

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBSOCD

FORM APPROVED
OMB No. 1004-0137
Expires: October 31, 2014

JAN 20 2015

Lease Serial No.
MNM-40456

6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an
abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
Mack Energy Corporation3a. Address
PO Box 960 Artesia, NM 88211-09603b. Phone No. (include area code)
575-748-12884. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2310 FNL & 1650 FWL, Sec. 1 T18S R32E

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

8. Well Name and No.
Ringtail Federal #19. API Well No.
30-025-43032 4203210. Field and Pool or Exploratory Area
Young; Bone Spring, North11. County or Parish, State
Lea, 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 <u>Build and maintain</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>fresh water frac pit</u>
	<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.)

Mack Energy proposes to build and maintain a 300' x 300' fresh water frac pit at the Me-Tex Sprinkle Federal #1 P&A'd location. This pit will be lined with a 30 mil liner. Mack Energy is requesting approval to use this frac pit to complete our Ringtail Federal #1 well. This pit will be re-claimed and seeded per BLM requirements. Location of this pit is directly east of our Ringtail location on Fee surface. Mack Energy has consulted with CEHMM regarding the location of this pit.

OIL CRL 01/08/15 * see attached ~~copying~~ CO's

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 12/19/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

for Cody R. Lytton

Title

MRS

Date

01/08/15

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

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.

(Instructions on page 2)

