

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD Hobbs  
**HOBBS OCD**

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.*

AUG 08 2016  
**RECEIVED**

5. Lease Serial No.  
NM 27572

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.  
LAGUNA DEEP FEDERAL #3

9. API Well No.  
30-025-27152

10. Field and Pool or Exploratory Area  
TEAS, BONE SPRING

11. Country or Parish, State  
LEA COUNTY, NM

**SUBMIT IN TRIPLICATE** - Other instructions on page 2.

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
SHACKELFORD OIL COMPANY

3a. Address  
203 W WALL ST, STE 200 MIDLAND, TX 79701

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
990' FSL & 1980' FWL SEC 35 T19S R33E

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 checked="" 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 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.)

for 1 yr  
@3150 with 35' cmt  
dump bailed on top

SHACKELFORD OIL COMPANY PROPOSES TO TEMPORARILY ABANDON THE LAGUNA DEEP FEDERAL #3 BY PLACING A CIBP WITHIN 100 FEET OF THE CURRENT PERFS AT 3220'-3238' AND LOAD THE CASING WITH 2% KCL WATER AND PRESSURE TEST TO 500 PSI WITH A PRESSURE DROP OF NO MORE THAN 10% OVER A 30 MINUTE PERIOD. SHACKELFORD INTENDS TO USE THIS WELLBORE FOR POSSIBLE HORIZONTAL OR DISPOSAL WELL AT A LATER DATE.

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

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

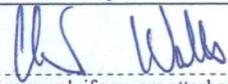
Name (Printed/Typed)  
DON SHACKELFORD

Title OWNER/PRESIDENT

Signature 

Date 07/27/2016

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by 

Title Eng

Office LFO

Date 8/1/16

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.

msb/ocs 8/10/2016

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

Temporary Abandonment of Wells on Federal Lands  
Conditions of Approval

A temporarily abandoned well is defined as a completion that is not capable of production in paying quantities but which may have value as a service well. Pursuant to 43 CFR 3162.3-4 (c), no well may be temporarily abandoned for more than 30 days without the prior approval of the authorized officer.

Temporary Abandonment (TA) status approval requires a successful mechanical or casing integrity test as follows:

1. A Notice of Intent (NOI) Sundry Notice (Form 3160-5) requesting approval to run a mechanical integrity test (MIT) or casing integrity test (CIT).
2. A description of the temporary abandonment procedure.
  - a. A bridge plug or packer must be installed as close to 50 feet above any open perforations or open hole as possible. If a cement plug is used, the top of the cement must be verified by tagging. CIBP must be capped with minimum 25 sacks cement, placed with tubing, or 35 feet of cement if placed with bailer.
  - b. The wellbore must be filled with corrosion inhibited fluid and pressure tested to 500 psi. The casing shall be capable of holding this pressure for at least 30 minutes. Any leak-off will be evaluated.
  - c. All downhole production/injection equipment (tubing, rods, etc.) shall be removed from the casing if they are not isolated by a packer.
  - d. A bradenhead test must be conducted. If the test indicates a problem exists, a remedial plan and time frame for remediation shall be submitted within ninety (90) days of the test.
  - e. Contact the appropriate BLM office at least 24 hours prior to the scheduled Casing Integrity Test. For wells in Eddy County, 575-361-2822; Lea County 575-393-3612.
3. **Provide justification why the well should be temporarily abandoned rather than permanently plugged and abandoned and an estimated date that the well will be returned to beneficial use or plugged and abandoned. 43 CFR 3162.3-4 (a) The operator shall promptly plug and abandon...wells in which oil or gas is not encountered in paying quantities...**

Wells that successfully pass the casing integrity test **may** be approved for Temporary Abandonment (TA) status provided that the operator:

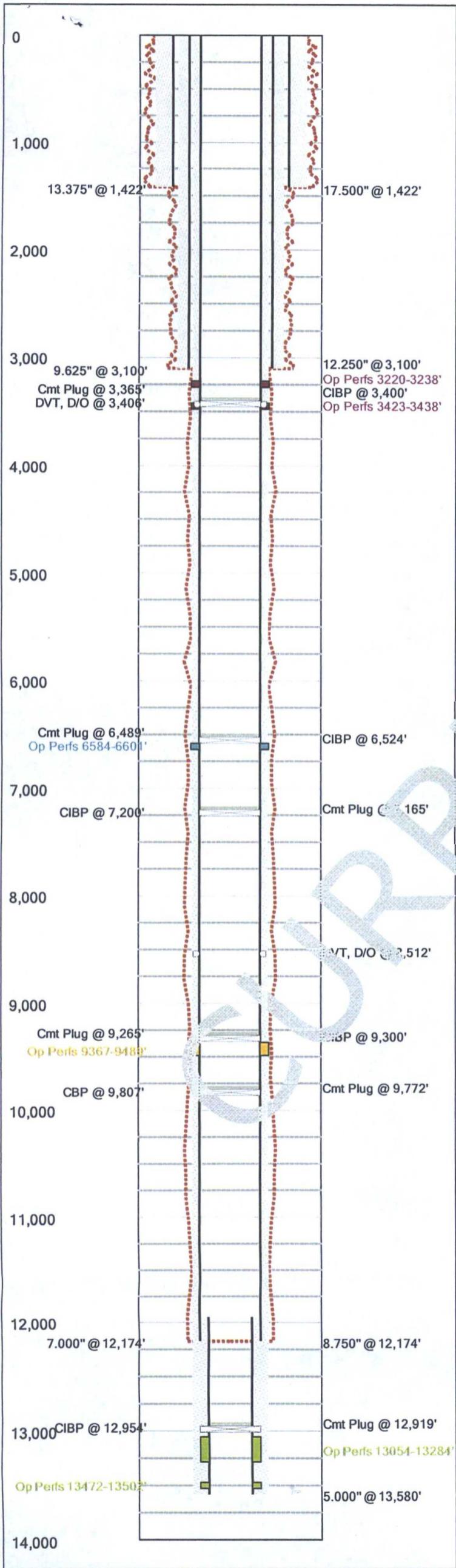
1. **Submits a subsequent Sundry Notice** (Form 3160-5) requesting TA approval **with well bore diagram** with all perforations and CIBP's and tops of cement on CIBP's.
2. Describes the temporary abandonment procedure.
3. Attaches a clear copy or the original of the pressure test chart.
4. Give justification to allow well to be place in TA status and plan for future use of well with time frame that well will be place back on line or plans to P&A well will be submitted.

If the well does not pass the casing integrity test, then the operator shall within 30 days submit to BLM for approval one of the following:

1. A procedure to repair the casing so that a TA approval can be granted.
2. A procedure to plug and abandon the well.

### Laguna Deep Federal #3

1. Well is approved to be TA/SI for a period of 12 months or until 8/1/2017
2. Must submit NOI to recomplete or NOI to P&A. Must be submitted by 8/1/2017



|                         |             |                |                   |                |
|-------------------------|-------------|----------------|-------------------|----------------|
| Field Name              |             | Lease Name     |                   | Well No.       |
| Laguna Deep             |             | Laguna Deep    |                   | 3              |
| County                  |             | State          |                   | API No.        |
| Lea                     |             | New Mexico     |                   | 30025271520000 |
| Version                 | Version Tag |                |                   |                |
| 1                       | Current     |                |                   |                |
| GL (ft)                 | KB (ft)     | Section        | Township/Block    | Range/Survey   |
| 3,589.0                 | 3,612.0     | 35             | 19s               | 32e            |
| 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   |
| 990                     | FSL         | 1980           | FEL               | SE/4           |
| Prop Num                |             | Spud Date      | Comp. Date        |                |
|                         |             | 12/26/1981     | 12/26/1981        |                |
| Additional Information  |             |                |                   |                |
| Other 1                 | Other 2     | Other 3        | Other 4           |                |
|                         |             |                |                   |                |
| Prepared By             |             | Updated By     | Last Updated      |                |
| Shackelford             |             | Shackelford    | 7/27/2016 2:48 PM |                |

**Hole Summary**

| Date | O.D. (in) | Top (MD ft) | Bottom (MD ft) | Comments |
|------|-----------|-------------|----------------|----------|
|      | 17.500    | 0           | 1,422          |          |
|      | 12.250    | 1,422       | 3,100          |          |
|      | 8.750     | 3,100       | 12,174         |          |

**Tubular Summary**

| Date | Description         | O.D. (in) | Wt (lb/ft) | Grade | Top (MD ft) | Bottom (MD ft) |
|------|---------------------|-----------|------------|-------|-------------|----------------|
|      | Surface Casing      | 13.375    | 48.00      |       | 0           | 1,422          |
|      | Intermediate Casing | 9.625     | 36.00      |       | 0           | 3,100          |
|      | Production Casing   | 7.000     | 26.00      |       | 0           | 12,174         |
|      | Tool Joint          | 5.000     | 17.95      |       | 11,947      | 13,580         |

