

HOBBS OCD
JAN 30 2018
RECEIVEDUNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 20145. Lease Serial No.
NMNM134893

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

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

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone8. Lease Name and Well No. (320687)
JAL FEDERAL 12. Name of Operator
MACK ENERGY CORPORATION (17837)9. API Well No.
30-025-444093a. Address:
11344 Lovington, HWY Artesia NM 882113b. Phone No. (include area code)
(575)748-128810. Field and Pool, or Exploratory (34120)
JUSTIS / BLINEBRY-TUBB-DRINKARD

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface SENE / 1670 FNL / 990 FEL / LAT 32.074913 / LONG -103.1113396

At proposed prod. zone SENE / 1670 FNL / 990 FEL / LAT 32.074913 / LONG -103.1113396

11. Sec., T. R. M. or Blk. and Survey or Area

SEC 1 / T26S / R37E / NMP

14. Distance in miles and direction from nearest town or post office*
5 miles12. County or Parish
LEA13. State
NM15. Distance from proposed*
location to nearest 330 feet
property or lease line, ft.
(Also to nearest drig. unit line, if any)16. No. of acres in lease
56017. Spacing Unit dedicated to this well
4018. Distance from proposed location*
to nearest well, drilling, completed, 450 feet
applied for, on this lease, ft.19. Proposed Depth
6300 feet / 6300 feet20. BLM/BIA Bond No. on file
FED: NMB00028621. Elevations (Show whether DF, KDB, RT, GL, etc.)
3026 feet22. Approximate date work will start*
06/01/201723. Estimated duration
10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature
(Electronic Submission)Name (Printed/Typed)
Deana Weaver / Ph: (575)748-1288Date
05/08/2017Title
Production ClerkApproved by (Signature)
(Electronic Submission)Name (Printed/Typed)
Cody Layton / Ph: (575)234-5959Date
01/19/2018Title
Supervisor Multiple ResourcesOffice
CARLSBADApplication approval 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.
Conditions of approval, if any, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)

APPROVED WITH CONDITIONS
Approval Date: 01/19/2018K2
01/31/18Double
sided



Application for Permit to Drill

OCD Hobbs 17-456
U.S. Department of the Interior
Bureau of Land Management

APD Package Report

Date Printed: 01/23/2018 10:26 AM

APD ID: 10400012844

Well Status: AAPD

APD Received Date: 05/08/2017 10:33 AM

Well Name: JAL FEDERAL

Operator: MACK ENERGY CORPORATION

Well Number: 1

APD Package Report Contents

- Form 3160-3
- Operator Certification Report
- Application Report
- Application Attachments
 - Well Plat: 1 file(s)
- Drilling Plan Report
- Drilling Plan Attachments
 - Blowout Prevention Choke Diagram Attachment: 1 file(s)
 - Blowout Prevention BOP Diagram Attachment: 1 file(s)
 - Casing Design Assumptions and Worksheet(s): 2 file(s)
 - Other Facets: 1 file(s)
- SUPO Report
- SUPO Attachments
 - Existing Road Map: 2 file(s)
 - New Road Map: 2 file(s)
 - Attach Well map: 1 file(s)
 - Production Facilities map: 2 file(s)
 - Water source and transportation map: 2 file(s)
 - Construction Materials source location attachment: 1 file(s)
 - Well Site Layout Diagram: 2 file(s)
 - Recontouring attachment: 1 file(s)
 - Surface use plan certification document: 1 file(s)
 - Other SUPO Attachment: 3 file(s)
- PWD Report
- PWD Attachments
 - PWD Map: 1 file(s)
- Bond Report

HOBBS OCD
JAN 30 2018
RECEIVED



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Operator Certification Data Report

01/23/2018

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Deana Weaver

Signed on: 05/08/2017

Title: Production Clerk

Street Address: 11344 Lovington HWY

City: Artesia

State: NM

Zip: 88211

Phone: (575)748-1288

Email address: dweaver@mec.com

Field Representative

Representative Name: Jerry Sherrell

Street Address: 11344 Lovington HWY

City: Artesia

State: NM

Zip: 88210

Phone: (575)748-1288

Email address: jerrys@mec.com



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Application Data Report

01/23/2018

APD ID: 10400012844

Submission Date: 05/08/2017

Highlighted data
reflects the most
recent changes

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - General

APD ID: 10400012844

Tie to previous NOS? 10400012214

Submission Date: 05/08/2017

BLM Office: CARLSBAD

User: Deana Weaver

Title: Production Clerk

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM134893

Lease Acres: 560

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? NO

Permitting Agent? NO

APD Operator: MACK ENERGY CORPORATION

Operator letter of designation:

Operator Info

Operator Organization Name: MACK ENERGY CORPORATION

Operator Address: 11344 Lovington HWY

Zip: 88211

Operator PO Box:

Operator City: Artesia

State: NM

Operator Phone: (575)748-1288

Operator Internet Address: jerrys@mec.com

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: JAL FEDERAL

Well Number: 1

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: JUSTIS

Pool Name: BLINEBRY-TUBB-
DRINKARD

Is the proposed well in an area containing other mineral resources? USEABLE WATER,NATURAL GAS,OIL

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Describe other minerals:

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** NO **New surface disturbance?**

Type of Well Pad: SINGLE WELL

Multiple Well Pad Name:

Number:

Well Class: VERTICAL

Number of Legs: 1

Well Work Type: Drill

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: DELINEATION

Describe sub-type:

Distance to town: 5 Miles

Distance to nearest well: 450 FT

Distance to lease line: 330 FT

Reservoir well spacing assigned acres Measurement: 40 Acres

Well plat: Jal_Federal_Plats_03-08-2017.pdf

Well work start Date: 06/01/2017

Duration: 10 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

Vertical Datum: NAVD88

Survey number: 5161

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	167 0	FNL	990	FEL	26S	37E	1	Aliquot SENE	32.07491 3	- 103.1113 396	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 134893	302 6	630 0	630 0
BHL Leg #1	167 0	FNL	990	FEL	26S	37E	1	Aliquot SENE	32.07491 3	- 103.1113 396	LEA	NEW MEXI CO	NEW MEXI CO	F	NMNM 134893	- 327 4	630 0	630 0

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name JAL FEDERAL		6 Well Number 1	
7 OGRID No. 13837		8 Operator Name MACK ENERGY CORPORATION		9 Elevation 3026.6	

10 Surface Location

UL or lot no. H	Section 1	Township 26 S	Range 37 E	Lot Idn	Feet from the 1670	North/South line NORTH	Feet from the 990	East/West line EAST	County LEA
--------------------	--------------	------------------	---------------	---------	-----------------------	---------------------------	----------------------	------------------------	---------------

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
--------------------	--------------------	-----------------------	--------------