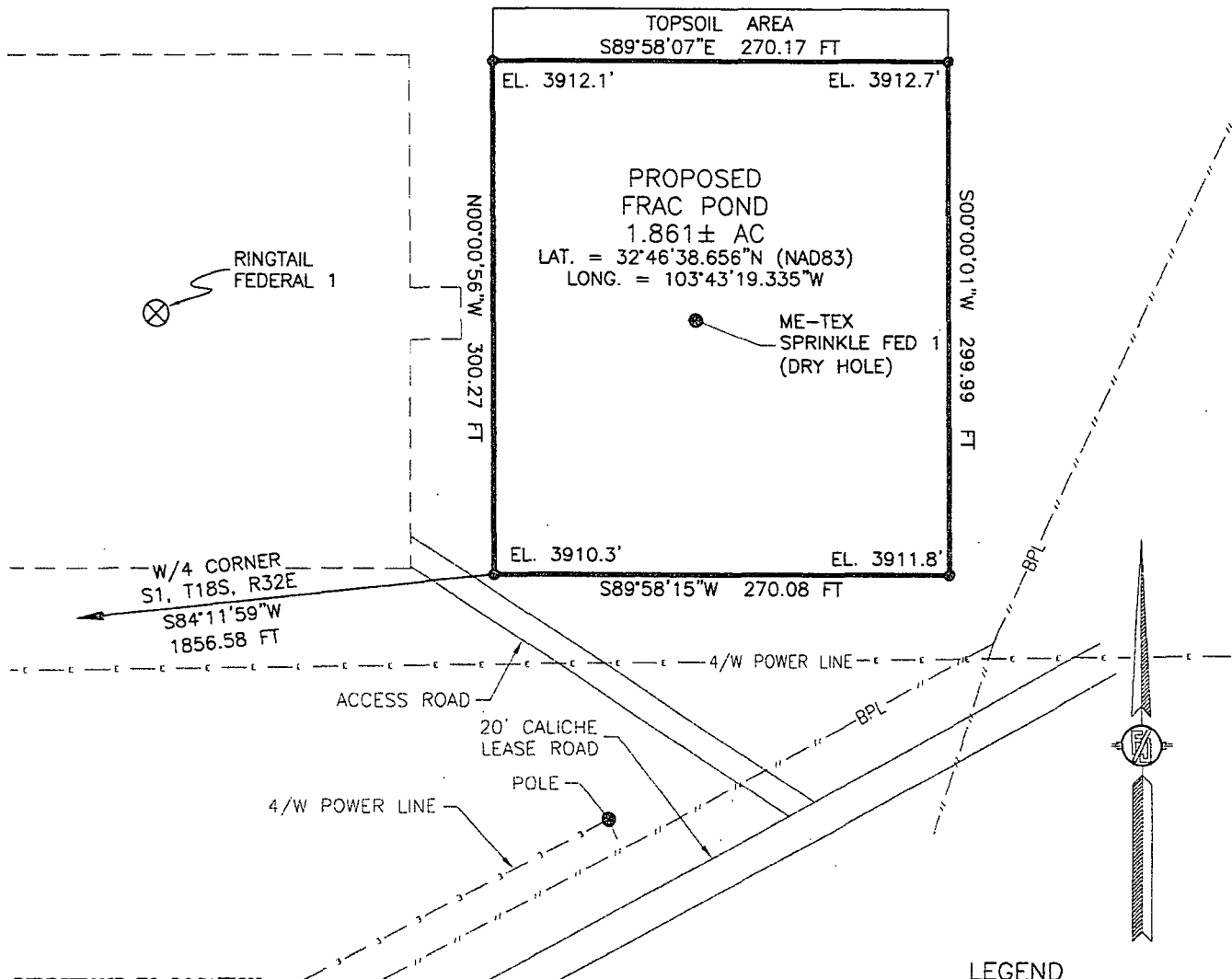
MRS/OCD 1/21/2015

JAN 21 2015

RINGTAIL FRAC POND

MACK ENERGY CORPORATION
IN THE SE/4 NW/4 OF
SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

DECEMBER 11, 2014



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF STATE HIGHWAY 529 AND DOG LAKE GO WEST ON STATE HIGHWAY 529 FOR APPROX. 0.75 OF A MILE. GO SOUTHWEST ON CALICHE LEASE ROAD (MILE POST 11) FOR APPROX. 1.8 MILES. LOCATION IS APPROX. 292' NORTH.

LEGEND
• SET #4 REBAR W/JARAMILLO CAP
100 0 100
Scale: 1" = 100'

DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE SE/4 NW/4 OF SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

BEGINNING AT THE SOUTHWEST CORNER OF THE PARCEL, WHENCE THE WEST QUARTER CORNER OF SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS S84°11'59"W, A DISTANCE OF 1856.58 FEET;
THENCE N00°00'56"W A DISTANCE OF 300.27 FEET TO THE NORTHWEST CORNER OF THE PARCEL;
THENCE S89°58'07"E A DISTANCE OF 270.17 FEET TO THE NORTHEAST CORNER OF THE PARCEL;
THENCE S00°00'01"W A DISTANCE OF 299.99 FEET TO THE SOUTHEAST CORNER OF THE PARCEL;
THENCE S89°58'15"W A DISTANCE OF 270.08 FEET TO THE SOUTHWEST CORNER OF THE PARCEL, TO THE POINT OF BEGINNING;
CONTAINING 1.861 ACRES MORE OR LESS.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 11TH DAY OF DECEMBER 2014

