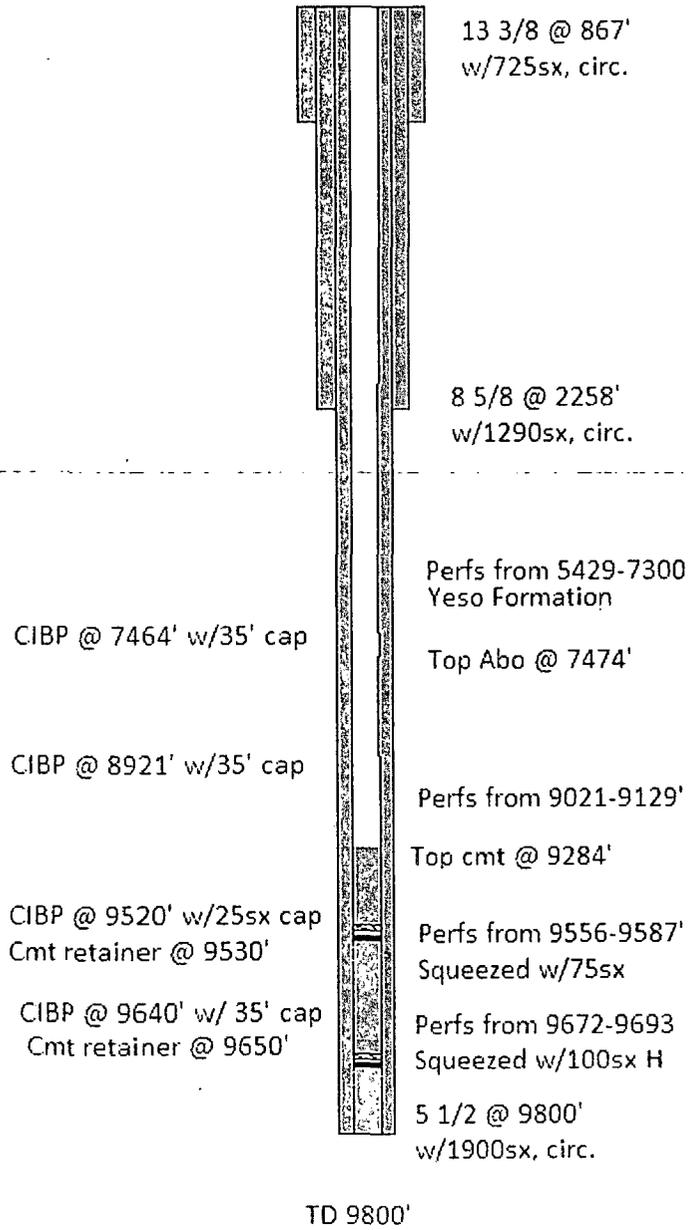
THIS SPACE FOR FEDERAL OR STATE OFFICE USE  
 Approved by \_\_\_\_\_ Title \_\_\_\_\_ Office \_\_\_\_\_  
 Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
 Approved by \_\_\_\_\_ Title \_\_\_\_\_ Office \_\_\_\_\_  
 SEP 10 2014  
 /s/ Chris Walls

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for my person knowingly and willfully to make, in any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# Mack Energy Corporation

Cutthroat Federal #5 Sec. 29 T17S R32E 30-025-41557

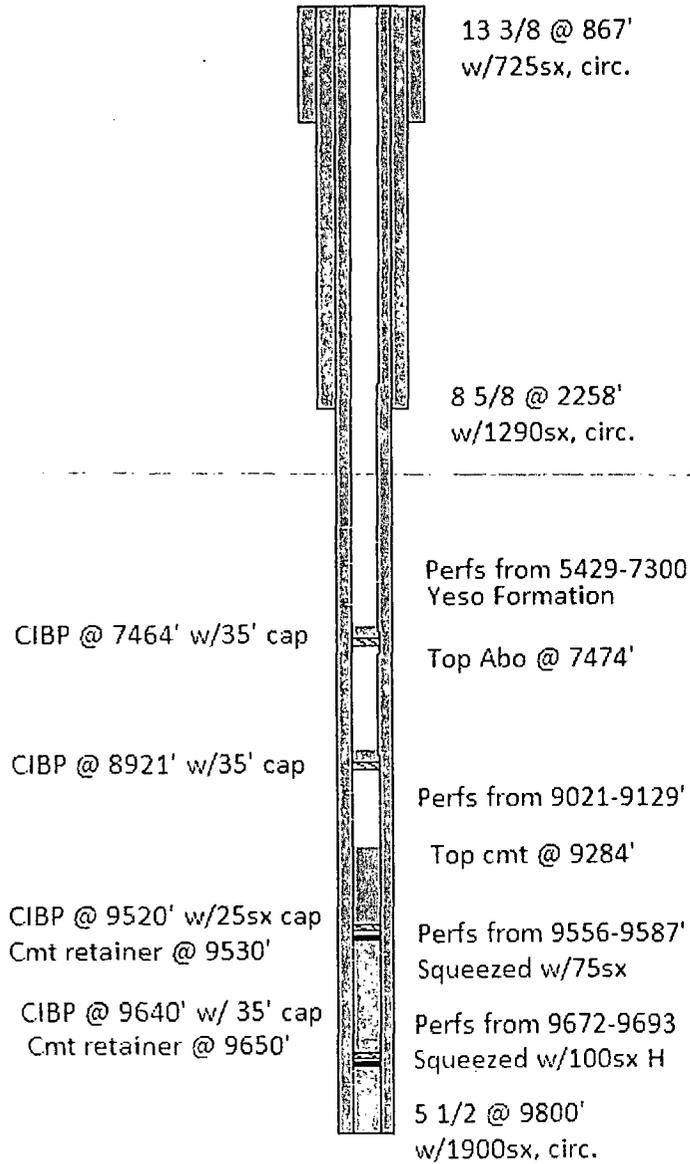
Before



# Mack Energy Corporation

Cutthroat Federal #5 Sec. 29 T17S R32E 30-025-41557

After



TD 9800'

**Cutthroat Federal 5**  
**30-025-41557**  
**Mack Energy Corporation**  
**September 10, 2014**  
**Conditions of Approval**

**Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.**

- 1. Prior to setting CIBP at 8921' the operator shall place a minimum of 25 sx Class H Cement on top of the CIBP at 9,520' to seal the top of the Wolfcamp formation (Top of Wolfcamp at 9346'). WOC and tag at approximately 9,296'.**
- 2. Operator shall set CIBP at 7574' and place a minimum of 25 sx Class H Cement on top of the CIBP to seal the top of the Abo formation. (Top of Abo at 7474')**
3. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
4. Surface disturbance beyond the originally approved pad must have prior approval.
5. Closed loop system required.
6. All waste (i.e. drilling fluids, 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.
7. Operator to have H2S monitoring equipment on location.
8. A minimum of a **3000 (3M)** BOP 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.
- 9. Subsequent sundry required detailing work done, a C-102 form, and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.**
10. See attached for general requirements.

**CRW 091014**

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

**Permanent Abandonment of Production Zone Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from this approval.

**If you are unable to plug back the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement.

**Before pumping cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.