Form 3160-5
(August 2007)

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 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 page 2.

5. Lease Serial No.
NM 17238

6. If Indian, Allottee or Tribe Name
N/A

HOBBS OCD

DEC 21 2015

RECEIVED

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Tonto Fed # 4

2. Name of Operator
Shackelford Oil Company

9. API Well No.
3002534935

3a. Address
203 W. Wall Street Ste. 200
Midland Tx 79701

3b. Phone No. *(include area code)*
432-682-9784

10. Field and Pool or Exploratory Area
Teas Delaware

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
1650 FSL , & 330 FEL Sec. 3 T20S R33E

11. Country or Parish, State
Lea County

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other
	☐ Change Plans	☑ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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.)

1. Set CIBP @ 6675 Cap W/~~15~~sx 25sx min (WOC & Tag at 6505')
2. Second Plug @ ~~4500-4400~~ W/40sx Plug moved See COA
3. Third Plug @ ~~3460-3360~~ W/40sx PST See COA
4. Fourth plug @ 1391-1241 W/75sx PST See COA } Perf + Squeeze
5. Fifth Plug @ 300-100 W/75sx PST See COA
6. Sixth Plug @ 60-Surface W/30sx PST See COA
7. Cut off wellhead, reclamate location and reseed with BLM seed.

E-PERMITTING <SWD____INJECTION>
CONVERSION____ RBDMS____
RETURN TO____ TA____
CSNG____ENVIRO____CHG LOC____
INT TO PA____P&A NR____P&A R____

RECLAMATION PROCEDURE ATTACHED

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
Clay Houston

Title Operations

Signature

Date 11-19-15

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date DEC 10 2015

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

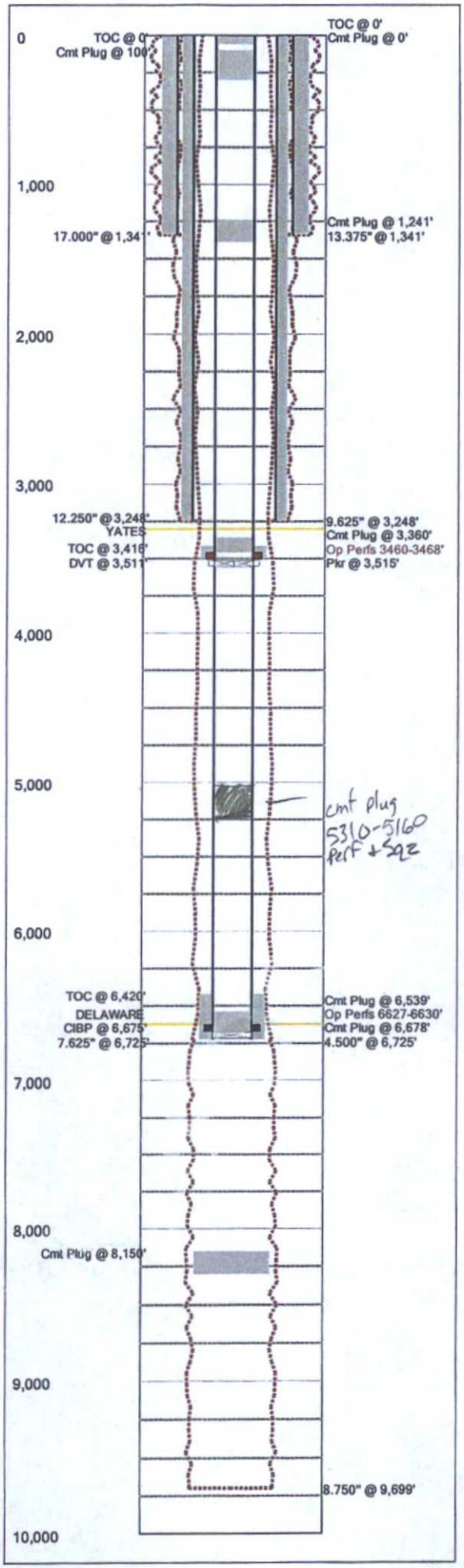
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

(Instructions on page 2)