GENERAL NOTES

1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND

2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

SHEET: 1-3

MADRON SURVEYING, INC. CARLSBAD, NEW MEXICO

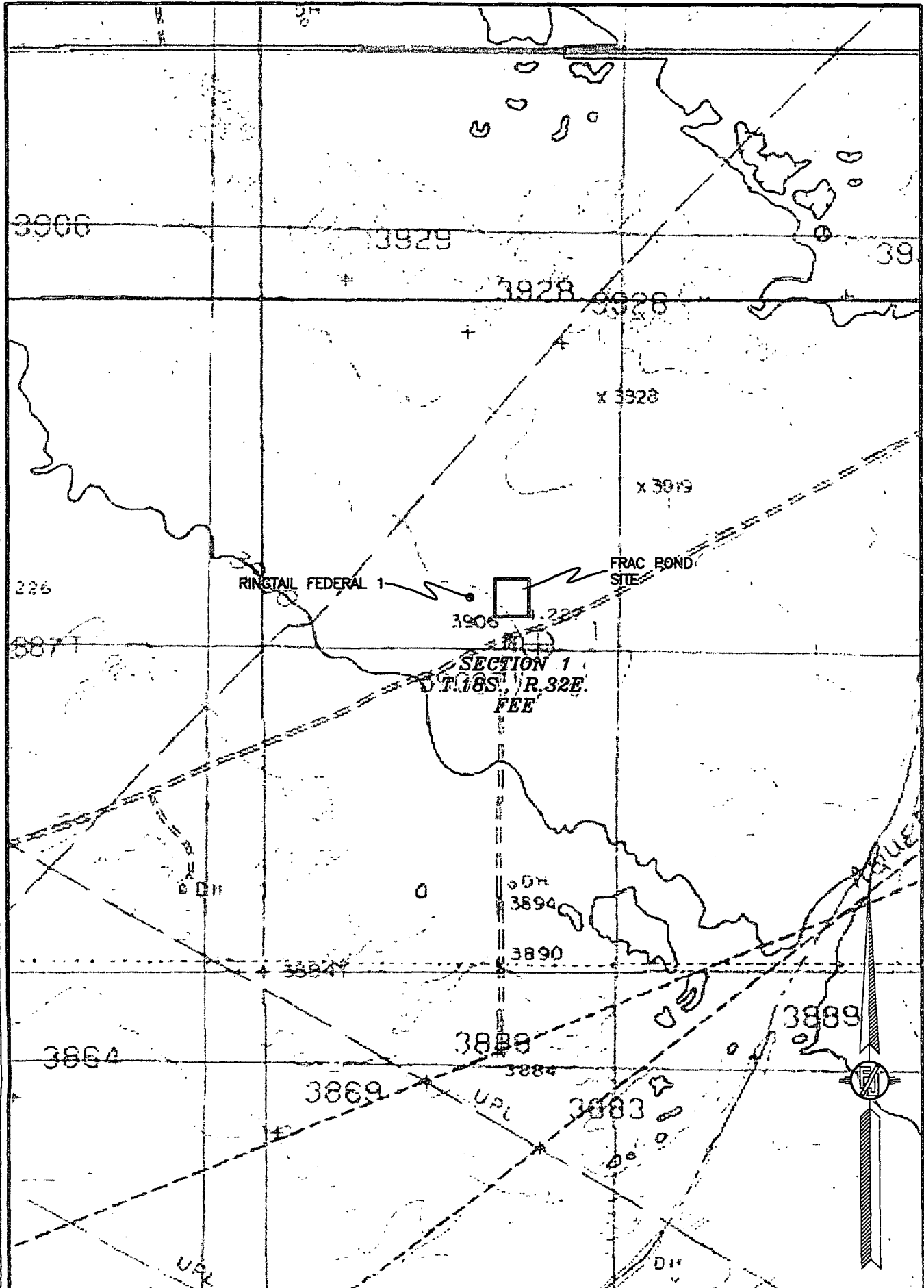
SURVEY NO. 3522

RINGTAIL FRAC POND

MACK ENERGY CORPORATION
IN THE SE/4 NW/4 OF
SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

