

HOEBS OCD
APR 10 2017
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
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.

5. Lease Serial No.
NMLC 067775

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Sabre Operating, Inc. /

3a. Address
P.O. BOX 4848 WICHITA FALLS, TX 76308

3b. Phone No. (include area code)
940-696-8077

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
NW/4 NW/4 SEC. 29-T9S-R38E /

7. If Unit of CA/Agreement, Name and/or No.
NMNM71118

8. Well Name and No.
McCormick #1 /

9. API Well No.
30-025-07070

10. Field and Pool or Exploratory Area

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 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 checked="" 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 _____
	<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 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.)

PLEASE SEE ATTACHED.

Denied

Subsequent report for previous TA was never submitted. Submit subsequent report with details on TA procedure and MIT results.

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

Title **President**

Signature **Ron Jackson**

Date **8-11-16**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **Denied**

Title _____

Office _____

Date **03/27/2017**

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)

Accepted for Record Only
YMSB/OCD 4/12/2017

SABRE OPERATING INC.
PO BOX 4848
WICHITA FALLS, TX 76308
940.696.8077 X212

AUGUST 11, 2016

MR. JIM AMOS

BLM

MCCORMICK #1 API: 30-025-0707

SECTION 29-T9S-R38E, LEA CO., NEW MEXICO

DEAR MR AMOS:

DRILLING COMMENCED ON THIS WELL IN AUGUST 1959 AND IT WAS COMPLETED FEBRUARY 1959. THERE IS 364' OF 8 5/8" SURFACE PIPE CEMENTED WITH 210 SACKS OF CEMENT. CEMENT WAS CIRCULATED TO SURFACE. 5,048' OF 5 1/2" J55 PRODUCTION CASING WAS THEN RAN AND CEMENTED WITH 250 SX OF 50-50 POZ WITH APPROXIMATELY 2,000' OF FILL IN 7 7/8" HOLE AND 250 GALLONS OF LATEX FOR APPROXIMATELY 175' FILL THRU PAY ZONE. THE WELL WAS THEN PERFORATED AT 4,968-4,984 WITH 4 SHOTS PER FOOT.

THE MCCORMICK WAS TEMPORARILY SHUT IN BACK IN AUGUST 2015 WITH A DOWNHOLE EQUIPMENT PROBLEM. LOW GAS AND OIL PRICES DID NOT JUSTIFY REESTABLISHING PRODUCTION AT THAT TIME. THE GAS COMPANY HAS SINCE REMOVED THE METER.

WE RECENTLY APPROACHED THE GAS COMPANY REGRADING REINSTALLING THE METER. THEY ADVISED US THAT SINCE THE GAS IS 21% H2S, CO2 AND NITROGEN THE VALUE OF THE GAS DECLINES SIGNIFICANTLY. BECAUSE OF THE CURRENT GAS MARKET WE PROBABLY ACTUALLY WOULD BE PAYING THE GAS PURCHASER TO SELL OUR GAS. THE PURCHASER ALSO SAID BECAUSE OF THE POOR QUALITY THEY MAY NOT BE INTERESTED IN TAKING THE GAS AT THIS TIME. THIS IS INTERESTING BECAUSE THEY TOOK IT FOR 35 YEARS WITHOUT A PROBLEM. IF WE PERFORM A WORKOVER NOW THE COST TO REINSTALL THE GAS METER IS \$8,000. THE WORKOVER, WHEN DONE, WILL INCLUDE PULLING AND TESTING THE TUBING, RUNNING IT BACK IN WITH A PACKER AND ACIDIZING THE ZONE. THE PUMP WILL THEN BE RAN BACK ON THE HOLE AND HUNG OFF TO PUMP.

IN SHORT, LAST WINTER WAS THE WARMEST FOR OUR COUNTRY ON RECORD IN THE LAST 143 YEARS. THERE IS TOO MUCH GAS AND THESE PURCHASERS, AT THIS POINT IN TIME, DON'T WANT TO DEAL WITH THESE MARGINAL WELLS. WE ARE ON SCHEDULE TO HAVE A VERY COLD BRUTAL WINTER. THAT COUPLED WITH THE BIG DECLINE IN GAS WELLS DRILLED SHOULD BALANCE THE MARKET IN THE NEXT 9 MONTHS AND CHANGE THEIR ATTITUDE. WE ARE DEALING WITH THIS ATTITUDE IN EVERY STATE DEALING WITH THESE GAS PURCHASERS.