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

N89°21'59"E 2639.15 FT		N89°21'59"E 2639.15 FT	
NW CORNER SEC. 1 LAT. = 32.0795050°N LONG. = 103.1251789°W NMSP EAST (FT) N = 394756.61 E = 915539.61	DNF	NE CORNER SEC. 1 LAT. = 32.0795018°N LONG. = 103.1081407°W NMSP EAST (FT) N = 394814.97 E = 920817.22	
JAL FEDERAL 1 ELEV. = 3026.6' LAT. = 32.0749130°N (NAD83) LONG. = 103.1113396°W NMSP EAST (FT) N = 393134.27 E = 919845.28		SURFACE LOCATION	
W/4 CORNER SEC. 1 LAT. = 32.0722533°N LONG. = 103.1251860°W NMSP EAST (FT) N = 392118.33 E = 915566.95	NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE.	E/4 CORNER SEC. 1 LAT. = 32.0722434°N LONG. = 103.1081457°W NMSP EAST (FT) N = 392174.27 E = 920845.68	
SW CORNER SEC. 1 LAT. = 32.0649992°N LONG. = 103.1251861°W NMSP EAST (FT) N = 389479.26 E = 915596.46	S/4 CORNER SEC. 1 LAT. = 32.0649936°N LONG. = 103.1166601°W NMSP EAST (FT) N = 389506.89 E = 918237.85	SE CORNER SEC. 1 LAT. = 32.0649817°N LONG. = 103.1081521°W NMSP EAST (FT) N = 389532.37 E = 920873.69	
S89°24'03"W 2641.73 FT		S89°26'46"W 2636.15 FT	

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

MARCH 1, 2017
Date of Survey

Signature and Seal of Professional Surveyor
Certificate Number: ELLIMON F. JARAMILLO, PLS 12797

SURVEY NO. 5161



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Drilling Plan Data Report

01/23/2018

APD ID: 10400012844

Submission Date: 05/08/2017

Highlighted data
reflects the most
recent changes

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

[Show Final Text](#)

Well Type: OIL WELL

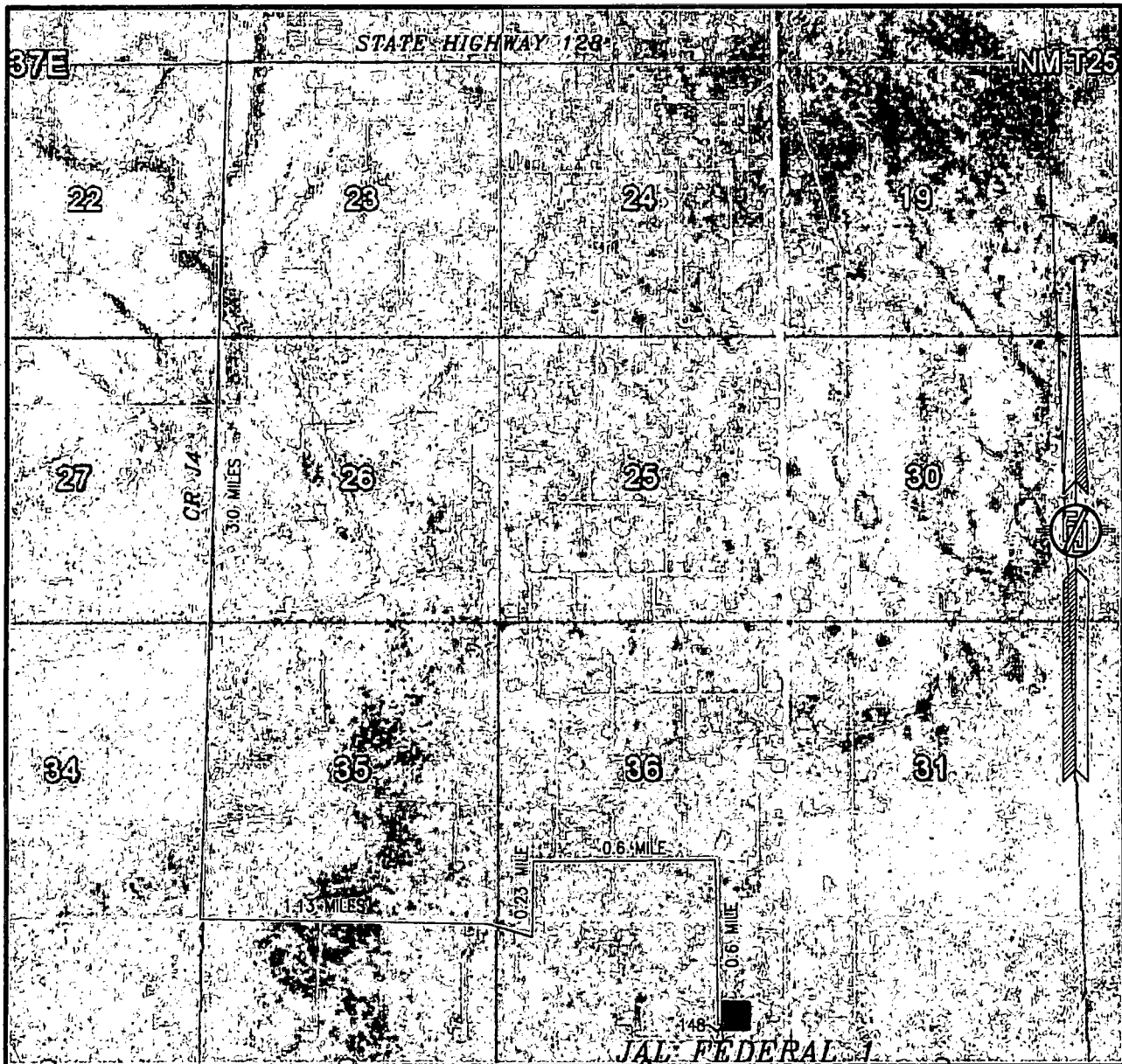
Well Work Type: Drill

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	UNKNOWN	3026.6	0	0	ALLUVIUM	NONE	No
2	RUSTLER	2091.6	935	935	ANHYDRITE	NONE	No
3	TOP SALT	1991.6	1035	1035	SALT	NONE	No
4	BASE OF SALT	761.5999999 999999	2265	2265	SALT	NONE	No
5	YATES	641.5999999 999999	2385	2385	ANHYDRITE,SILTSTON E	NATURAL GAS,OIL	No
6	SEVEN RIVERS	346.5999999 999999	2680	2680	ANHYDRITE,SILTSTON E	NATURAL GAS,OIL	No
7	QUEEN	- 93.40000000 000009	3120	3120	ANHYDRITE,SILTSTON E	NATURAL GAS,OIL	No
8	GRAYBURG	- 383.4000000 000001	3410	3410	ANHYDRITE,SILTSTON E	NATURAL GAS,OIL	No
9	SAN ANDRES	- 628.4000000 000001	3655	3655	DOLOMITE,ANHYDRIT E	NATURAL GAS,OIL	No
10	GLORIETA	-1738.4	4765	4765	DOLOMITE,ANHYDRIT E,SILTSTONE	NATURAL GAS,OIL	No
11	PADDOCK	-1823.4	4850	4850	DOLOMITE,SILTSTONE	NATURAL GAS,OIL	No
12	BLINEBRY	-2118.4	5145	5145	DOLOMITE	NATURAL GAS,OIL	Yes
13	TUBB	-2763.4	5790	5790	DOLOMITE,ANHYDRIT E,SILTSTONE	NATURAL GAS,OIL	Yes
14	DRINKARD	-2933.4	5960	5960	DOLOMITE,ANHYDRIT E	NATURAL GAS,OIL	Yes

Section 2 - Blowout Prevention

SECTION 1, TOWNSHIP 26 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
ACCESS AERIAL ROUTE MAP



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
MARCH 2015

MACK ENERGY CORPORATION
JAL FEDERAL 1
LOCATED 1670 FT. FROM THE NORTH LINE
AND 990 FT. FROM THE EAST LINE OF
SECTION 1, TOWNSHIP 26 SOUTH,
RANGE 37 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

MARCH 1, 2017

SURVEY NO. 5161

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Pressure Rating (PSI): 3M

Rating Depth: 6300

Equipment: Rotating Head. Mud-Gas Separator.