DECEMBER 11, 2014

QUAD MAP



SHEET: 2-3

SURVEY NO. 3522

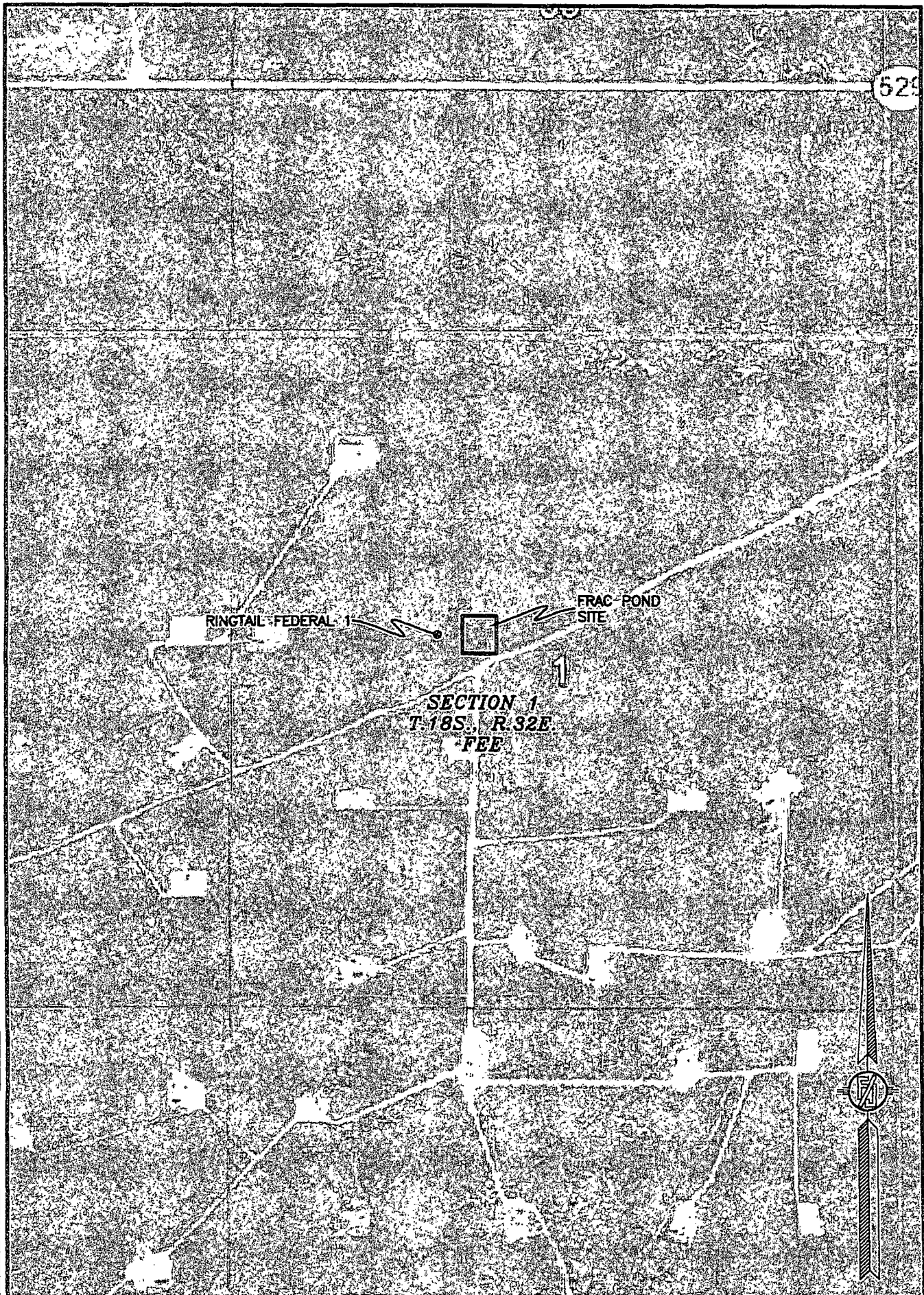
MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

RINGTAIL FRAC POND

MACK ENERGY CORPORATION
IN THE SE/4 NW/4 OF
SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

DECEMBER 11, 2014

AERIAL PHOTO



SHEET: 3-3

SURVEY NO. 3522

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

BLM LEASE NUMBER: NMNM-40456
COMPANY NAME: Mack Energy Corporation
ASSOCIATED WELL NAME: Ringtail Federal # 1

FRAC POND CONDITIONS OF APPROVAL

A copy of the application (APD, Grant, or Sundry Notice) and attachments, including stipulations, survey plat and diagram, will be on location during construction. BLM personnel may request to see a copy of your permit during construction to ensure compliance with all conditions of approval.

Holder agrees to comply with the following conditions of approval to the satisfaction of the Authorized Officer:

1. The Holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this permit.
2. The Holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated.
3. Required Standard Conditions of Approval:

a. Notification

Contact the Supervisory Environmental Protection Specialist, Jim Amos, at 575-234-5909 at least 24 hours prior to starting construction.

b. Freshwater Only

The frac pond will only be authorized to contain freshwater and testing of water quality is required. Additives are not allowed without consent of the authorized officer in writing.

c. Contamination

If at any time the water in the frac pond becomes polluted with salts or other contaminants, use of the frac pond will cease and desist, and all liquids will be removed from the frac pond and disposed of properly. The operator will preclude releases of oil into open pits. The operator must remove any accumulation of oil, condensate, or contaminant in a pit within 48 hours of discovery.

d. Authorized Disturbance

Confine all construction and maintenance activity to the approved authorized area applied for in the application.