I BELIEVE WITH AN ACID JOB AND POSSIBLE REPERFORATION WE CAN RE-ESTABLISH PRODUCTION ON THIS WELL AT 2-3 BOPD AND 70 MCFD PER THE HISTORICAL CURVE (ATTACHED).

WE ARE REQUESTING A 12 MONTH EXTENSION TO PERMIT THE GAS MARKET TO REBALANCE SO THAT WE CAN AT LEAST MAKE A PROFIT WHEN WE SELL OUR GAS. PLEASE PERMIT THIS OLD WARHOSE WELL TO PRODUCE THE MANY MORE YEARS IT IS CAPABLE OF. WE ARE HOPING THE MARKET CHANGES THIS WINTER. WEATHER MEN PREDICT AN EL NINO FOLLOWING THE EL NINA WE JUST HAD WILL BRING THE COUNTRY A REALLY COLD WINTER, THUS SAPPING SOME OF THIS EXCESS.

I SINCERELY APPRECIATE ANY CONSIDERATION YOU MIGHT GRANT.

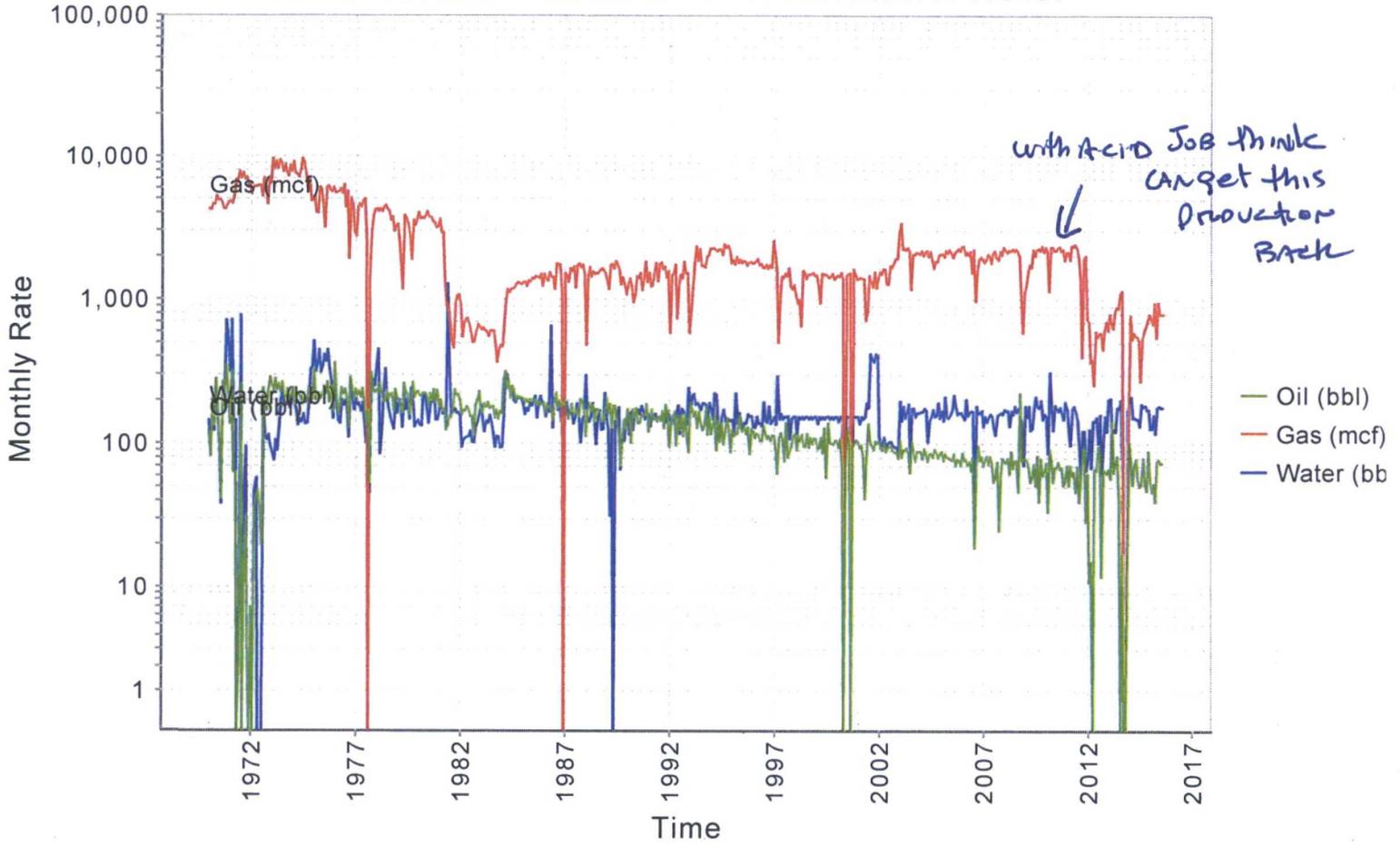
VERY TRULY YOURS,

A handwritten signature in blue ink that reads "Ron Jackson". The signature is written in a cursive, slightly slanted style.

RONALD K. JACKSON

PRESIDENT

Rate vs. Time Graph
MCCORMICK FEDERAL - 1 - 1300210250707055480