MW/OCD
12/22/2015

~~DEC 31 2015~~
1/4/16



Last Updated: 11/16/2015 03:27 PM

Field Name	Lease Name	Well No.
Yates	Tonto Federal	4

County	State	API No.
Lea	New Mexico	30025349350000

Version	Version Tag
4	Plugging

GL (ft)	KB (ft)	Section	Township/Block	Range/Survey
		3	20S	33E

Operator	Well Status	Latitude	Longitude
Shackelford Oil Company	Producer		

Dist. N/S (ft)	N/S Line	Dist. E/W (ft)	E/W Line	Footage From
1650	FSL	330	FEL	

Prop Num	Spud Date	Comp. Date
	2/23/2000	5/25/2001

Additional Information

Other 1	Other 2	Other 3	Other 4

Prepared By	Updated By	Last Updated
Shackelford	Shackelford	11/16/2015 3:27 PM

Hole Summary

Date	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	17.000	0	1,341	
	12.250	0	3,248	
	8.750	6,725	9,699	
	7.625	0	6,725	

Tubular Summary

Date	Description	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)
	Surface Casing	13.375	64.00	K-55	0	1,341
	Intermediate Casing	9.625	40.00	J-55	0	3,248
	Production Casing	4.500	11.60	J-55	0	6,725

Casing Cement Summary

C	Date	No. Sx	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
		1,060	13.375	0	1,341	775 POZ & 285 CLASS C
		705	9.625	0	3,248	CLASS C
		155	4.500	3,416	3,500	
		145	4.500	6,420	6,725	145 CLASS C

Tools/Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)
	DVT	4.500	0.000	3,511	0
	Pkr	4.500	0.000	3,515	0
	CIBP	4.500	0.000	6,675	0

Cement Plug Summary

Date	No. Sx	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
		8.750	8,150	8,300	
	30	4.500	0	60	PST
	75	4.500	100	300	PST
	75	4.500	1,241	1,391	PST
	40	4.500	3,360	3,460	PST
	15	4.500	6,539	6,675	
		4.500	6,678	6,725	

Perforation Summary

C	Date	Perf. Status	Formation	OA Top (MD ft)	OA Bottom (MD ft)	Shots
		Open		3,460	3,468	32
		Open		6,627	6,630	12

Formation Tops Summary

Formation	Top (TVD ft)	Comments
YATES	3,304	
DELAWARE	6,624	

Last Updated: 11/16/2015 03:27 PM

Field Name	Lease Name	Well No.	County	State	API No.
Yates	Tonto Federal	4	Lea	New Mexico	30025349350000

Version	Version Tag	Spud Date	Comp. Date	GL (ft)	KB (ft)
4	Plugging	2/23/2000	5/25/2001		

Section	Township/Block	Range/Survey	Dist. N/S (ft)	N/S Line	Dist. E/W (ft)	E/W Line	Footage From
3	20S	33E	1,650	FSL	330	FEL	

Operator	Well Status	Latitude	Longitude	Prop Num
Shackelford Oil Company	Producer			

Other 1	Other 2	Other 3	Other 4

Last Updated	Prepared By	Updated By
11/16/2015 3:27 PM	Shackelford	Shackelford

Additional Information

Hole Summary

Date	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
	17.000	0	1,341	
	12.250	0	3,248	
	8.750	6,725	9,699	
	7.625	0	6,725	

Tubular Summary

Date	Description	No. Jts	O.D. (in)	Wt (lb/ft)	Grade	Top (MD ft)	Bottom (MD ft)	Comments
	Surface Casing		13.375	64.00	K-55	0	1,341	
	Intermediate Casing		9.625	40.00	J-55	0	3,248	
	Production Casing		4.500	11.60	J-55	0	6,725	

Casing Cement Summary

C	Date	No. Sx	Yield (ft3/sk)	Vol. (ft3)	Csg. O.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
		1,060	1.00	1,060	13.375	0	1,341		775 POZ & 285 CLASS C
		705	1.00	705	9.625	0	3,248		CLASS C
		155	1.00	155	4.500	3,416	3,500		
		145	1.00	145	4.500	6,420	6,725		145 CLASS C