Requesting Variance? NO

Variance request:

Testing Procedure: The BOP/BOPE test shall include a low pressure test from 250 to 300psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

Choke Diagram Attachment:

jal_fed_1_choke_manifold_diagram_04-06-2017.pdf

BOP Diagram Attachment:

jal_fed_1_bop_diagram_04-06-2017.pdf

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	12.25	8.625	NEW	API	N	0	1200	0	1200	-3274		1200	J-55	24	STC	2.287	5.619	BUOY	9.931	BUOY	5.9
2	PRODUCTION	7.875	5.5	NEW	API	N	0	6300	0	6300	-3274		6300	L-80	17	LTC	1.864	2.667	BUOY	3.746	BUOY	2.58

Casing Attachments

Casing ID: 1 String Type: SURFACE

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

jal_fed_1_surface_csg_04-06-2017.pdf

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Casing Attachments

Casing ID: 2 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

jal_fed_1_pro_csg_04-06-2017.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead	1200	0	1025	400	1.98	12.9	846	100	Class C	+4%PF20+2% PF1+0.125#/skPF29+.2 %PF 46 20bbls Gelled Water. 50 sacks of 11# Scavenger cement.
SURFACE	Tail		1025	1200	200	1.33	14.8	144	100	Class C	+1%PF1
PRODUCTION	Lead	6300	0	3500	400	2.05	12.6	818	35	35/65Poz/H	+5%PF44(BWOW)+6% PF20+.25#/skPF46+3#/sk42+.6%PF13+.125#/skPF2 9 20bbls Gelled Water. 20bbls Chemical wash. 50 sacks of 11# Scavenger cement.
PRODUCTION	Tail		3500	6300	450	1.47	13	655	35	PVL	+1.3%PF44(BWOW)+5 %PF174+.5%PF606+0.1%PF153+.6%PF13

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: BOPE. Brine Water.

Describe the mud monitoring system utilized: Pason PVT with Pit Volume recorder

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	1200	SPUD MUD	8.3	10							
6300	6300	LSND/GEL	8.3	10	10	0.5	11		180000	20	

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

None

List of open and cased hole logs run in the well:

CDL,CNL,DLL,GR

Coring operation description for the well:

None

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 3276

Anticipated Surface Pressure: 1890

Anticipated Bottom Hole Temperature(F): 105

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? NO

Hydrogen sulfide drilling operations plan:

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Other proposed operations facets description:

Other proposed operations facets attachment:

jal_1_drill_plan_20170831095136.pdf

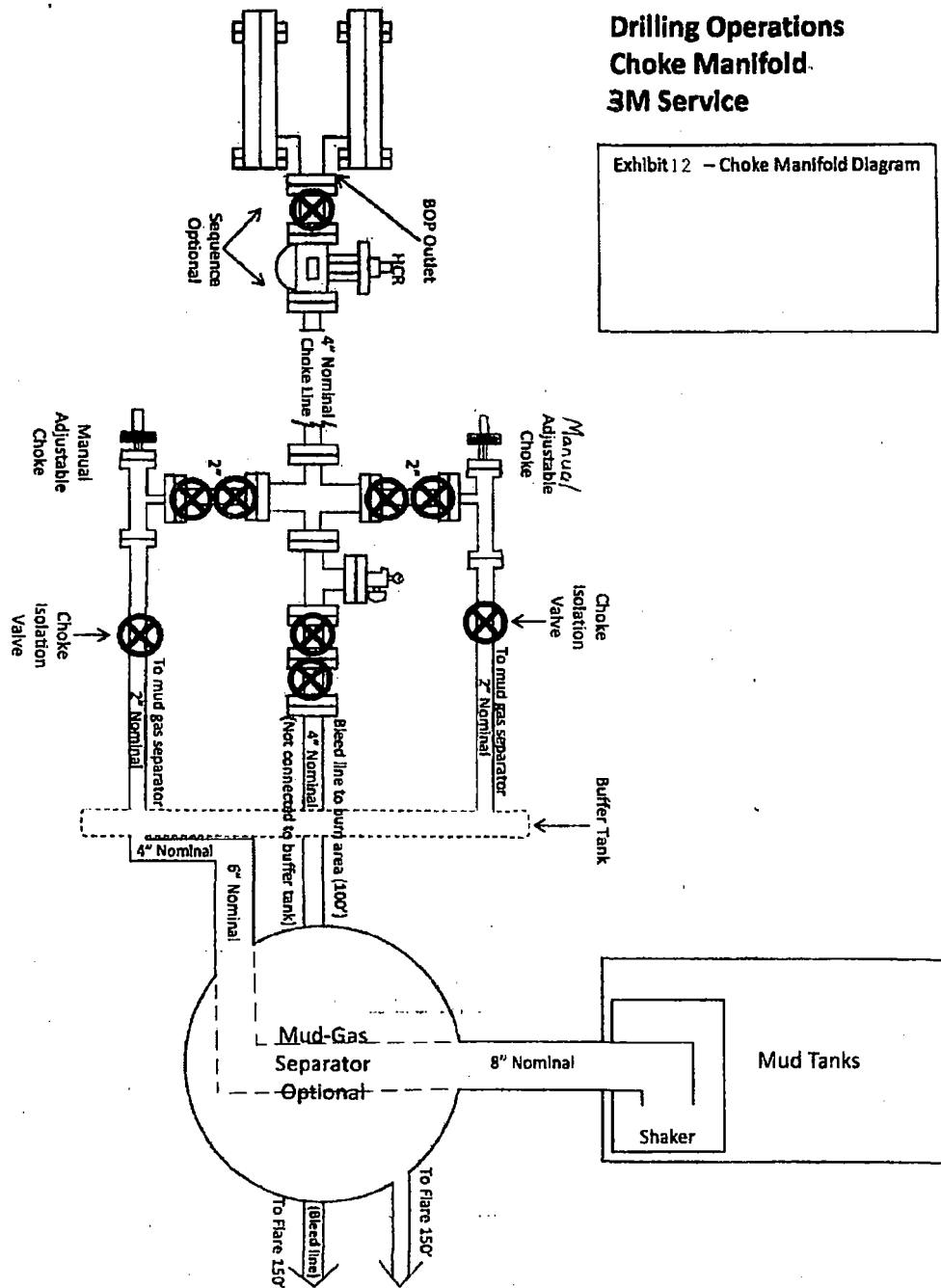
Other Variance attachment:

Mack Energy Corporation

MANIFOLD SCHEMATIC
Exhibit #12

Drilling Operations Choke Manifold 3M Service

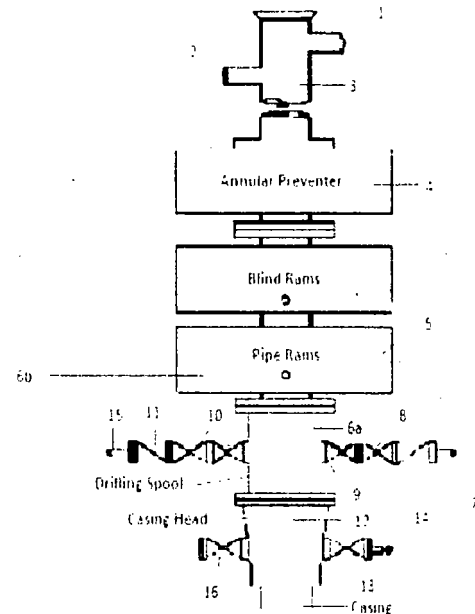
Exhibit 12 - Choke Manifold Diagram



Mack Energy Corporation
Minimum Blowout Preventer Requirements
5000 psi Working Pressure
13 5/8 inch- 5 MWP
11 Inch - 5 MWP

Stack Requirements

NO.	Items	Min. I.D.	Min. Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		2" Choke
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"



OPTIONAL

16	Flanged Valve	1 13/16	
----	---------------	---------	--

CONTRACTOR'S OPTION TO FURNISH

- 1 All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 2000 psi minimum.
- 2 Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- 3 BOP controls, to be located near drillers' position.
- 4 Kelly equipped with Kelly cock.
- 5 Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
- 6 Kelly saver-sub equipped with rubber casing protector at all times.
- 7 Plug type blowout preventer tester.
- 8 Extra set pipe rams to fit drill pipe in use on location at all times.
- 9 Type RX ring gaskets in place of Type R.

