

(April 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED**CD-HOBBS**

APR 21 2010

HOBBS**SUNDRY NOTICES AND REPORTS ON WELLS**

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 reverse side.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Shackelford Oil Company

3a. Address

3510 N. A St., Bldg. A suite 100, Midland, TX 79705

3b. Phone No. (include area code)

432-682-9784

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

1980 FSL & 1000 FWL, Sec. 19, T26S, R35E

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

8. Well Name and No

Madera 19 Federal #1

9. API Well No.

30-025-36645

10. Field and Pool, or Exploratory Area

Jabalina, SW Strawn
Jabalina, SW Atoka

11. County or Parish, State

Lea County, NM

12. CHECK APPROPRIATE BOX(S) 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
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other OFF LEASE MEASUREMENT
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ 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 recompleting 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Shackelford requests permission to measure gas for this lease at an off-lease measurement point.

The measurement point is located 2.3 miles east of well where it ties into Southern Union's sales line.

The line laid from the well to the sales line is owned by Shackelford Oil and a right-of-way was obtained from the surface owner, Beckham Ranch.

Gas is being measured through an electronic flow meter, which meets all requirements of Onshore Order No. 5 and API standards.

Attached are the following: facility diagram, plat map of the location, statement to all interest owners, and schematic of pipeline Sales meter.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

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

Title **Operations**

Signature **Cly D. H. D.**

Date **4-8-10**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ JD Whitlock Jr

Title

LPET

Date

4/19/2010

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.

