

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONSERVATION
ARTESIA DISTRICT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SEP 13 2016

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

5. Lease Serial No.
NMNM-132673

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

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

990 FNL & 330 FEL, Sec. 25 T15S R28E

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

8. Well Name and No.

Snow Lake Federal Com #1

9. API Well No.

30-005-64152

10. Field and Pool or Exploratory Area

Round Tank; San Andres

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 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 CTB application
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off-lease Measurement
	<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 recompleat 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 recompleat 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.)

Mack Energy Corporation has requested administrative approval from the NMOCD for approval of OLM and storage of production from our Quebec State Lease VB-2247 at our Snow Lake Federal TB NM-132673. Both Leases produce from the Round Tank; San Andres pool (52770) and will have separate equipment at a central tank battery located in the NENE Sec. 25 T15S R28E. There are currently 2 separate facilities at this location Snow Lake Federal Com and Calgary Federal leases. We anticipate drilling the Quebec State #4 soon.

Both leases have identical working interest ownership; however, a difference in overriding royalty ownership exists between the two leases. All interest owners have been notified of this application via certified mail.

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 8/22/16

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

Title

PETROLEUM ENGINEER

Date

AUG 30 2016

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

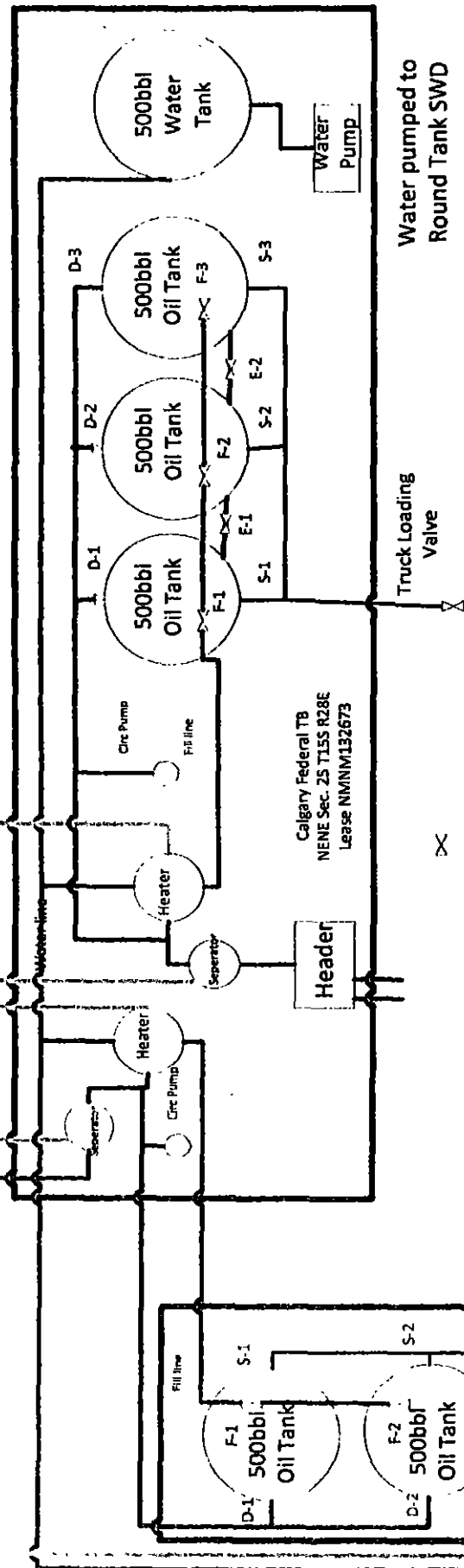
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for my person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