MEC TO FURNISH

- 1 Bradenhead or casing head and side valves.
- 2 Wear bushing. If required.

GENERAL NOTES:

- 1 Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- 2 All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
- 3 Controls to be of standard design and each marked, showing opening and closing position.
- 4 Chokes will be positioned so as not to hamper or delay changing of choke beams.

- Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
- 5 All valves to be equipped with hand-wheels or handles ready for immediate use.
 - 6 Choke lines must be suitably anchored.
 - 7 Handwheels and extensions to be connected and ready for use.
 - 8 Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
 - 9 All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
 - 10 Casinghead connections shall not be used except in case of emergency.
 - 11 Does not use kill line for routine fill up operations.

Casing Design Well: Jal Federal #1

String Size & Function: 8 5/8 in surface x intermediate

Total Depth: 1200 ft

Pressure Gradient for Calculations (While drilling)

Mud weight, collapse: 9.6 #/gal Safety Factor Collapse: 1.125

Mud weight, burst: 9.6 #/gal Safety Factor Burst: 1.25

Mud weight for joint strength: 9.6 #/gal Safety Factor Joint Strength 1.8

BHP @ TD for: collapse: 599.04 psi Burst: 599.04 psi joint strength: 599.04 psi

Partially evacuated hole? Pressure gradient remaining: 10 #/gal

Max. Shut in surface pressure: 500 psi

1st segment		1200 ft	to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.		
8.625 inches	24 #/ft	J-55	ST&C	2440	1830	3050		
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift		
1,370 psi	2,950 psi	244 .000 #		381 .000 #		7.972		

2nd segment		0 ft	to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.		
inches	#/ft							
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift		
psi	psi	.000 #		.000 #				

3rd segment		0 ft	to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.		
inches	#/ft							
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift		
psi	psi	.000 #		.000 #				

4th segment		0 ft	to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.		
inches	#/ft							
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift		
psi	psi	.000 #		.000 #				

5th segment		0 ft	to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.		
inches	#/ft							
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift		
psi	psi	.000 #		.000 #				

6th segment		0 ft	to	0 ft	Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.		
inches	#/ft							
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift		
psi	psi	.000 #		.000 #				

Select	1st segment; bottom		1200	S.F.	Actual	Desire
				collapse	2.286993	>= 1.125
				burst-b	5.619476	>= 1.25
				burst-t	5.9	
	Top of segment 1 (ft)		0	S.F.	Actual	Desire
Select	2nd segment from bottom			collapse	#DIV/0!	>= 1.125
				burst-b	0	>= 1.25
				burst-t	0	
				jnt strngth	9.930868	>= 1.8

Casing Design Well: Jal Federal #1

String Size & Function: 5 1/2 in Production x

Total Depth: 6300 ft TVD: 6300 ft

Pressure Gradient for Calculations (While drilling)

Mud weight, collapse: 10.3 #/gal Safety Factor Collapse: 1.125

Mud weight, burst: 10.3 #/gal Safety Factor Burst: 1.25

Mud weight for joint strength: 10.3 #/gal Safety Factor Joint Strength 1.8

BHP @ TD for: collapse: 3374.28 psi Burst: 3374.28 psi joint strength: 3374.28 psi

Partially evacuated hole? Pressure gradient remaining: 10 #/gal

Max. Shut in surface pressure: 3000 psi

1st segment	6300 ft	to	0 ft	Make up Torque ft-lbs	Total ft =	6300
O.D.	Weight	Grade	Threads	opt.	min.	mx.
5.5 inches	17 #/ft	L-80	LT&C	3410	2560	4260
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
6,290	7,740 psi	338,000 #	397,000 #	4,767		

2nd segment	ft	to	0 ft	Make up Torque ft-lbs	Total ft =	
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

3rd segment	0 ft	to	0 ft	Make up Torque ft-lbs	Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

4th segment	0 ft	to	0 ft	Make up Torque ft-lbs	Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

5th segment	0 ft	to	0 ft	Make up Torque ft-lbs	Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

6th segment	0 ft	to	0 ft	Make up Torque ft-lbs	Total ft =	0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

Select	1st segment bottom		S.F.	Actual	Desire
			collapse	1.864101	>= 1.125
			burst-b	2.667383	>= 1.25
			burst-t	2.58	
	6300 ft to 0 ft				
	5.5 0 L-80 LT&C				
	Top of segment 1 (ft)		S.F.	Actual	Desire
Select	2nd segment from bottom		collapse	#DIV/0!	>= 1.125
			burst-b	0	>= 1.25
			burst-t	0	
	0 ft to 0 ft		jnt strngth	3.74631	>= 1.8
	0 0 0 0				

Attached to Form 3160-3
Mack Energy Corporation
Jal Federal #1
1670 FNL & 990 FEL, SE/NE, Sec. 1 T26S R37E
Chaves County, NM

DRILLING PROGRAM

1. Geologic Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geologic Markers:

Rustler	935'	Grayburg	3410'
Top Salt	1035'	San Andres	3655'
Base of Salt	2265'	Glorieta	4765'
Yates	2385'	Paddock	4850'
Seven Rivers	2680'	Blinbry	5145'
Queen	3120'	Tubb	5790'
		Drinkard	5960'

3. Estimated Depths of Anticipated Fresh Water, Oil and Gas:

Water Sand	150'	Fresh Water
Yates	2385'	Oil/Gas
Seven Rivers	2680'	Oil/Gas
Queen	3120'	Oil/Gas
Grayburg	3410'	Oil/Gas
San Andres	3655'	Oil/Gas
Glorieta	4765'	Oil/Gas
Paddock	4850'	Oil/Gas
Blinbry	5145'	Oil/Gas
Tubb	5790'	Oil/Gas
Drinkard	5960'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 8 5/8" casing to 1200' and circulating cement back to surface will protect the surface fresh water sand. Salt section and shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them by cementing 5 1/2" production casing, sufficient cement will be pumped to circulate back to surface.

4. Casing Program:

Hole Size	Interval	OD Casing	Wt. Grade, Jt, cond, collapse/burst/tension
12 1/4"	0-1200'	8 5/8"	24#, J-55, ST&C, New, 2.287/5.619/5.9
7 7/8"	0-6300'	5 1/2"	17#, L-80, LT&C, New, 1.864/101/2.667/383/2.58

5. Cement Program:

8 5/8" Surface Casing: Lead 400sx, Class C + 4% PF20, yld 1.98, wt 12.9 ppg, 9.138gals/sx, excess 100% ; Tail 200sx, Class C + 1% PF1, yld 1.33, wt 14.8 ppg, 6.323gals/sx, excess 100%

5 1/2" Production Casing: Lead 400sx 35/65Poz/H + 5%PF44 (BWOW)+6%PF20+.25#/sx PF46+3#/sk42+.6%PF13+.125#/skPF29, yield 2.05, wt 12.6, 10.991gals/sx, excess 35%, Tail 450sx PVL + 1.3% PF44 (BWOW), 5% PF174 + .5% PF606 + .1% PF153 +.6% PF13, yield 1.47, wt 13.0, 7.57gals/sx, 35% excess.

6. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #10 will consist of a double ram-type (3000 psi WP) minimum preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on bottom. The 11" BOP will be nipped up on the 8 5/8" surface casing and tested by a 3rd party to 2000 psi used continuously until TD is reached. All BOP's and accessory equipment will be tested to 2000 psi before drilling out of intermediate casing. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve and choke lines and choke manifold (Exhibit #11) with a minimum 3000 psi WP rating

7. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of fresh and cut brine mud system. The applicable depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-1200'	Fresh Water	8.5	28	N.C.
1200'-TD'	Cut Brine	9.1	29	N.C.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the well site at all times.

8. Auxiliary Well Control and Monitoring Equipment:

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

9. Logging, Testing and Coring Program:

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log from T.D. to 8 5/8 casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined at TD.

10. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 120 degrees and estimated maximum bottom hole pressure is 3,276 psig. Low levels of Hydrogen sulfide have been monitors in producing wells in the area, so H2S may be present

Attached to Form 3160-3
Mack Energy Corporation
Jal Federal #1
1670 FNL & 990 FEL, SE/NE, Sec. 1 T26S R37E
Chaves County, NM

while drilling of the well; a plan is attached to the Drilling program. No major loss of circulation zones has been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is November 1, 2017. Once commenced, the drilling operation should be finished in approximately 10 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

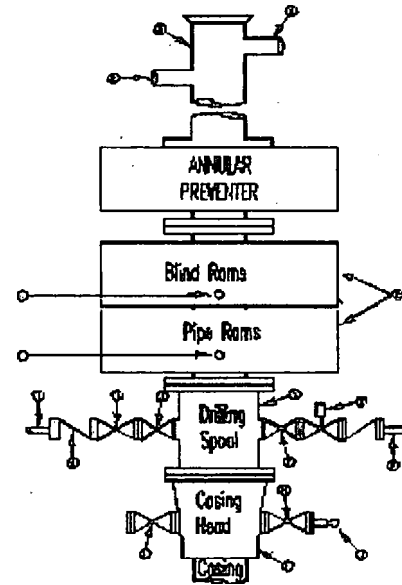
**Attachment to Exhibit #10
NOTES REGARDING THE BLOWOUT PREVENTERS
Jal Federal #1
Lea County, New Mexico**

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition. 2000 psi WP minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections. valve to be full 2000 psi WP minimum.
6. All choke and fill lines to be securely anchored especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on Kelly.
9. Extension wrenches and hands wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

Mack Energy Corporation
Minimum Blowout Preventer Requirements
3000 psi Working Pressure
13 3/8 inch- 3 MWP
11 Inch - 3 MWP
EXHIBIT #10

Stack Requirements

NO.	Items	Min. I.D.	Min. Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		2" Choke
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"



OPTIONAL

16	Flanged Valve	1 13/16	
----	---------------	---------	--

**CONTRACTOR'S
OPTION TO
CONTRACTOR'S OPTION TO
FURNISH:**

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 2000 psi minimum.
2. Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers' position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.

7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

10.

ME:

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure

equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.

3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with

Attached to Form 3160-3
Mack Energy Corporation
Jal Federal #1
1670 FNL & 990 FEL, SE/NE, Sec. 1 T26S R37E
Chaves County, NM

-
- | | | | |
|--|---|--|---|
| 1. Bradenhead or casing head and side valves | hand-wheels or handles ready for immediate use. | 8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency. | avoid stress. Hoses will be permitted. |
| 2. Wear bushing. If required. | 6. Choke lines must be suitably anchored. | 9. All seamless steel control piping (2000 psi working pressure) to have flexible joints to | 10. Casinghead connections shall not be used except in case of emergency. |
| | 7. Handwheels and extensions to be connected and ready for use. | | 11. Does not use kill line for routine fill up operations. |

Mack Energy Corporation

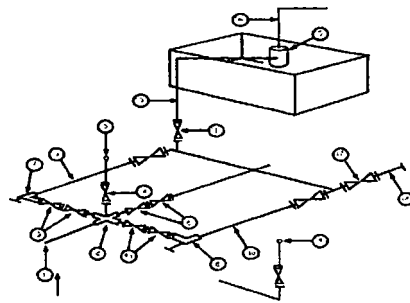
Exhibit #11

MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

3M will be used

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

* Location of separator optional

Below Substructure

Minimum requirements

No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	Nominal	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
1	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			3,000			5,000			
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000
4	Valve Gate Plug	1 13/16"		3,000	1 13/16"		5,000	1 13/16"		10,000
4a	Valves (1)	2 1/16"		3,000	2 1/16"		5,000	2 1/16"		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2' x 5'			2' x 5'			2' x 5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8"		3,000	3 1/8"		5,000	3 1/8"		10,000

(1) Only one required in Class 3M

(2) Gate valves only shall be used for Class 10 M

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

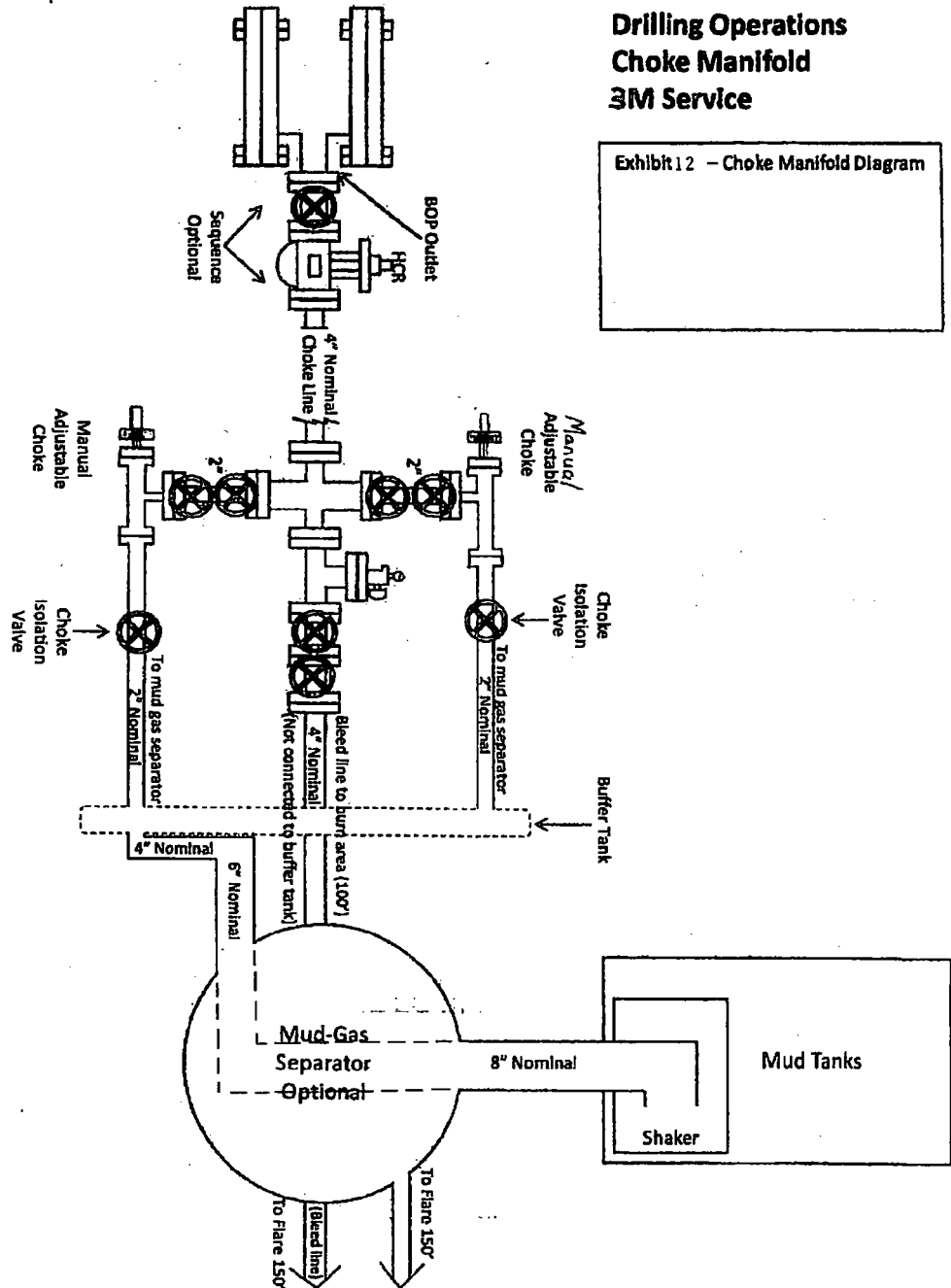
EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees.