**Casing Cement Summary**

| C | Date | No. Sx | Csg. O.D. (in) | Top (MD ft) | Bottom (MD ft) | Comments   |
|---|------|--------|----------------|-------------|----------------|------------|
|   |      | 1,400  | 13.375         | 0           | 1,422          | circulated |
|   |      | 1,200  | 9.625          | 0           | 3,100          | circulated |
|   |      | 3,250  | 7.000          | 0           | 12,174         | circulated |
|   |      | 250    | 5.000          | 11,947      | 13,580         |            |

**Tools/Problems Summary**

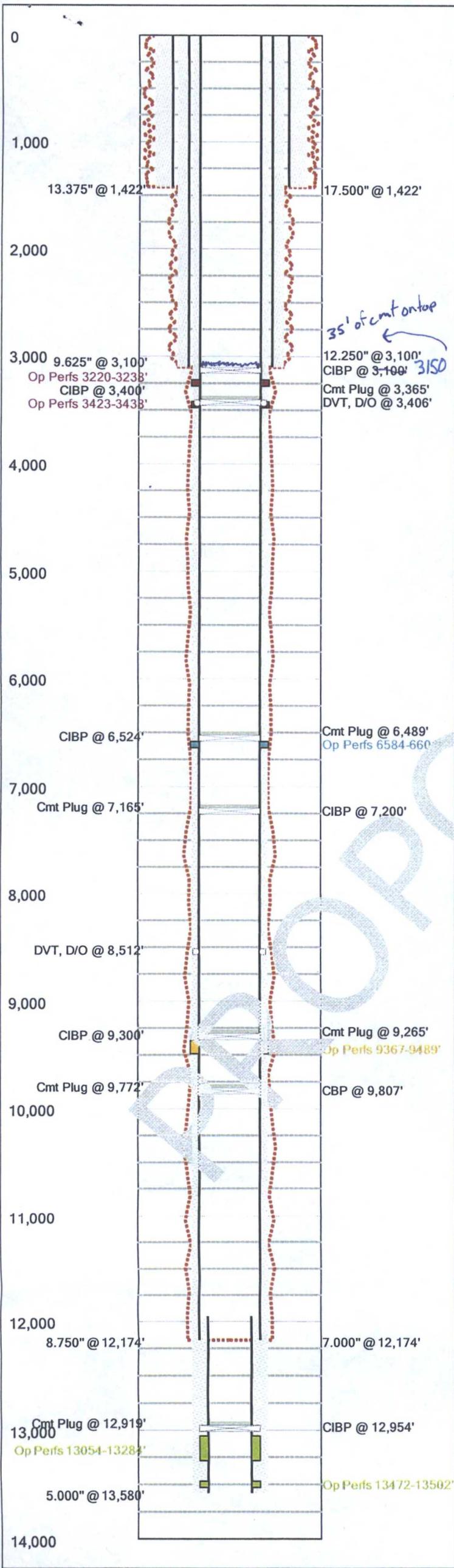
| Date      | Tool Type | O.D. (in) | I.D. (in) | Top (MD ft) | Bottom (MD ft) |
|-----------|-----------|-----------|-----------|-------------|----------------|
|           | CIBP      | 7.000     | 0.000     | 3,400       | 0              |
|           | DVT, D/O  | 7.000     | 0.000     | 3,406       | 0              |
|           | CIBP      | 7.000     | 0.000     | 6,524       | 0              |
|           | CIBP      | 7.000     | 0.000     | 7,200       | 0              |
|           | DVT, D/O  | 7.000     | 0.000     | 8,512       | 0              |
|           | CIBP      | 7.000     | 0.000     | 9,300       | 0              |
| 3/29/2000 | CBP       | 7.000     | 0.000     | 9,807       | 0              |
|           | CIBP      | 7.000     | 0.000     | 12,954      | 0              |