e. Facilities

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations. Grey-water, sewage, and trash shall be removed from the site and disposed of properly at a state approved facility.

f. Escape Ramps

The operator will construct and maintain frac ponds to prevent livestock, wildlife, and humans from becoming entrapped. At a minimum, the operator will construct and maintain escape ramps, ladders, or other methods of avian and terrestrial wildlife escape in frac ponds. Escape ramps must be installed at every corner of

the frac pond and in the center of each side if that side exceeds 100 feet in length. Escape ramps must be in contact with the side of the frac pond, bottom of the frac pond, and the top of the frac pond berm. Escape ramps cannot be made of metal and cannot be steeper than a 3:1 slope (Horizontal Distance: Vertical Distance) or 30% slope. (*Examples of escape ramps: 12" wide wooden planks wrapped in matting, felt lining, etc.*)

g. Frac Pond Pipelines

Temporary pipelines flowing from the frac pond to the target well will be laid along existing roadways unless an exception has been granted by the authorized officer in writing.

h. Mineral Material from Excavation

Mineral materials extracted during construction of the frac pond will be stored on-location and/or used for constructing the frac pond.

i. Frac Pond Liner

The frac pond will be lined with at least a 30 mil. plastic liner.

j. Topsoil Stockpile

The operator shall strip at least the top 6 inches of soil (root zone) from the entire frac pond area and stockpile the topsoil approximately 25 feet outside the bermed perimeter of the pond in a low profile manner, reasonably protected from wind and water erosion. Topsoil shall not be used for constructing the frac pond. The topsoil will be used for final reclamation purposes only.

k. Frac Pond Fence

The operator will install and maintain enclosure fencing on all sides of the frac pond to prevent access to public, livestock, and large forms of wildlife. The fence shall be installed at the base of the berm and never on top of the berm. Construction of the fence shall consist of steel and/or wooden posts set firmly into natural ground. Hog panel or chain-link fencing must be used as the fence and tied securely to the fence posts. Barbed-wire fencing or electric fences shall not be used. The fence height shall not be shorter than six (6) feet. The erected fence shall be maintained in adequate condition until the frac pond is reclaimed.

l. Erosion Prevention

Install earthen erosion-control structures as are suitable for the specific terrain and soil conditions.

m. Reclamation Start

- I. Reclamation efforts will commence immediately after the frac pond is no longer needed for the purpose of completing wells.
- II. Within 3 months of completion of frac operations on associated wells, all earthwork and final reclamation must be completed. This includes reclaiming and/or removal of:
 - i. Any roads approved for use with the pond
 - ii. Surface water lines
 - iii. Tanks, pumps, fencing etc.

Requirements for Operations and Final Reclamation:

4. If, during any phase of the construction, operation, maintenance, or termination of the frac pond, any pollutant should be released from the contaminated frac pond, the control and total removal, disposal, and cleaning up of such pollutant, wherever found, shall be the responsibility of holder, regardless of fault.

Upon failure of holder to control, dispose of, or clean up such discharge, or to repair all damages resulting there-from, the Authorized Officer may take such measures as he deems necessary to control and clean up the discharge and restore the area, including where appropriate, the aquatic environment and fish and wildlife habitats, at the full expense of the holder. Such action by the Authorized Officer shall not relieve holder of any responsibility as provided herein.

5. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

6. The operator shall be held responsible if noxious weeds become established within the areas of operations. Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

7. After all disturbed areas have been satisfactorily contoured and prepared for seeding the location needs to be revegetated with the seed mixture provided. Seeding may need to be repeated until revegetation is successful. Operators shall contact Jim Amos, Supervisor, Environmental Protection – (575)234-5909, **prior** to beginning surface reclamation operations.

8. Seeding is required: Use the following seed mix.

- | | |
|--|--|
| <input type="checkbox"/> seed mixture 1 | <input type="checkbox"/> seed mixture 3 |
| <input checked="" type="checkbox"/> seed mixture 2 | <input type="checkbox"/> seed mixture 4 |
| <input type="checkbox"/> LPC mixture | <input type="checkbox"/> Aplomado Falcon mix |