Mack Energy Corporation
MANIFOLD SCHEMATIC
Exhibit #12

**Drilling Operations
Choke Manifold
3M Service**

Exhibit 12 - Choke Manifold Diagram





U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

SUPO Data Report

01/23/2018

APD ID: 10400012844

Submission Date: 05/08/2017

Highlighted data
reflects the most
recent changes

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Drill

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

jal_fed_1_access_rd_plat_07-11-2017.pdf

Jal_Fed_1_Road_Description_20170831110427.pdf

Existing Road Purpose: ACCESS, FLUID TRANSPORT

Row(s) Exist? NO

ROW ID(s)

ID:

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

jal_fed_1_access_rd_plat_07-11-2017.pdf

Jal_Fed_1_Road_Description_20170831110444.pdf

New road type: TWO-TRACK

Length: 148

Feet

Width (ft.): 14

Max slope (%): 2

Max grade (%): 1

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

New road access plan or profile prepared? NO

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

New road access plan attachment:

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Surfacing material will consist of native caliche. Caliche will be obtained from the nearest approved caliche pit located at NWNW Sec 27 T25S R37E and SENW Sec 26 T25S R37E .

Access onsite topsoil source depth: 2

Offsite topsoil source description:

Onsite topsoil removal process: Blade topsoil into windrow along up-slope edge of road

Access other construction information: Jal Federal – Access Road (a) Access Road from Willis Road to the Jal Federal #1. (b) Jal Federal #1 SENE Sec. 1 T26S R37E. (c) Proposed on the onsite that the road will exit the southwest corner of the pad. (d) Total distance is 14,419.04' (14,271.04' existing & 148' new) in length all on Fee Land. Access road is 14' wide. Existing 14,271.04' is caliche lease road and 148' new road will require a caliche topping. (e) The duration needed is 30 years. (f) Access road will be used daily. Multiple vehicles during and completion, then single vehicle during production. (g) Total construction time 3 days

Access miscellaneous information:

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: OTHER

Drainage Control comments: The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

Road Drainage Control Structures (DCS) description: The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

Jal_Fed_1_existing_well_map_07-11-2017.pdf

Existing Wells description:

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: A. Mack Energy Corporation will construct facility on the NORTH Side of the Jal Federal #1 Pad, located SENE Sec 1 T26D R37E . B. If the well is productive, contemplated facilities will be as follows: 1) Round Tank; San Andres Completion: Will be sent to the Jal Federal TB located on the NORTH Side of the Jal Federal #1 Pad, located SENE Sec 1 T26D R37E. 2) The tank battery and facilities including all SURFACE flow lines and piping will be installed according to API specifications. 3) Any additional caliche will be obtained from caliche pit located at NWNW Sec 27 T25S R37E and SENW Sec 26 T25S R37E . Any additional construction materials will be purchased from contractors. 4) It will be necessary to run electric power if this well is productive. Power will be run by CVE and they will send in a separate plan for power. C. Proposed flow lines will stay on location, TB will be built on location. Flowline will be a 3" poly SURFACE line, 300' in length with a 40 psi working pressure.

Production Facilities map:

jal_fed_1_tb_05-08-2017.pdf

jal_reclaimed_diagram_20170831092648.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: CAMP USE, DUST CONTROL, DUST CONTROL, INTERMEDIATE/PRODUCTION CASING, INTERMEDIATE/PRODUCTION CASING, STIMULATION, STIMULATION, SURFACE CASING, SURFACE CASING
Describe type:

Water source type: GW WELL

Source longitude:

Source latitude:

Source datum:

Water source permit type: OTHER

Source land ownership: OTHER

Describe land ownership:

Water source transport method: TRUCKING

Source transportation land ownership: OTHER

Describe transportation land ownership:

Water source volume (barrels): 20000

Source volume (acre-feet): 2.577862

Source volume (gal): 840000

Water source and transportation map:

JAL_FED_1_WATER_SOURCE_MAPS_04-18-2017.pdf

Jal_fed_water_source_map_07-11-2017.pdf

Water source comments: City/Municipal Water: Jal Country Club FW S 18 T 25S R 37E Brine Water: Key Energy State BW S 15 T 21S R 37E. Fresh Water: Mid Lea FW S 9 T 22S R 37E Brine Water: Salty Dog BW S 5 T 19S R 36E

New water well? NO

New Water Well Info

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Well casing outside diameter (in.):

Well casing inside diameter (in.):

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: All caliche required for construction of the drill pad and proposed new access road (approximately 2500 cubic yards) will be obtained from a private pit managed by the landowner Sec. 26 T25S R37E and SESW Sec. 21 T25S R37E (map attached).

Construction Materials source location attachment:

jal_caliche_pits_07-25-2017.pdf

Section 7 - Methods for Handling Waste

Waste type: SEWAGE

Waste content description: Sewage and Gray Water will be placed in container and hauled to a approved facility. Container and disposal handled by L&S Septic.

Amount of waste: barrels

Waste disposal frequency : Weekly

Safe containment description: Sewage and Gray Water will be placed in container and hauled to a approved facility. Container and disposal handled by L&S Septic.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

Disposal type description:

Disposal location description: Black Hawk will dispose at an approved location. Black Hawk Keith Willis 15756316378

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Waste type: GARBAGE

Waste content description: Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic waste or hazardous chemicals will be produced by this operation.

Amount of waste: pounds

Waste disposal frequency : Weekly

Safe containment description: Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic waste or hazardous chemicals will be produced by this operation.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

Disposal type description:

Disposal location description: Black Hawk will dispose at an approved location. Black Hawk Keith Willis 15756316378

Waste type: PRODUCED WATER

Waste content description: Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and pipelined to Rice Operating Disposal System SWD; produced oil will be collected in steel tanks until sold.

Amount of waste: 2080 barrels

Waste disposal frequency : Weekly

Safe containment description: Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and pipelined to Rice Operating Disposal System SWD; produced oil will be collected in steel tanks until sold.

