

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No
NMNM-119274

6 If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

8 Well Name and No

Peery Federal #3

9. API Well No.

30-005-00516

10 Field and Pool, or Exploratory Area

Little Lucky Lake;Morrow

11. County or Parish, State

Chaves, NM

SUBMIT IN TRIPLICATE

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator

Mack Energy Corporation

3 Address and Telephone No

P.O. Box 960 Artesia, NM 88211-0960

(505)748-1288

4 Location of Well (Footage, Sec., T R., M or Survey Description)

1920 FSL & 2140 FWL, Sec. 29-T15S-R30E

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

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Notify BLM 24 hours prior to starting plugging operations.

1) Set CIBP @ 9900'-8900' w/ 25sx cmt plug.

2) Set 25sx cmt plug at 6500'-5500'

3) Set 25sx cmt plug at 4500'-3500'

5) Set 25sx cmt plug at 3000'-2000', WOC tag plug

6) Set 15sx cmt plug from 600' to surface

7) Install P & A Marker

4) Perforate Squeeze Holes @ 2980' (9-5/8" Casing Shoe). RD Wireline. Pump Cement Down 2-7/8" Tubing To Circulate 9-5/8"X5-1/2" Annulus To Surface (Approx 700 Sxs Class "H" Cement @ 1.18 Cu. Ft./Sx).

Note: Production csg. is 2 7/8" N-80 6.4#

Note: Circ. well with salt gel mud consisting of at least 9.5# Brine with 25 pounds of gel per barrel after the bottom plug is set.

RECEIVED

APR 09 2008

HOBBS OCD

14 I hereby certify that the foregoing is true and correct

Signed *David R. Glass*

Title Production Clerk

Date 3/17/08

(This space for Federal or State office use)

Approved by **DAVID R. GLASS**

Title PETROLEUM ENGINEER

Date APR 04 2008

Conditions of approval, if any

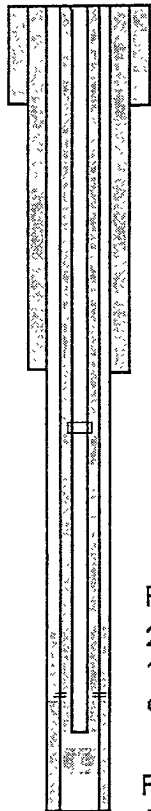
Title 18 U S C Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

*See Instruction on Reverse Side

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Mack Energy Corporation
Peery Federal #3 29-T15S-R30E
30-005-0516

Before



13 3/8 casing @
458' w/600sx, circ

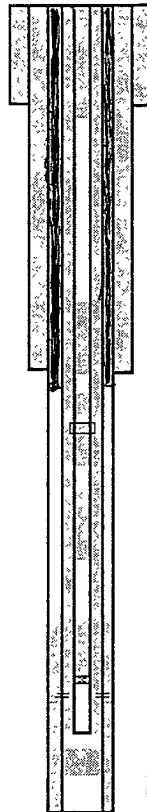
9 5/8 casing @
2930' w/1700sx
circ

2 7/8 DV tool @
4159'

Perfs 9962-9977'
2 7/8 casing @
10,174' w/805sx
circ

Perfs 11056-11136'
5 1/2 casing @
11,250' w/250sx
TOC 9943'

After



13 3/8 casing @
458' w/600sx, circ

9 5/8 casing @
2930' w/1700sx
circ

2 7/8 DV tool @
4159'

Perfs 9962-9977'
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Perfs 11056-11136'
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BUREAU OF LAND MANAGEMENT
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201
(505) 627-0272

**Permanent Abandonment of Federal Wells
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 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.**
2. Notification: Contact the Roswell BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call (505) 627-0272.
3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9090 feet; a 3M system for a well not deeper than 13636 feet; and a 5M system for a well not deeper than 22727 feet.
4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at a rate of 25 sacks (50 pounds each) of gel per 100 barrels of 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 not final.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either class "C" for up to 7500 feet of depth, mixed at 14.8 lbs./gal with 6.3 gallons of fresh water per sack or class "H" for deeper than 7500 feet plugs, mixed at 16.4 lbs./gal with 4.3 gallons of fresh water per sack .
6. Dry Hole Marker: All casing 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 capped with a 4-inch pipe, 10 feet in length, 4 feet above the ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: Well name and number, the name of the operator, the lease serial number, the surveyed location (the quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer; such as metes and bounds).
7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five 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.**

Following the submittal and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval shall be developed and furnished to you.