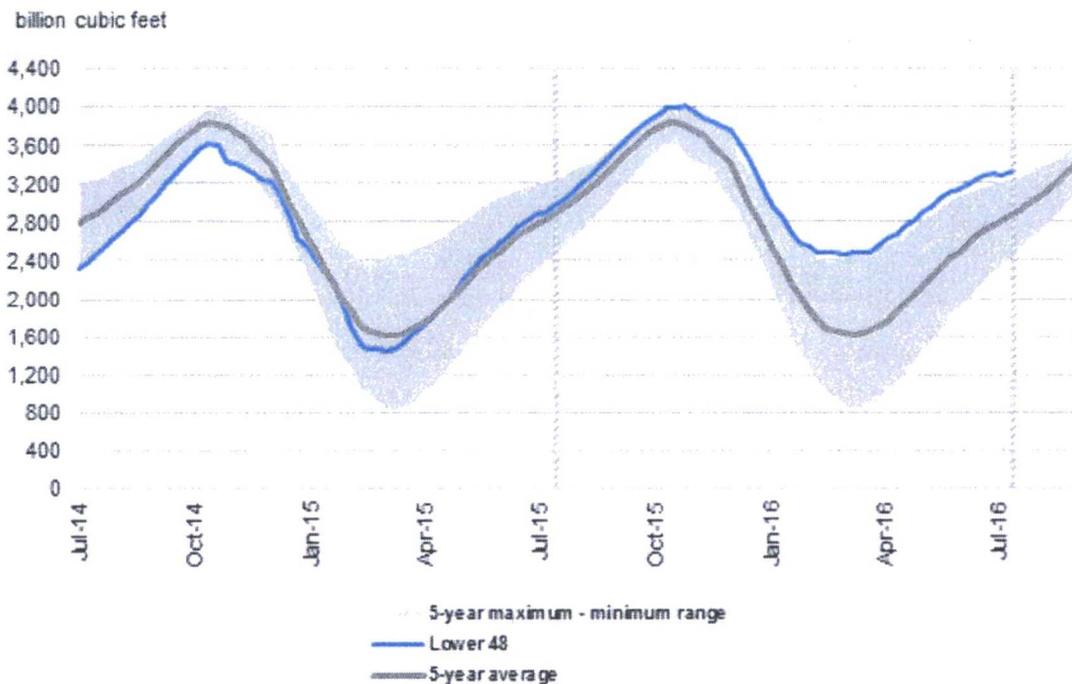
Summary text CSV JSN Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
	08/05/16	07/29/16	net change	implied flow	Year ago (08/05/15)		5-year average (2011-15)	
					Bcf	% change	Bcf	% change
East	746	729	17	17	674	10.7	688	8.4
Midwest	845	825	20	20	704	20.0	730	15.8
Mountain	215	213	2	2	175	22.9	166	29.5
Pacific	314	314	0	0	343	-8.5	326	-3.7
South Central	1,197	1,207	-10	-10	1,059	13.0	968	23.7
Salt	313	320	-7	-7	291	7.6	228	37.3
Nonsalt	884	886	-2	-2	767	15.3	739	19.6
Total	3,317	3,288	29	29	2,956	12.2	2,877	15.3

Summary

Working gas in storage was 3,317 Bcf as of Friday, August 5, 2016, according to EIA estimates. This represents a net increase of 29 Bcf from the previous week. Stocks were 361 Bcf higher than last year at this time and 440 Bcf above the five-year average of 2,877 Bcf. At 3,317 Bcf, total working gas is above the five-year historical range.