Tools/Problems Summary

Date	Tool Type	O.D. (in)	I.D. (in)	Top (MD ft)	Bottom (MD ft)	Description	Comments
	DV tool	4.500	0.000	3,511	0		
	Packer	4.500	0.000	3,515	0		
	Cast Iron Bridge Plug	4.500	0.000	6,675	0		

Cement Plug Summary

Date	No. Sx	O.D. (in)	Top (MD ft)	Bottom (MD ft)	Comments
		8.750	8,150	8,300	
	30	4.500	0	60	PST
	75	4.500	100	300	PST
	75	4.500	1,241	1,391	PST
	40	4.500	3,360	3,460	PST
	15	4.500	6,539	6,675	
		4.500	6,678	6,725	

Perforation Summary

C	Date	Perf. Status	Formation	Comments
		Open		

Top (MD ft)	Bottom (MD ft)	SPF	Shots	Phasing (deg)	Interval Comments
3,460	3,468	4	32		

C	Date	Perf. Status	Formation	Comments
		Open		

Top (MD ft)	Bottom (MD ft)	SPF	Shots	Phasing (deg)	Interval Comments
6,627	6,630	4	12		

Formation Top Summary

Formation Name	Top(TVD ft)	Comments
YATES	3,304	
DELAWARE	6,624	

Tonto Federal 4
30-025-34935
Shackelford Oil Co.
December 9, 2015
Conditions of Approval

Plugging Procedure:

Operator to have H2S monitoring equipment on location as H2S has been reported in the area,

Plug 1 – Pump a minimum of 25 sx on CIBP at 6675'. WOC and tag at 6505' or higher.
Plug 2 – Move this plug to 5310-5160' Perf at 5310' and squeeze cement. Ok. (Top of Delaware at 5260').
Plug 3 – R-111-P requires a solid plug across the salt. A plug must be set from 3561-1660'. The casing can be cut and pulled above the TOC or the plug will have to be perfed and squeezed from 3561' to 1660' .WOC and tag at 1660'. (DV tool-3511', Intermediate Shoe-3248', Base of Salt-3137', Top of Salt-1710').
Plug 4 – Perforate at 1391 and Squeeze cement from 1391-1241'. WOC and Tag. (Surface shoe)
Plug 5 – Perforate at 300' and squeeze cement from 300-100'. WOC and Tag.
Plug 6 – Perforate at 60 feet and squeeze cement to surface in all annuli.

See attached for Condition of Approval for lesser prairie-chicken:

See attached standard P&A Conditions of Approval

CRW 120915

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

Permanent Abandonment of Federal Wells
Conditions of Approval (LPC Habitat)

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 the approval date of this Notice of Intent to Abandon.

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

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification: Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.**

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. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing 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. Below Ground Level Cap (Lesser Prairie-Chicken Habitat): All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.** Upon the plugging and subsequent abandonment of wells that are located in lesser prairie-chicken habitat, the casings shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least ¼ inch thick and welded in place. A weep hole shall be left in the plate and/or casing.

NMOCD also requires the operator to notify NMOCD when this type of dry hole marker is used. This can be done on the subsequent report of abandonment which is submitted to the BLM after the well is plugged. State that a below ground cap was installed as required in the COA's from the BLM.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging 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 well was plugged.**

8. 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.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.

Timing Limitation Stipulation/ Condition of Approval for Lesser Prairie-Chicken:
From March 1st through June 15th annually, abandonment activities will be allowed except between the hours from 3:00 am and 9:00 am. Normal vehicle use on existing roads will not be restricted

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

TAKE PRIDE® IN AMERICA

In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo "final" reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any and all contaminants, scrap/trash, equipment, pipelines and powerlines. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip and seed as specified in the original APD COA. This will apply to well pads, facilities, and access roads. Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.

2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.

3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.

4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.

6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.

7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech
575-234-5909, 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Linda Denniston
Environmental Protection Specialist
575-234-5974

Henryetta Price
Environmental Protection Specialist
575-234-5951

Dara Glass
Environmental Protection Specialist
575-234-5924

Shelly Tucker
Environmental Protection Specialist
575-234-5979