Safe containmant attachment:

Waste disposal type: OFF-LEASE INJECTION **Disposal location ownership:** PRIVATE

Disposal type description:

Disposal location description: Rice Operating Disposal System SWD

Waste type: DRILLING

Waste content description: Drill cuttings and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66.

Amount of waste: 380 barrels

Waste disposal frequency : Weekly

Safe containment description: Drill cuttings and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

Disposal type description:

Disposal location description: R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66

Reserve Pit

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.)

Reserve pit width (ft.)

Reserve pit depth (ft.)

Reserve pit volume (cu. yd.)

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

jal_fed_1_site_map_04-06-2017.pdf

jal_reclaimed_diagram_20170831093824.pdf

Comments: Access Road will exit the Southwest Corner of the Pad. Tank Battery will be on the North Side of the Pad. After Reclamation the pad will be downsized to 1.43 acres 250' x 250' It will be necessary to run electric power if this well is productive. Power will be run by Lea County Electric and they will send in a separate plan for power. A. The well site and elevation plat for the proposed well is attached. It was staked by Maddron Surveying, Carlsbad, NM. B. The drill pad layout, with elevations staked by Maddron Surveying, is shown attached. Dimensions of the pad are shown. Topsoil, if available, will be stockpiled per BLM specifications. Because the pad is almost level no major cuts will be required. C. Diagram below shows the proposed orientation of the location. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name:

Multiple Well Pad Number:

Recontouring attachment:

jal_reclaimed_diagram_07-25-2017.pdf

Drainage/Erosion control construction: Edges of location will be bermed to prevent run off or erosion

Drainage/Erosion control reclamation: 1) Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds.

Wellpad long term disturbance (acres): 2.5

Wellpad short term disturbance (acres): 2.19

Access road long term disturbance (acres): 3.996

Access road short term disturbance (acres): 3.996

Pipeline long term disturbance (acres): 0.3443526

Pipeline short term disturbance (acres): 0.20661157

Other long term disturbance (acres): 0

Other short term disturbance (acres): 0

Total long term disturbance: 6.8403525

Total short term disturbance: 6.3926115

Reconstruction method: Jal Federal 1 will be reclaimed to 250' x 250', 1.43 acres after reclamation. 1) Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds

Topsoil redistribution: 1) Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds

Soil treatment: 1) Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds

Existing Vegetation at the well pad: The area is grassland and the topsoil is sandy. The vegetation is native scrub grass with sagebrush

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: The area is grassland and the topsoil is sandy. The vegetation is native scrub grass with sagebrush

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: The area is grassland and the topsoil is sandy. The vegetation is native scrub grass with sagebrush

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: A. The area is grassland and the topsoil is sandy. The vegetation

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

is native scrub grass with sagebrush

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Will seed be harvested for use in site reclamation? YES

Seed harvest description: C. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed source:

Seed name:

Source name:

Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary

Total pounds/Acre:

Seed Type	Pounds/Acre
------------------	--------------------

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Jerry

Last Name: Sherrell

Phone: (575)748-1288

Email: jerrys@mec.com

Seedbed prep:

Seed BMP:

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: The holder shall seed all disturbed areas with the seed mixture listed by BLM. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State law(s) and within nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State law(s) and available for inspection by the authorized officer.

Weed treatment plan attachment:

Monitoring plan description: After all disturbed areas have been satisfactorily prepared, these areas need to be revegetated with the seed mixture provided by BLM. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may need to be repeated until revegetation is successful, as determined by the BLM.

Monitoring plan attachment:

Success standards: The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding.

Pit closure description: NO Pit

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: MACK ENERGY CORPORATION

Well Name: JAL FEDERAL

Well Number: 1

Fee Owner: Willis Family Trust

Fee Owner Address: PO Box 307

Phone: (575)631-8752

Email:

Surface use plan certification: YES

Surface use plan certification document:

SUA_Final_cert_page_20171003141054.pdf

Surface access agreement or bond: Agreement

Surface Access Agreement Need description: Agreement was signed 9/12/2017

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

ROW Applications

SUPO Additional Information:

Use a previously conducted onsite? YES

Previous Onsite information: 3/30/2017 Jal Federal #1

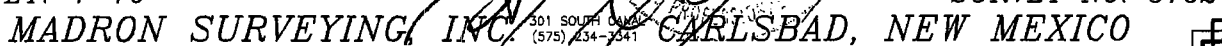
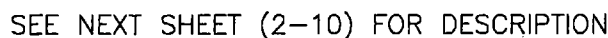
Other SUPO Attachment