Quebec State Flowline

Gas line

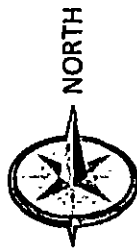


Water pumped to
Round Tank SWD

Truck Loading
Valve

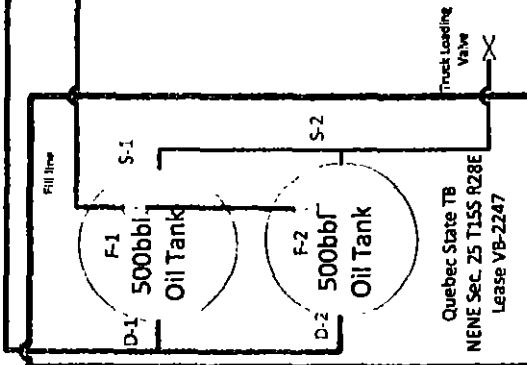


Mack Energy Corporation
11344 Lovington Hwy
Artesia, NM 88210



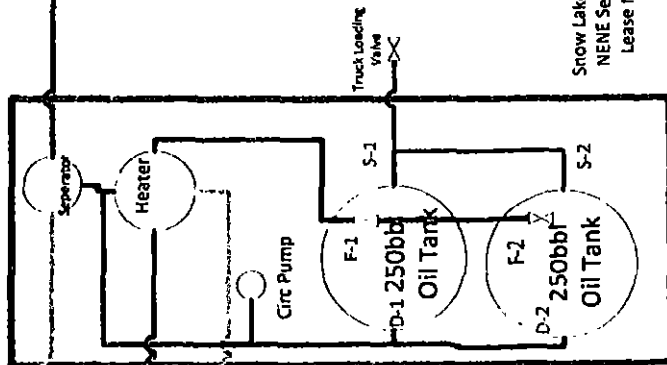
Gas Meter
located in the
SESW Sec. 19
T15S R29E
#727007

Snow Lake Federal Com #1
990 FNL 330 FEL
Sec. 25 T15S R28E



Quebec State TB
NENE Sec. 25 T15S R28E
Lease VB-2247

Truck Loading
Valve



Snow Lake Federal Com TB
NENE Sec. 25 T15S R28E
Lease NMNM133070

Truck Loading
Valve

Calgary Federal TB
NENE Sec. 25 T15S R28E
Lease NMNM132673

Production Phase

Tank 1
F-1 Open
F-2 Closed
F-3 Closed
E-1 Open
E-2 Closed
D-1 Open
D-2 Closed
D-3 Closed
S-1 Closed
S-2 Closed
S-3 Closed

Sales Phase

Tank 2
F-1 Closed
F-2 Closed
F-3 Closed
E-1 Closed
E-2 Open
D-1 Closed
D-2 Closed
D-3 Closed
S-1 Closed
S-2 Open
S-3 Closed

Snow Lake Federal ComTB
NENE Sec. 25 T15S R28E
Lease NMNM133070

Production Phase

Tank 1
F-1 Open
F-2 Closed
E-1 Open
D-1 Open
D-2 Closed
S-1 Closed

Tank 2
F-1 Closed
F-2 Open
E-1 Open
D-1 Closed
D-2 Open
S-1 Closed

Sales Phase

Tank 1
F-1 Closed
F-2 Open
E-1 Closed
D-1 Closed
D-2 Open
S-1 Open
S-2 Closed

Tank 2
F-1 Open
F-2 Closed
E-1 Closed
D-1 Open
D-2 Closed
S-1 Closed
S-2 Open

Quebec State TB
NENE Sec. 25 T15S R28E
Lease VB-2247

Production Phase

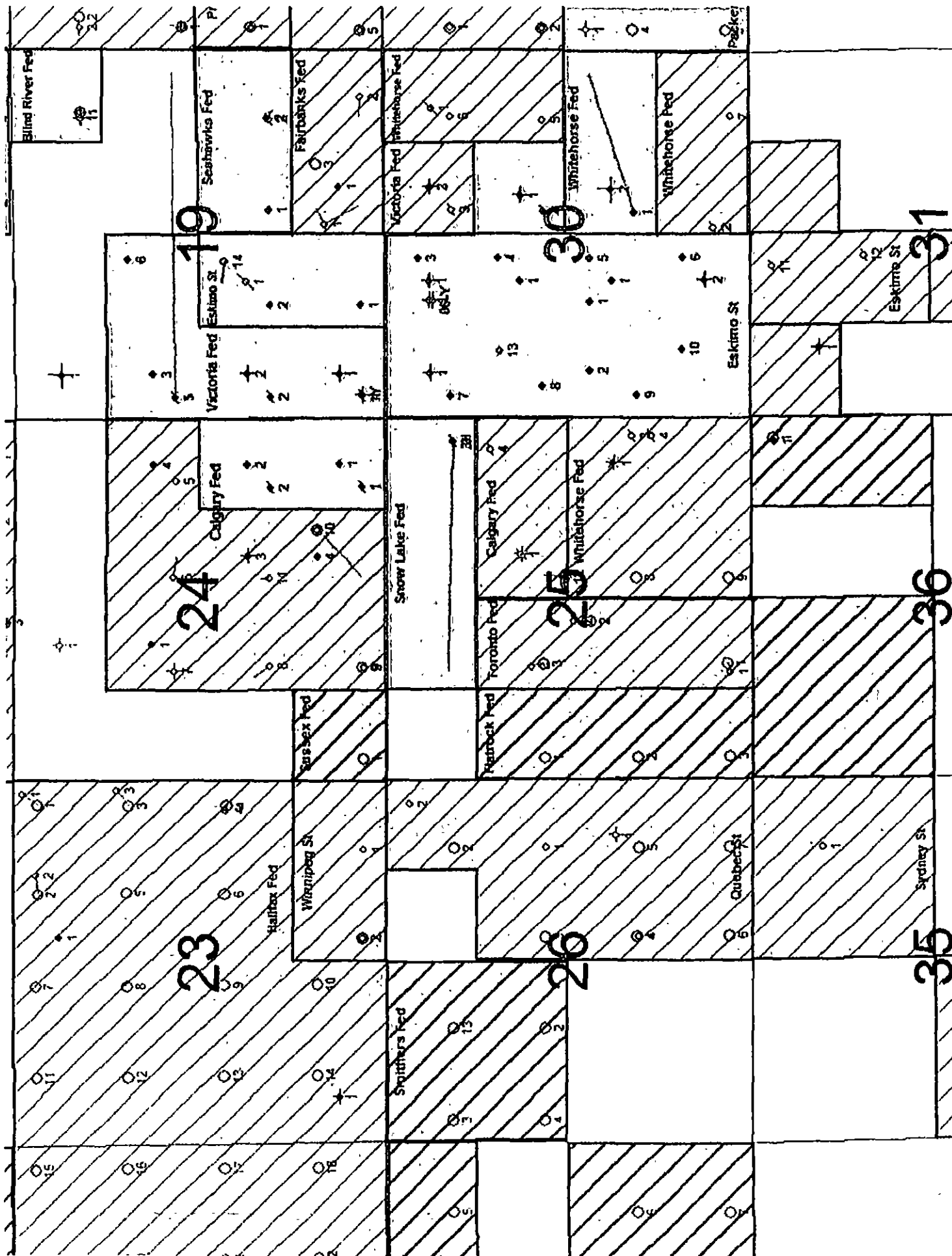
Tank 1
F-1 Open
F-2 Closed
E-1 Open
D-1 Open
D-2 Closed
S-1 Closed

