

RECEIVED**New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240**Form 3160-5
(August 2007)**AUG 13 2010**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**HOBBSD****SUNDRY NOTICES AND REPORTS ON WELLS***Do not use this form proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 20105. Lease Serial No.
NMNM-119274

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

Mack Energy Corporation

3a. Address

P.O. Box 960 Artesia, NM 88210-0960

3b. Phone No. (include area code)

(575) 748-1288

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

8. Well Name and No.
Peery Federal #12

9. API Well No.

30-005-29141

10. Field and Pool or Exploratory Area

Little Lucky Lake; Wolfcamp

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

965 FSL & 1980 FEL, Sec. 29 T15S R30E

11. Country or Parish, State

Chaves, NM

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 checked="" 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 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.)

Surface: 17 1/2" hole with 13 3/8"- 48#- H-40 casing set at 450'. Cement 360sx Weight 14.8 Yield 1.78. Safety Factors C/B/T 3.364/3.365/3.460

Intermediate: 12 1/4" hole with 8 5/8"- 24#-J-55 casing set at 2975'. Cement Lead 775sx Weight 12 Yield 2.45, Tail 200 sacks Weight 14.8 Yield 1.78. Safety Factors C/B/T 1.633/13.806/13.1

Production: 7 7/8" hole drilled to Kick Off Point 8,050'. Reduce bit size to 6 1/8" drill curve and lateral section to 11,361'. Casing will be a split string of 4 1/2" x 5 1/2" casing. As follows:

From 11,361' to 8,050' 4 1/2"-11.6#-P-110 BTC casing with Completion Isolation Packers, 4 1/2" BTC x 5 1/2" LT&C X-over, 1 joint 5 1/2"-17#-H-110 LT&C casing, 5 1/2"-17#- P-110 ECP, 5 1/2"-17#-P-110 FO Cementer Tool, Remaining 5 1/2"-17#- P-110 casing to surface. Cement from FO cementer Tool to surface is Lead 700 sacks weight 12#, Yield 2.45. Tail 200 sacks weight 14.5# Yield 1.19.

The Drilling rig will run the Production casing and inflate the completion packers and ECP. The Pulling Unit will cement the 5 1/2" casing string.

Cancelled Per Telephone Conversation With Jerry Sherrell: 08-04-2010:
/S/ DAVID R. GLASS

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

Jerry W. Sherrell

Title Production Clerk

Signature

Jerry W. Sherrell

Date 7/30/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

Kx

Date

OCT 06 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

ROSWELL FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for my 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)

OK

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Mack Energy is requesting a waiver from the original APD. We will not be using a Mud/Gas Separator with a closed loop system.

Variance Granted To Onshore Order No. 2 Part III C 8. "A Mud-Gas Separator (Gas Buster) Shall Be Installed And Operable For All Systems Of 10M Or Greater And For Any System Where Abnormal Pressure Is Anticipated Beginning At A Point At Least 500 Feet Above Any Anticipated Hydrocarbon Zone Of Interest" Because The BOPE Required For Drilling Peery Federal Well No. 12 Is 3M System And Abnormal Pressure Is Not Anticipated.

A Mud-Gas Separator Is Not Required Since H2S Concentrations In Any Zones Or Formations Which May Be Penetrated By Drilling Of The Peery Federal No. 12H Are Not Known To Contain Or Which Could Reasonably Be Expected To Contain Concentrations Of H2S Of 100 PPM Or Greater In The Gas Stream And This Is Not An Exploratory Well Per Onshore Order No. 6

Note: The Flare Line(s) Discharge Shall Be Located Not Less Than 100 Feet From The Wellhead, Having Straight Lines Unless Turns Are Targeted With Running Tees, And Shall Be Positioned Downwind From The Prevailing Wind Direction And Shall Be Anchored.

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

Jerry W. Sherrell

Title Production Clerk

Signature

Jerry W. Sherrell

Date 8/9/10

VERBAL

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

David P. Glass

PETROLEUM ENGINEER

Title

Date

AUG 09 2010

Office

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(Instructions on page 2)

FC: Jerry Sherrell, FAX No. (575) 746-9539

Mack Energy Corporation
MANIFOLD SCHEMATIC

Closed Loop