**Cement Plug Summary**

| Date | No. Sx | O.D. (in) | Top (MD ft) | Bottom (MD ft) | Comments |
|------|--------|-----------|-------------|----------------|----------|
|      |        | 7.000     | 3,365       | 3,400          |          |
|      |        | 7.000     | 6,489       | 6,524          |          |
|      |        | 7.000     | 7,165       | 7,200          |          |
|      |        | 7.000     | 9,265       | 9,300          |          |
|      |        | 7.000     | 9,772       | 9,807          |          |
|      |        | 7.000     | 12,919      | 12,954         |          |

**Perforation Summary**

| C | Date | Perf. Status | Formation      | OA Top (MD ft) | OA Bottom (MD ft) | Shots |
|---|------|--------------|----------------|----------------|-------------------|-------|
|   |      | Open         | YATES          | 3,220          | 3,238             | 72    |
|   |      | Open         | SEVEN RIVERS   | 3,423          | 3,438             | 60    |
|   |      | Open         | delaware lower | 6,584          | 6,601             | 68    |
|   |      | Open         | BONE SPRING    | 9,367          | 9,489             |       |
|   |      | Open         | Middle Morrow  | 13,054         | 13,284            | 0     |
|   |      | Open         | Morrow         | 13,472         | 13,502            | 60    |



|                         |          |                |                |                   |                |
|-------------------------|----------|----------------|----------------|-------------------|----------------|
| Field Name              |          | Lease Name     |                | Well No.          |                |
| Laguna Deep             |          | Laguna Deep    |                | 3                 |                |
| County                  |          |                | State          |                   | API No.        |
| Lea                     |          |                | New Mexico     |                   | 30025271520000 |
| Version                 |          | Version Tag    |                |                   |                |
| 2                       |          | Proposed       |                |                   |                |
| GL (ft)                 | KB (ft)  | Section        | Township/Block | Range/Survey      |                |
| 3,589.0                 | 3,612.0  | 35             | 19S            | 32E               |                |
| 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      |                |
| 990                     | FSL      | 1980           | FEL            | SE/4              |                |
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|                         |          | 12/26/1981     |                | 12/26/1981        |                |
| Additional Information  |          |                |                |                   |                |
| Other 1                 | Other 2  | Other 3        | Other 4        |                   |                |
|                         |          |                |                |                   |                |
| Prepared By             |          | Updated By     |                | Last Updated      |                |
| Shackelford             |          | Shackelford    |                | 7/27/2016 2:49 PM |                |

| Date | O.D. (in) | Top (MD ft) | Bottom (MD ft) | Comments |
|------|-----------|-------------|----------------|----------|
|      | 17.500    | 0           | 1,422          |          |
|      | 12.250    | 1,422       | 3,100          |          |
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|      | liner               | 5.000     | 17.95      |       | 11,947      | 13,580         |

| Date | No. Sx | Csg. O.D. (in) | Top (MD ft) | Bottom (MD ft) | Comments   |
|------|--------|----------------|-------------|----------------|------------|
|      | 1,400  | 13.375         | 0           | 1,422          | circulated |
|      | 1,200  | 9.625          | 0           | 3,100          | circulated |
|      | 3,250  | 7.000          | 0           | 12,174         | circulated |
|      | 250    | 5.000          | 11,947      | 13,580         |            |

| Date      | Tool Type | O.D. (in) | I.D. (in) | Top (MD ft) | Bottom (MD ft) |
|-----------|-----------|-----------|-----------|-------------|----------------|
|           | CIBP      | 7.000     | 0.000     | 3,100       | 0              |
|           | GIBP      | 7.000     | 0.000     | 3,400       | 0              |
|           | DVT, D/O  | 7.000     | 0.000     | 3,406       | 0              |
|           | CIBP      | 7.000     | 0.000     | 6,524       | 0              |
|           | CIBP      | 7.000     | 0.000     | 7,200       | 0              |
|           | DVT, D/O  | 7.000     | 0.000     | 8,512       | 0              |
|           | CIBP      | 7.000     | 0.000     | 9,300       | 0              |
| 3/29/2000 | CBP       | 7.000     | 0.000     | 9,807       | 0              |
|           | CIBP      | 7.000     | 0.000     | 12,954      | 0              |

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|      |        | 7.000     | 6,489       | 6,524          |          |
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|      |        | 7.000     | 9,265       | 9,300          |          |
|      |        | 7.000     | 9,772       | 9,807          |          |
|      |        | 7.000     | 12,919      | 12,954         |          |

| C | Date | Perf. Status | Formation      | OA Top (MD ft) | OA Bottom (MD ft) | Shots |
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