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration

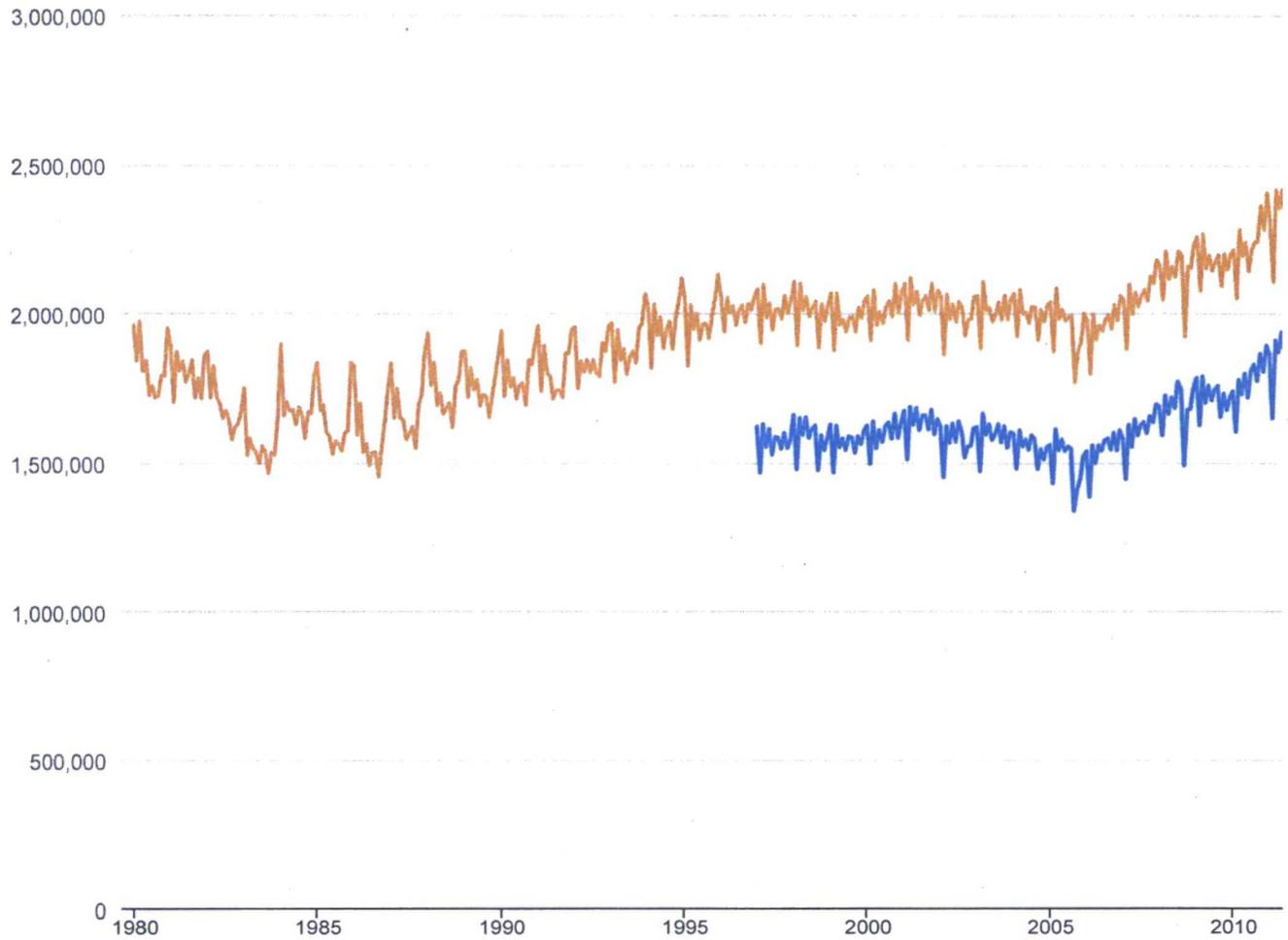
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2011 through 2015. The dashed vertical lines indicate current and year-ago weekly periods.



U.S. Energy Information Administration

Natural Gas Gross Withdrawals and Production

MMcf



— U.S. Dry Natural Gas Production — U.S. Natural Gas Gross Withdrawals

Source: U.S. Energy Information Administration