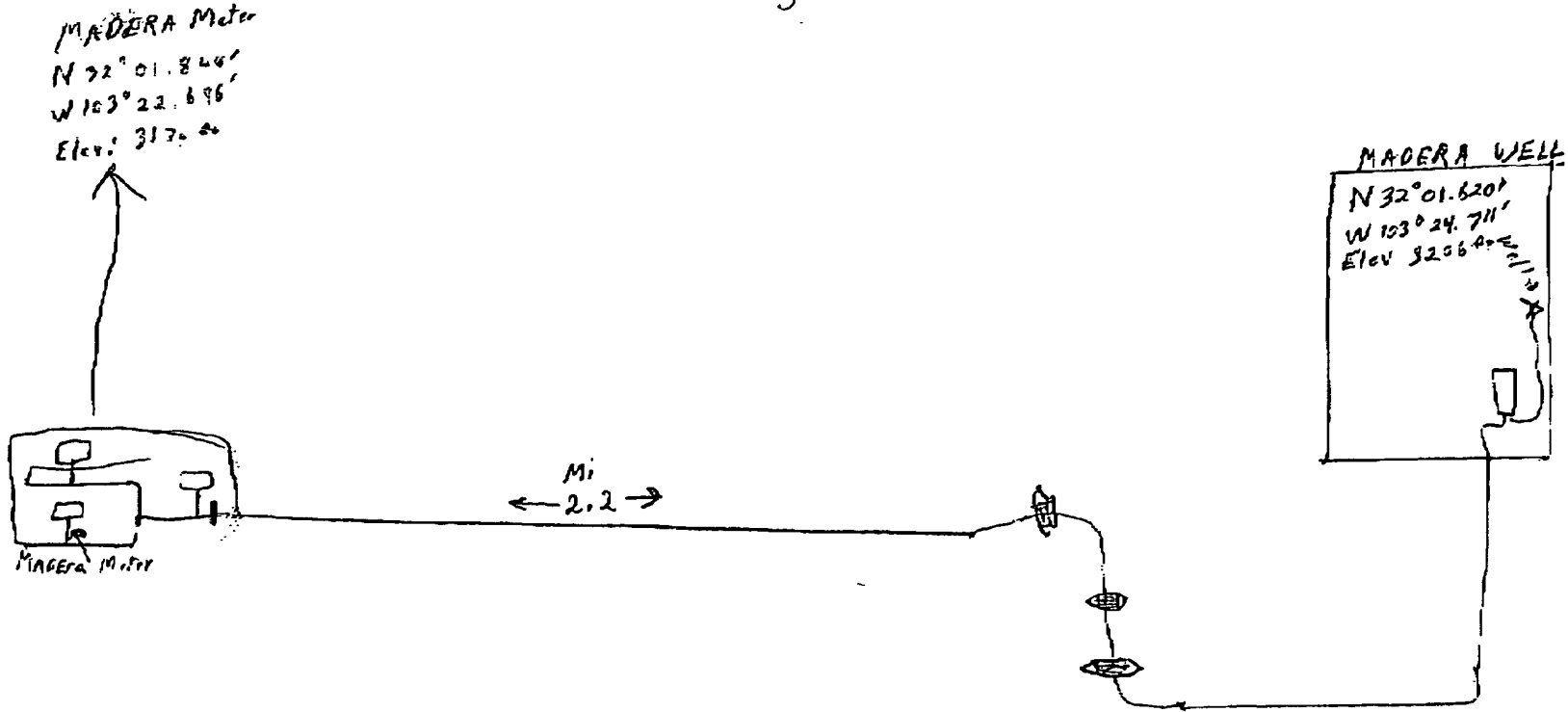
Office

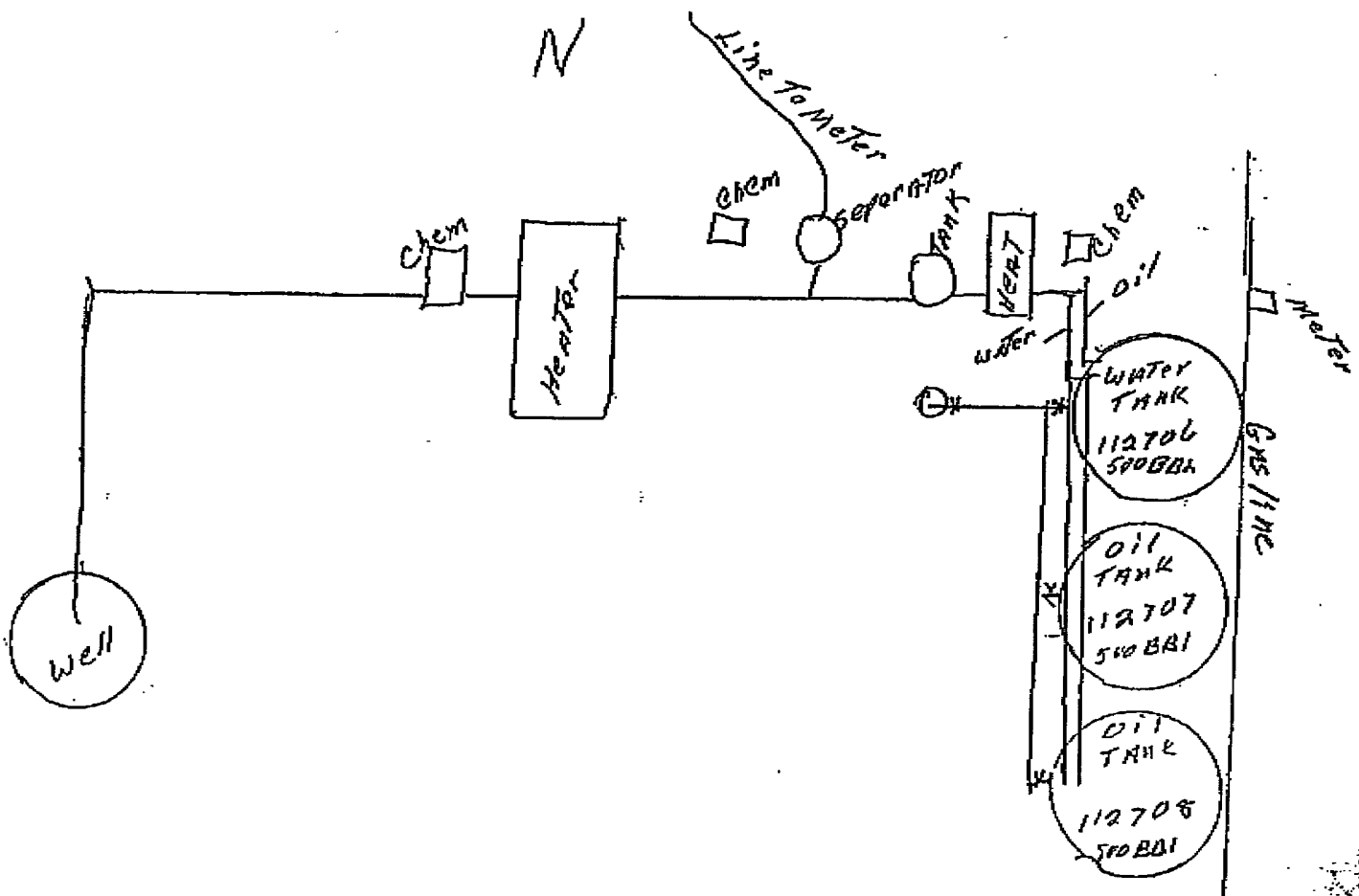
CFO

**PETROLEUM ENGINEER
APR 22 2010**

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 and false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

W





2.3 miles
Sales Meter
East
Down Road

Road

Shackelford Oil Company

3510 N A Street, Bldg. B Ste. 100
Midland, Texas 79705

Phone (432) 682-9784
Fax (432) 684-5026

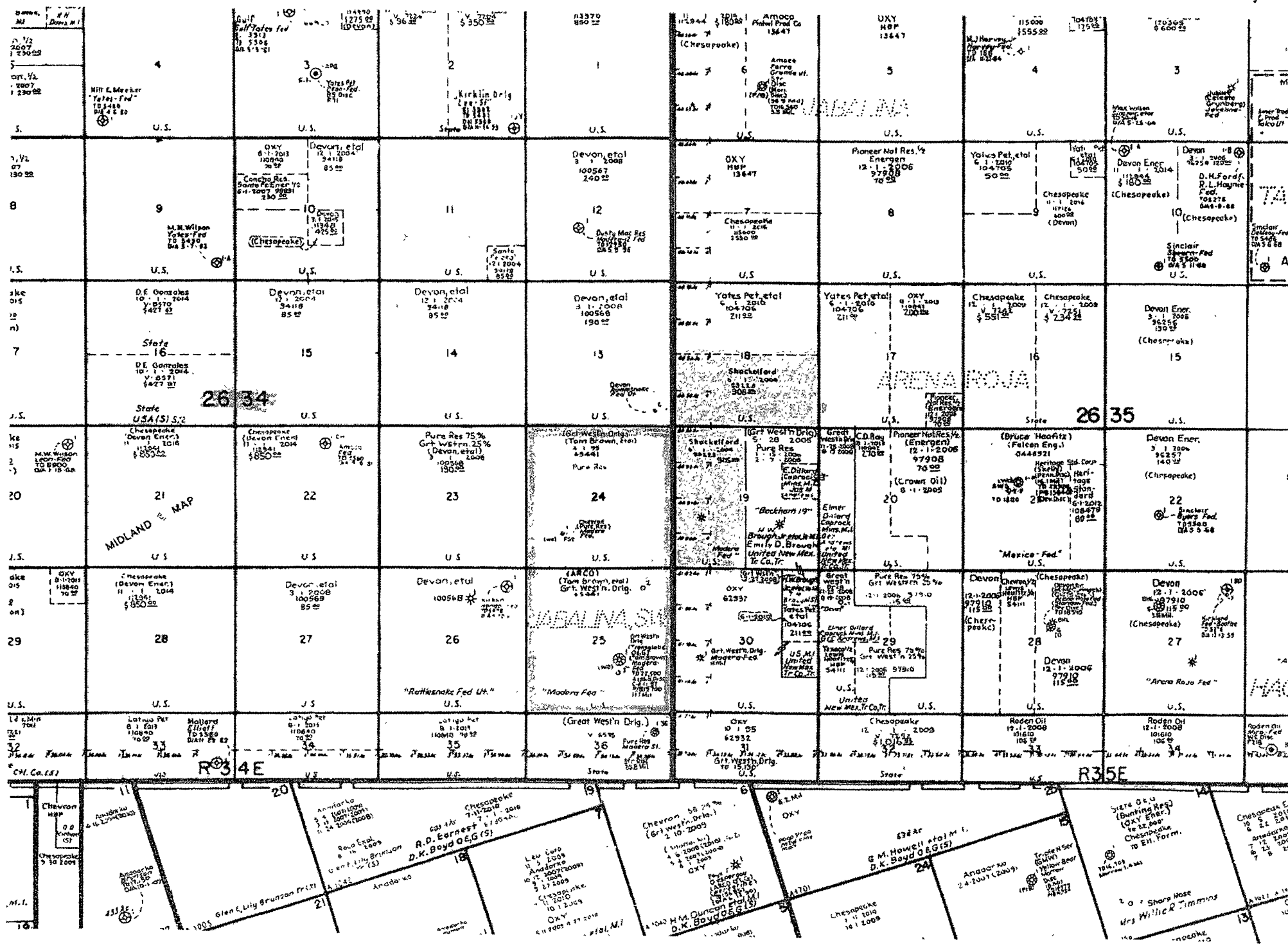
March 26, 2010

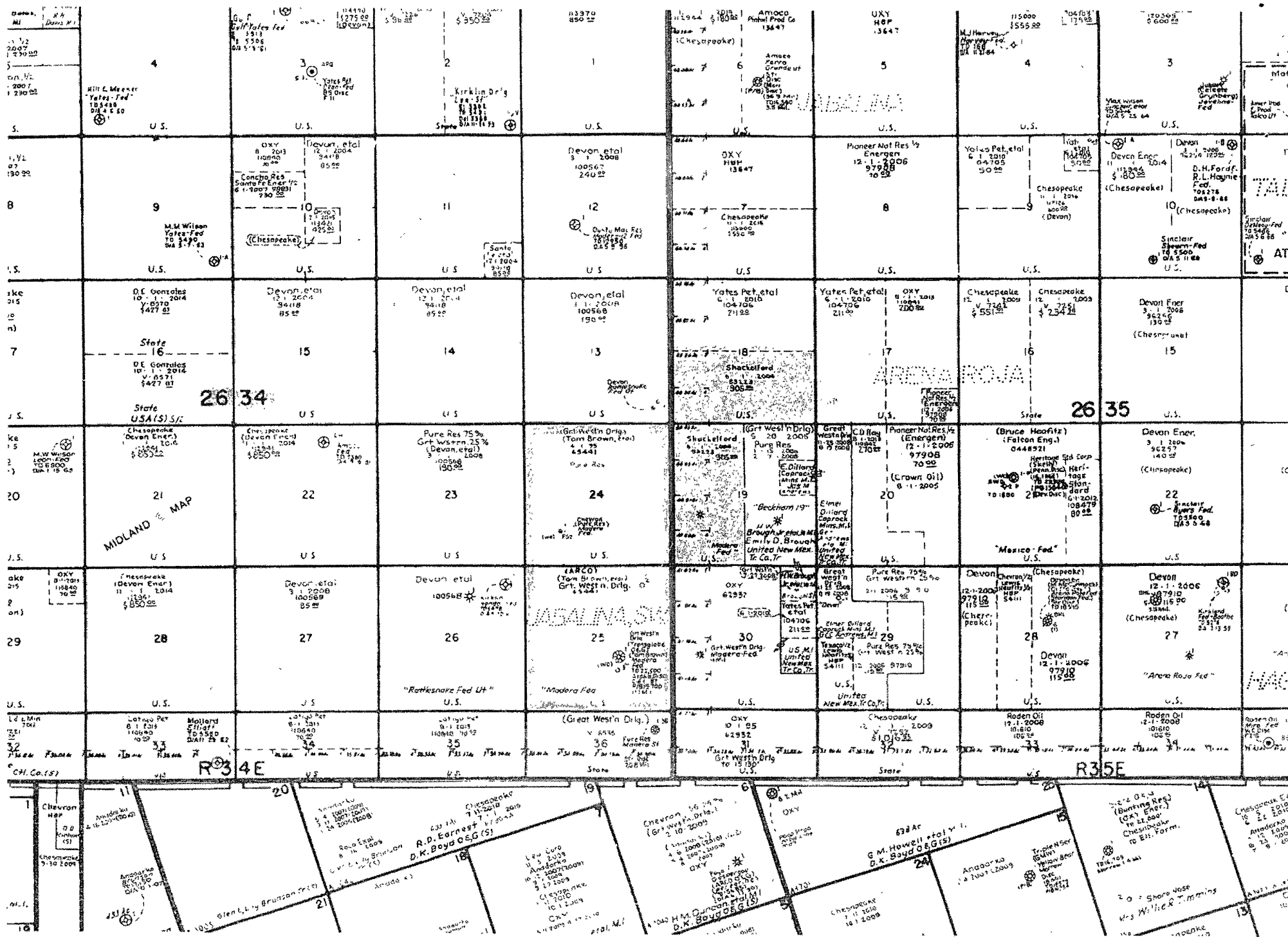
Shackelford Oil Company has notified all interest owners for the proposal of off lease measurement on the Madera 19
Federal # 1

Thanks

A handwritten signature in black ink, appearing to read "Clay Houston", with a stylized flourish at the end.

Clay Houston





**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Off-Lease Measurement

Conditions of Approval

Approval of off-lease measurement is subject to the following conditions of approval:

1. This agency shall be notified of any change in sales method or location of the Sales point.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional approvals.
6. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
7. Approval for off-lease measurement from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
8. All above-ground structures not subject to safety requirements shall be painted by the holder to blend with the natural color of the landscape. The paint used shall be color which simulates "standard Environmental Colors" – Shale Green, Munsell Soil Color No. 5Y 4/2.