Tank 2
F-1 Closed
F-2 Open
E-1 Open
D-1 Closed
D-2 Open
S-1 Closed

Sales Phase

Tank 1
F-1 Closed
F-2 Open
E-1 Closed
D-1 Closed
D-2 Open
S-1 Open
S-2 Closed

Tank 2
F-1 Open
F-2 Closed
E-1 Closed
D-1 Open
D-2 Closed
S-1 Closed
S-2 Open



State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Dollin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 2, 2016

ADMINISTRATIVE OFF-LEASE MEASUREMENT ORDER

**Administrative Order OLM-108
Application Reference No. pMAM1621459288**

Mack Energy Corporation
Attention: Mr. Jerry Sherrell

Mack Energy Corporation (OGRID 13837) is hereby authorized to transport and measure oil and gas production off-lease, from the following wells which produce from Round Tank; San Andres Pool (Pool code 52270) in Chaves County, New Mexico:

Quebec State Well No. 1 (API No. 30-005-64190), Unit H, Section 26, T-15S, R-28E
Quebec State Well No. 2 (API No. 30-005-64218), Unit A, Section 26, T-15S, R-28E
Quebec State Well No. 4 (API No. 30-005-64276), Unit J, Section 26, T-15S, R-28E

The oil and gas production from these wells shall be measured at, and sold from, Snow Lake Federal Com. Well No. 1 H Central Tank Battery located in Unit A, Section 25, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico. All meters for the above-referenced wells shall be physically separated from facilities for other wells, so that production from the above-referenced wells will not be commingled prior to measurement with production from any other well.

The surface commingling of oil and gas with production from other pools or leases is NOT authorized.

It is also understood that you have given due notice of this application to all working interest owners who are "affected persons," as defined in Division Rule 19.15.23.9 (A) NMAC. The working interest owners have waived their protest.

The operator shall notify the Artesia District Office of the Division before commencement of Off-Lease Measurement.

The approval is subject to like approval by the New Mexico State Land Office.

OLM-108
Muck Energy Corporation
August 2, 2016
Page 2 of 2

Done at Santa Fe, New Mexico, August 2, 2016.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia
New Mexico State Land Office - Carlsbad
Bureau of Land Management – Carlsbad

**Bureau of Land Management
Roswell Field Office
2909 West Second Street
Roswell, New Mexico 88201-1287
(575) 627-0272**

Off-Lease Measurement Conditions Of Approval

1. This agency will be notified of any change in your sales method or location of the sales meter.
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. Contact the BLM Roswell Field Office at least 24 hours prior to the commencing any meter calibration test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
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 to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201-1287 for wells in Chaves or Roosevelt County if you have not already done so.