jal_fed_1_gas_capture_07-11-2017.pdf

jal_1_h2s_20170831095157.pdf

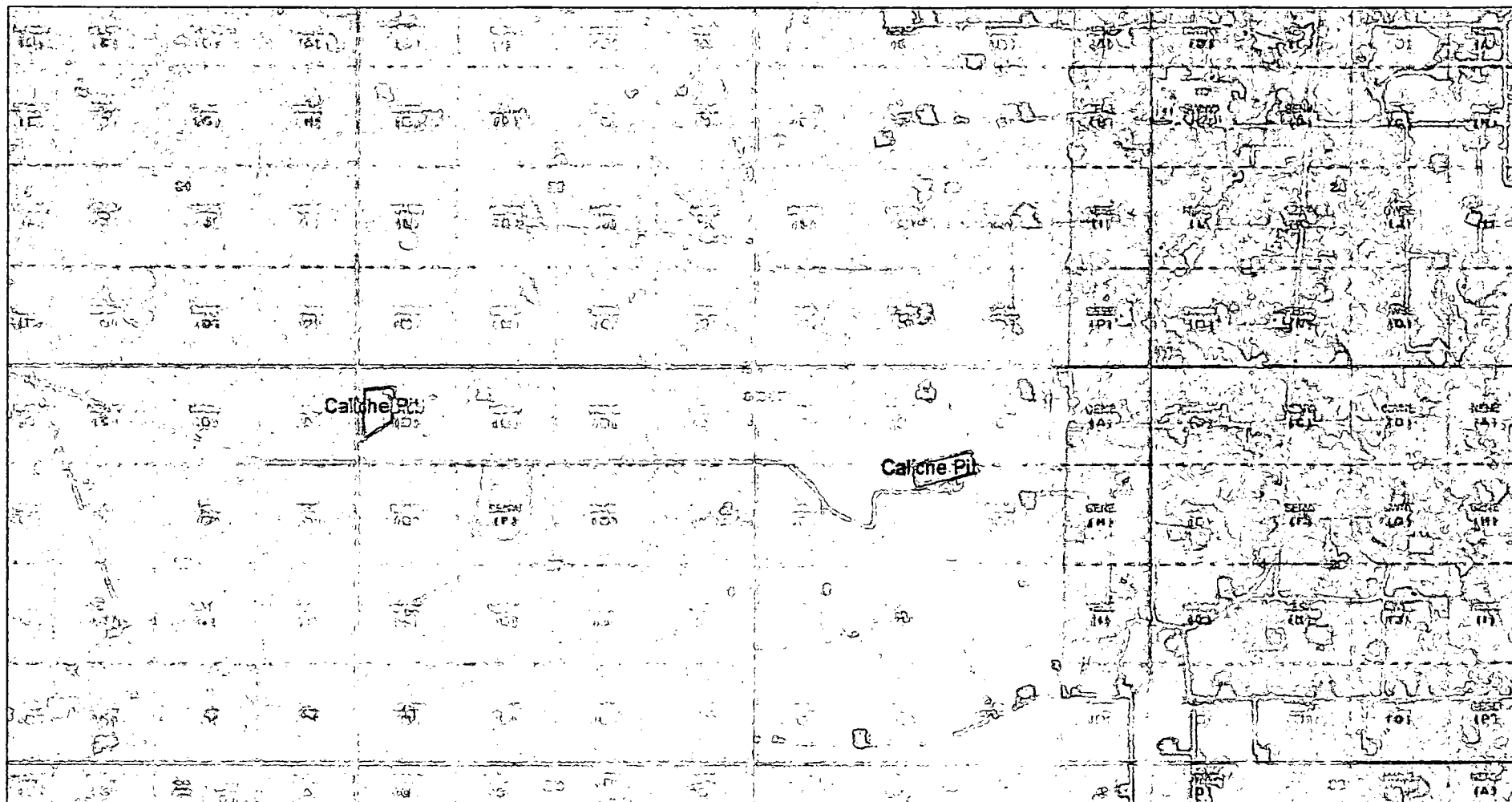
Jal_Fed_1_SUPO_20170831110603.pdf

MACK ENERGY CORPORATION
CENTERLINE SURVEY OF AN ACCESS ROAD CROSSING
SECTION 35, TOWNSHIP 25 SOUTH, RANGE 37 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
MARCH 8, 2017



301 SOUTH OAK
(575) 234-3341

ArcGIS Web Map

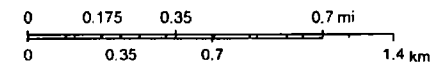


July 25, 2017

Areas

- ☐ Override 1
- ★ OCD District Offices
- ☐ PLSS Township
- PLSS Second Division, WMAS84, Unit Ltr
- ☐ PLSS First Division

1:18,056



OCD
Esri, HERE, DeLorme, MapmyIndia, © OpenStreetMap contributors
and the GIS user community
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics

EXECUTED this 12th day of September, 2017.

Owner

Willis Family Trust

Martin Willis
Martin Willis, Agent

Mack

Mack Energy Corporation

Staci D. Sanders
Staci D. Sanders
Attorney in Fact

STATE OF New Mexico §
COUNTY OF Lea §

The foregoing instrument was acknowledged before me this 12 day of September, 2017 by Martin Willis as an Agent of the Willis Family Trust.

My Commission Expires: Feb 16, 2019

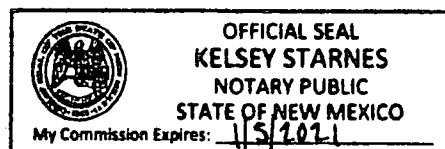
Leticia P. Segura
Notary Public

STATE OF New Mexico §
COUNTY OF Eddy §

The foregoing instrument was acknowledged before me this 18th day of September, 2017 by Staci D. Sanders, Attorney in Fact for Mack Energy Corporation, a New Mexico corporation.

My Commission Expires: 1/5/2021

Kelsey Starnes
Notary Public



Additional bond information attachment:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well mineral owner:

Injection well type:

Injection well number:

Injection well name:

Assigned injection well API number?

Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Bond Info Data Report

01/23/2018

Bond Information

Federal/Indian APD: FED

BLM Bond number: NMB000286

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

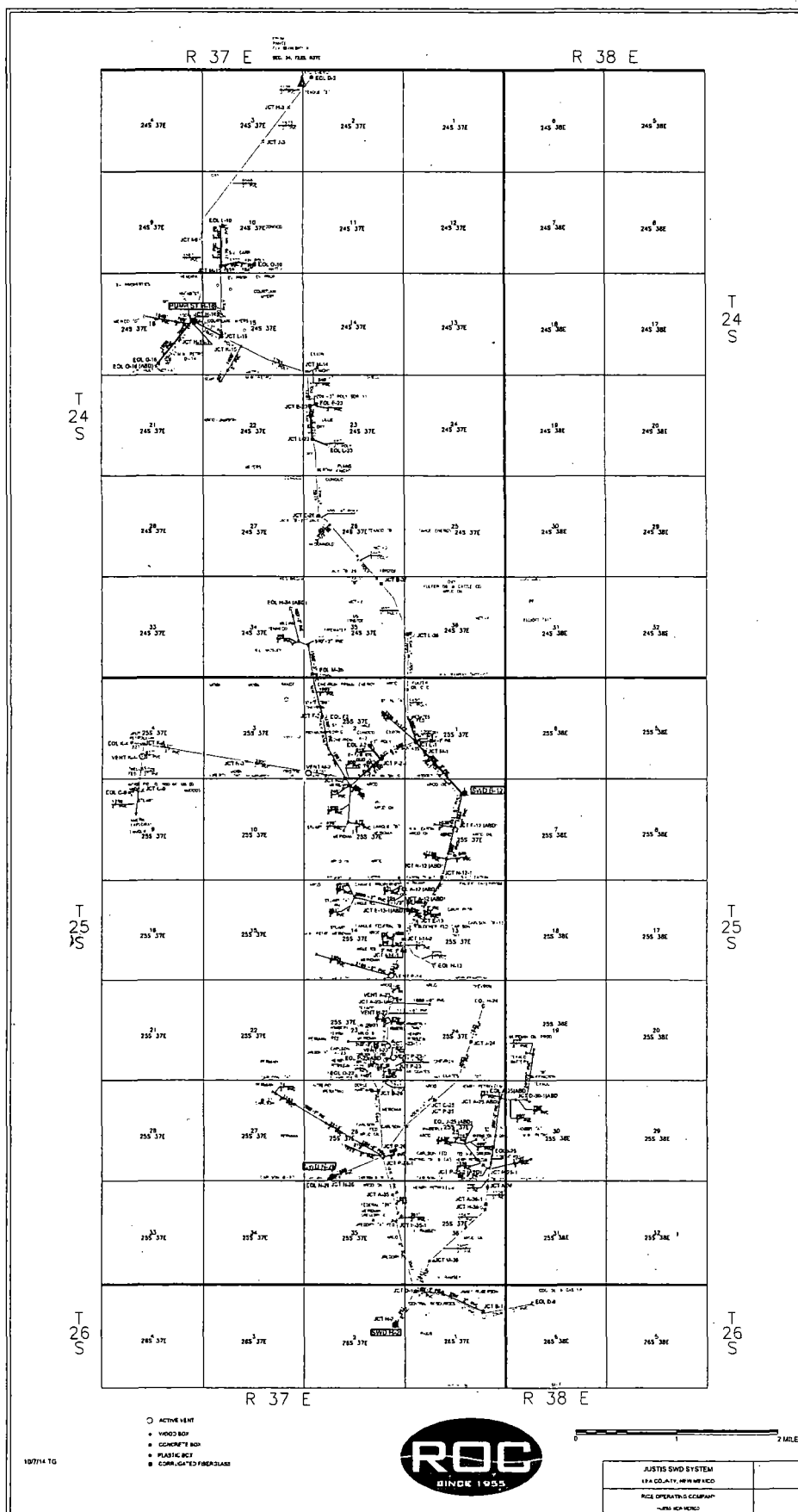
Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

JUSTIS

JUSTIS



JUSTIS

JUSTIS



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

PWD Data Report

01/23/2018

Section 1 - General

Would you like to address long-term produced water disposal? YES

Water quality analysis:

Jal_Fed_1_PWD_MAP_04-20-2017.pdf

Average monthly evaporation (in.):

Average monthly precipitation (in.):

Do you have a Produced Water Management Plan? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Lined pit bond amount: