

Lost Date 11/29/12

ABOVE THIS LINE FOR DIVISION USE ONLY

1311

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OCD
2012 OCT 31 P 12:35

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

Mack Energy Corp
Dark Canyon
SWD# 4

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
 - Check One Only for [B] or [C]
 - [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
 - [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
 - [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
 - [B] Offset Operators, Leaseholders or Surface Owner
 - [C] Application is One Which Requires Published Legal Notice
 - [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 - [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 - [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jerry W. Sherrell _____ Production Clerk 10/26/12
 Print or Type Name Signature Title Date
 jerrys@mec.com
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X _____ Disposal _____ Storage
Application qualifies for administrative approval? X _____ Yes _____ No

II. OPERATOR: Mack Energy Corporation

ADDRESS: P.O. Box 960 Artesia, NM 88211-0960

CONTACT PARTY: Jerry W. Sherrell PHONE: (505)748-1288

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X _____ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (if well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of freshwater from two or more freshwater wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Jerry W. Sherrell TITLE: Production Clerk

SIGNATURE: *Jerry W. Sherrell* DATE: 10-26-2012

* if the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

INJECTION WELL DATA SHEET

OPERATOR: **Mack Energy Corporation**

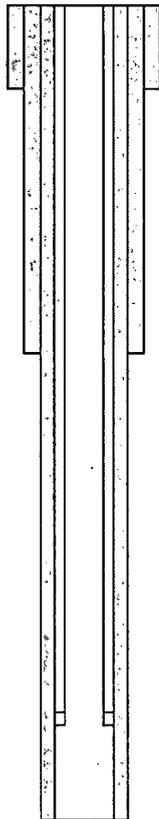
WELL NAME & NUMBER: **Dark Canyon SWD #1**

WELL LOCATION: **330 FNL & 2630 FEL** **B** **3** **23S** **23E**
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA

Surface Casing



13 3/8 casing @ 400'. Cem w/750sx, circ

8 5/8 casing @ 2600'. Cem w/1700sx, circ

**2 7/8" PC tubing @ 10650'
set w/ 10k nickel plated pkr**

Perfs from 10700-12300'

5 1/2 casing @ 12300'. Cem w/1725sx, circ

TD @ 12300'

Hole Size: 17 1/2 Casing Size: 13 3/8 @ 400'

Cemented with: 750 sx. or _____ ft

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4 Casing Size: 8 5/8 @ 2600'

Cemented with: 1700 sx. or _____ ft

Top of Cement: Surface Method Determined: Circulated

Production Casing

Hole Size: 7 7/8 Casing Size: 5 1/2 @ 12300'

Cemented with: 1725 sx. or _____ ft

Top of Cement: Surface Method Determined: Circulated

Total Depth: 12300'

Injection Interval

10700' feet to 12300' Perforated

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic Coated

Type of Packer: Halliburton Trump Packer

Packer Setting Depth: 10650'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? Yes No

If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation: Devonian, Fusselman, Montoya, Ellenburger

3. Name of Field or Pool (if applicable): Indian Basin

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. N/A

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Overlying-Woodford, Underlying-Granite

VII. DATA SHEET: PROPOSED OPERATIONS

1. Proposed average and maximum daily rate and volume of fluids to be injected;
Respectively, 2000 BWPD and 4000 BWPD
2. The system is closed or open;
Closed
3. Proposed average and maximum injection pressure;
0-1940#
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than re-injected produced water;
We will be re-injecting produced water
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water;

N/A

VIII. GEOLOGICAL DATA

1. Lithologic Detail; **Carbonate**
2. Geological Name; **Devonian-Ellenburger**
3. Thickness; **1600'**
4. Depth; **10,700-12,300'**

IX. PROPOSED STIMULATION PROGRAM

1. To be treated with 10000 gallons 15% acid

X. LOGS AND TEST DATA

1. Well data will be filed with the OCD.

XI. ANALYSIS OF FRESHWATER WELLS

1. Will be forwarded, when complete.

Additional Information
Waters Injected: Yeso

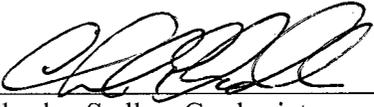
XII. AFFIRMATIVE STATEMENT

RE: Dark Canyon SWD #1

We have examined the available geologic and engineering data and find no evidence of open faults or any other hydraulic connection between the disposal zone and any underground source of drinking water.

Mack Energy Corporation

Date: 10/26/12



Charles Sadler, Geologist

**Dark Canyon SWD #1
330 FNL & 2640 FWL
Sec. 3 T23S R23E**

Formation Tops:

Mississippian

9950'

Devonian

10600'

Fusselman

11000'

Montoya

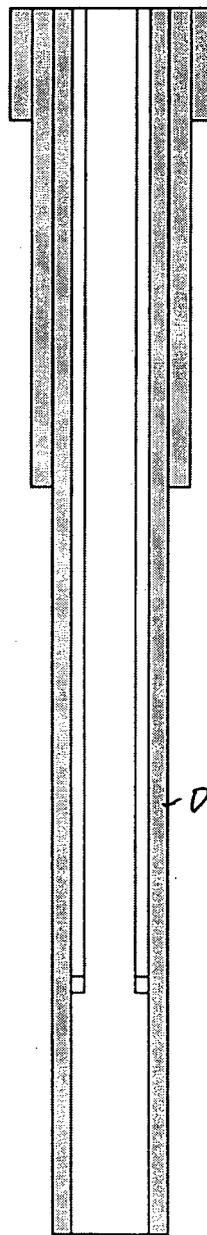
11350

Ellenburger

11740'

Base Ellenburger

12300'



13 3/8 casing @ 400'. Cem w/750sx, circ

8 5/8 casing @ 2600'. Cem w/1700sx, circ

over 800' +

**2 7/8" PC tubing @ 10650'
set w/ 10k nickel plated pkr**

Perfs from 10700-12300'

**5 1/2 casing @ 12300'. Cem w/1725sx, circ
TD @ 12300'**

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 DARK CANYON SWD	
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	⁶ Well Number 1
		⁹ Elevation 4227.6

¹⁰ Surface Location

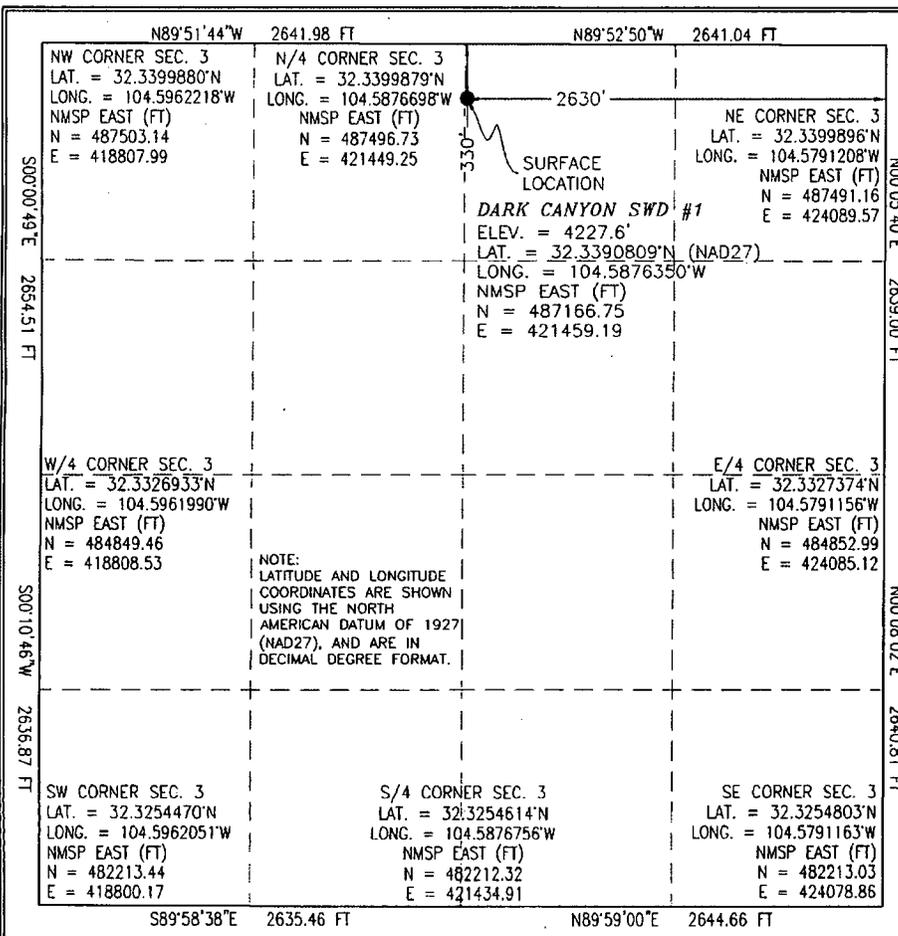
UL or lot no. B	Section 3	Township 23 S	Range 23 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 2630	East/West line EAST	County EDDY
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



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.

Jerry W. Sherrell 10-25-2012
Signature Date

Jerry W. Sherrell
Printed Name

jerrys@mec.com
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.

OCTOBER 29 2012
Date of Survey

Jerry W. Sherrell
Signature and Seal of Professional Surveyor

Certificate Number: JERRY W. JARA MILLO, PLS 12797
REGISTERED LAND SURVEYOR NO. 1320

Jones, William V., EMNRD

From: Jerry Sherrell <jerrys@mec.com>
Sent: Thursday, November 01, 2012 8:45 AM
To: Jones, William V., EMNRD
Cc: Deana Weaver
Subject: Dark Canyon SWD Permit
Attachments: 11012012Dark Canyon H2O analysis014708.pdf

Good Morning Will,

Please see the attached fresh water analysis for the Dark Canyon SWD #1 application.

Jerry W. Sherrell
Mack Energy Corporation
Office 575-748-1288
Cell 432-260-8363
jerrys@mec.com



New Mexico Office of the State Engineer

Point of Diversion Summary



(quarters are 1=NW 2=NE 3=SW 4=SE)
 (quarters are smallest to largest) (NAD83 UTM in meters)

POD Number	Q64 Q16 Q4 Sec Tws Rng	X	Y
RA 05256	3 1 2 20 22S 23E	535796	3582806

Driller License: ARTESIA DRILLING COMPANY
Driller Name: EXISTING WELL
Drill Start Date: 07/20/1966 **Drill Finish Date:** 09/09/1966 **Plug Date:**
Log File Date: 09/26/1966 **PCW Rcv Date:** **Source:** Shallow
Pump Type: **Pipe Discharge Size:** **Estimated Yield:**
Casing Size: 7.00 **Depth Well:** 541 feet **Depth Water:** 528 feet

Water Bearing Stratifications:	Top	Bottom	Description
	538	541	Limestone/Dolomite/Chalk

Meter Number: 5075	Meter Make: MASTER
Meter Serial Number: 2144881	Meter Multiplier: 100.0000
Number of Dials: 6	Meter Type: Diversion
Unit of Measure: Gallons	Return Flow Percent:
Usage Multiplier:	Reading Frequency: Monthly

Meter Readings (in Acre-Feet)

Read Date	Year	Mtr Reading	Flag	Rdr Comment	Mtr Amount
10/18/2001	2001	0	A	RPT beggining reading	0
12/07/2001	2001	5160	A	RPT	1.584
12/07/2001	2001	5163	A	RPT beginning reading	0
12/30/2001	2001	9769	A	RPT	1.414
10/17/2002	2003	100407	A	RPT	0
11/29/2002	2003	110112	A	RPT project complete 11/29/02	2.978
12/10/2004	2004	8	A	RPT	0
01/14/2005	2004	1731	A	RPT	0.529

**YTD Meter Amounts:	Year	Amount
	2001	2.998
	2002	0
	2003	2.978
	2004	0.529

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.



Catalyst Oilfield Services
 11999 E Hwy 158
 Gardendale, TX 79758
 (432) 563-0727
 Fax: (432) 224-1038

Water Analysis Report

Customer: Mack Energy Corporation Sample #: 10426
 Area: Artesia Analysis ID #: 12230
 Lease: Dark Canyon
 Location: FW1 0
 Sample Point: Wellhead

Sampling Date:	10/23/2012	Anions	mg/l	meq/l	Cations	mg/l	meq/l
Analysis Date:	10/25/2012	Chloride:	219.7	6.2	Sodium:	75.0	3.26
Analyst:	Catalyst	Bicarbonate:	131.8	2.16	Magnesium:	40.4	3.32
TDS (mg/l or g/m3):	645.4	Carbonate:			Calcium:	76.1	3.8
Density (g/cm3):	1.003	Sulfate:	100.0	2.08	Potassium:	0.0	0.0
Hydrogen Sulfide:	0				Strontium:	2.4	0.06
Carbon Dioxide:	0				Barium:	0.0	0.0
Comments:		pH at time of sampling:		7	Iron:	0.0	0.0
		pH at time of analysis:			Manganese:	0.000	0.0
		pH used in Calculation:		7	Conductivity (micro-ohms/cm):		1036
		Temperature @ lab conditions (F):		75	Resistivity (ohm meter):		9.6525

Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bb!

Temp	Calcite CaCO ₃		Gypsum CaSO ₄ ·2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄	
	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount
80	-0.53	0.00	-1.65	0.00	-1.72	0.00	-1.44	0.00	0.00	0.00
100	-0.40	0.00	-1.64	0.00	-1.65	0.00	-1.41	0.00	0.00	0.00
120	-0.24	0.00	-1.63	0.00	-1.55	0.00	-1.38	0.00	0.00	0.00
140	-0.08	0.00	-1.60	0.00	-1.43	0.00	-1.33	0.00	0.00	0.00
160	0.09	1.40	-1.57	0.00	-1.30	0.00	-1.28	0.00	0.00	0.00
180	0.26	4.90	-1.53	0.00	-1.15	0.00	-1.23	0.00	0.00	0.00
200	0.44	8.41	-1.49	0.00	-0.99	0.00	-1.17	0.00	0.00	0.00
220	0.63	12.26	-1.45	0.00	-0.82	0.00	-1.10	0.00	0.00	0.00

205-13
100.00

19

US

32

Person St

US

8

Person St

US

Duncan Prop

17

US

20

3194
Ralph Lowe
Marathon Fed
TD 10146
D/A 2-29-64

20

H B P
9194

27

US

3-1-2005
102018
3500

26

Ralph Lowe
Mobil-Fed
TD 785
D/A 1-10-63

US

3-1-200
98146
10500

25

Indian Basin Fea
US

S.P.E. Martin Yates et al
H B P
3194

33

US

Yates Pet. et al
(S.P.E. Martin Yates et al)
3194

34

"Sacahuista Fea"
Yates Pet.
Sacahuista Fea
TD 1005 (Str Disc)
P/B 835
Yeso Disc
U.S. 1-KE
U.S. 1-1A (P/B)

2 KE

US

Yates Pet et al
3-1-2004
94071
300

35

US

*only Nearby
Deep Well*

R. Mile
4-1-20
V.B. 199
\$615.2

36

MIDLAND
State

Chase Oil Corp
3-1-2021
127442

"Patterson AGL Fea"

Chase Oil Corp
1-1-2021
127442

5

US

Glase Oil
3-1-2016
V. 8912
\$400.00

Chase Oil
3-1-2016
V. 8911
\$412.50

2

Mumble
3-1-2010
D/A 1-1-10
D/A 1-1-10

Three R.
1-1-20
4946
55000

1

US

Chase Oil
3-1-2016
V. 8911
\$412.50

2

Mumble
3-1-2010
D/A 1-1-10
D/A 1-1-10

Marshall-
Winsten
3-1-2016
V. 8899
\$252.00

2

State

Three R.
1-1-20
4946
55000

1

US

Allor Co
11-1-2015
4947
60000

U.S. Smell
Kelly Fed
TD 000

9

Amer Quator
Tippen Rich Unit
TD 10050
D/A 5-3-75

US

Allor Co
11-1-2015
4947
60000

10

Barburg
Sandona
Point
29940
V/A 3-15-90

U.S. Smell
Kelly Fed
TD 2180

J.M.G.
Davidson
1-1-2010

US

Three Rivers
1-1-2015
4946
55000

11

US

Three Rivers
1-1-2015
4946
55000

12

US

R Miles
3-1-2016
V. 8900
\$265.31

J.B.E.A.S.
Patterson

Chase Oil
3-1-2016
V. 8913
\$468.75

137

US

Allor Co.
11-1-2015
4948
80000

B.W. Blake
1-1-2010, 6-13-2010

J.M. Green
Davidson Fea

15

US

Allor Co.
1-1-2015
4948
80000

B.W. Blake
1-1-2010, 6-13-2010

J.M. Green
Davidson Fea

14

US

Yates E
(Chesape)
11-1-20
11398
8000

13

US

Allor Co
11-1-2015
4949
85000

23

US

Allor Co
11-1-2015
4949
80000

22

US

Yates Ener.
(Chesape Fea)
11-1-2015
11398
8000

23

US

Yates E
(Chesape)
11-1-20
11398
8000

24

US

AREA OF REVIEW WELL DATA

LEASE/API	WELL#	LOCATION	ID (PBTD)	TYPE & DATE DRILLED	HOLE SIZE	CASING SIZE & WEIGHT	SETTING DEPTH	SX CMT	TOC	PERFS
Dark Canyon SWD 30-015-	1	330' FNL 2630' FEL 3-23S-23E	12,300'	SWD Pending	17 1/2 12 1/4 7 7/8	13 3/8, 48 8 5/8, 32 5 1/2, 17	400 2600 12300	750 1700 1725	Circ Circ Circ	10700-12300'
Sacahuiste KE Federal 30 015-29432	2	660' FSL 660' FWL 34-22S-23E	3400' 0' P&A	Oil 8/18/1997	14 3/4 11 7 7/8	11 3/4, 42 8 5/8, 24 5 1/2, 17	450 1496 3400	510 800 350	Circ Circ 1160	2124-2746'
Sacahuiste KE Federal 30 015-22857	1	660' FSL 1980' FEL 34-22S-23E	10106' 0' P&A	Oil 3/13/1979	17 1/2 12 1/4 7 7/8	13 3/8, 48 8 5/8, 32 5 1/2, 17	300 2005 10018	300 1575 685	Circ Surface 6450	9788-9831, sqzd 8864-9782 CIBP 8313-8318
										2629-2632 sqzd 2501-2504 sqzd 2342-2390

Handwritten initials/signature

Legal Notice

Mack Energy Corporation, Post Office Box 960, Artesia, NM 88211-0960, has filed an Application with the New Mexico Oil Conservation Division seeking authorization to inject produced water into the Dark Canyon SWD #1-330 FNL & 2630 FEL of Section 3, T23S R23E, NMPM, Eddy County, New Mexico. The water will be injected into the Devonian-Fussleman-Montoya-Ellenburger formations at a disposal depth of 10,700-12,300'. Water will be injected at a maximum surface pressure of 1940 pounds and a maximum injection rate of 4000 BWPD. Any interested party with questions or comments may contact Jerry W. Sherrell at Mack Energy Corporation, Post Office Box 960, Artesia, New Mexico 88211-0960 or call (575) 748-1288. Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within fifteen days of the date of the publication of this notice.

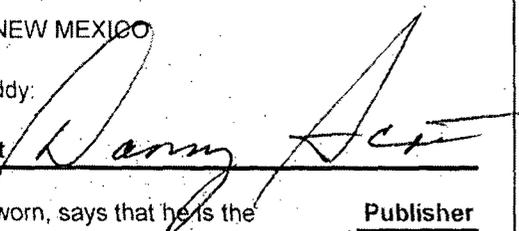
Affidavit of Publication

NO. 22356

STATE OF NEW MEXICO

County of Eddy:

Danny Scott



being duly sworn, says that he is the Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/days on the same

day as follows:

- First Publication October 30, 2012
- Second Publication _____
- Third Publication _____
- Fourth Publication _____
- Fifth Publication _____

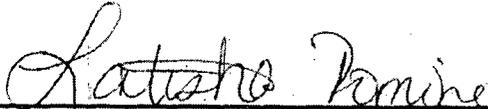
Subscribed and sworn to before me this

30th day of October 2012



OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO

My commission expires: 5/12/2015



Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Mack Energy Corporation, Post Office Box 960, Artesia, NM 88211-0960, has filed an Application with the New Mexico Oil Conservation Division seeking authorization to inject produced water into the Dark Canyon SWD #1-330 FNL & 2630 FEL of Section 3, T23S R23E, NMPM, Eddy County, New Mexico. The water will be injected into the Devonian-Fusileman-Montoya-Ellenburger formations at a disposal depth of 10,700-12,300'. Water will be injected at a maximum surface pressure of 1940 pounds and a maximum injection rate of 4000 BWPD. Any interested party with questions or comments may contact Jerry W. Sherrell at Mack Energy Corporation, Post Office Box 960, Artesia, New Mexico 88211-0960 or call (575) 748-1288. Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within fifteen days of the date of the publication of this notice. Published in the Artesia Daily Press, Artesia, N.M., Oct. 30, 2012. Legal No 22356.



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

October 26, 2012

VIA CERTIFIED MAIL 7012 2210 0002 5864 5384
RETURN RECEIPT REQUESTED

Bureau of Land Management
620 E Greene Street
Carlsbad, NM 88220-6292

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian-Fusselman-Montoya-Ellenberger SWD well. Produced water will be injected at a proposed depth of 10700-12,300'. The Dark Canyon SWD #1 located 330 FNL & 2630 FEL, Sec. 3 T23S R23E, Eddy County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to convert this well into a water disposal well. If you have any objections, you must notify the Oil Conservation Division in Santa Fe in writing at 1220 South St. Francis Drive, Santa Fe, NM 87505 within fifteen (15) days of receiving this letter.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS\1



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

October 26, 2012

VIA CERTIFIED MAIL 7012 2210 0002 5864 5391
RETURN RECEIPT REQUESTED

EG3, Inc.
PO Box 1567
Graham, TX 76450

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian-Fusselman-Montoya-Ellenberger SWD well. Produced water will be injected at a proposed depth of 10700-12,300'. The Dark Canyon SWD #1 located 330 FNL & 2630 FEL, Sec. 3 T23S R23E, Eddy County.

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Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS1



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

October 26, 2012

VIA CERTIFIED MAIL 7012 2210 0002 5864 5407
RETURN RECEIPT REQUESTED

Commissioner of Public Lands
PO Box 1148
Santa Fe, NM 87504-1148

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian-Fusselman-Montoya-Ellenberger SWD well. Produced water will be injected at a proposed depth of 10700-12,300'. The Dark Canyon SWD #1 located 330 FNL & 2630 FEL, Sec. 3 T23S R23E, Eddy County.

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Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS\1



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

October 26, 2012

VIA CERTIFIED MAIL 7012 2210 0002 5864 5414
RETURN RECEIPT REQUESTED

The Allar Company
PO Box 1567
Graham, TX 76450

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian-Fusselman-Montoya-Ellenberger SWD well. Produced water will be injected at a proposed depth of 10700-12,300'. The Dark Canyon SWD #1 located 330 FNL & 2630 FEL, Sec. 3 T23S R23E, Eddy County.

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Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style.

Jerry W. Sherrell
Production Clerk

JWS\1

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 02:48 PM

Page 1 of 2

Run Date: 10/17/2012

01 02-25-1920;041STAT0437;30USC181ETSEQ

Total Acres
2,560.000

Serial Number
NMNM-- - 009194

Case Type 311211: O&G LSE SIMO PUBLIC LAND

Commodity 459: OIL & GAS L

Case Disposition: CLOSED

Serial Number: NMNM-- - 009194

Name & Address			Int Rel	% Interest
SACRAMENTO PARTNERS LP	105 S 4TH ST	ARTESIA NM 88210	LESSEE	50.0000000
SHARBRO OIL LTD CO	PO BOX 840	ARTESIA NM 88210	LESSEE	50.0000000

Serial Number: NMNM-- - 009194

Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 0220S	0230E	027	ALIQ		ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S	0230E	028	ALIQ		ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S	0230E	033	ALIQ		ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0220S	0230E	034	ALIQ		ALL;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

UNLESS Fed Minerals

Serial Number: NMNM-- - 009194

Act Date	Code	Action	Action Remark	Pending Office
02/24/1969	387	CASE ESTABLISHED	SPAR49;	
02/25/1969	888	DRAWING HELD		
03/17/1969	237	LEASE ISSUED		
04/01/1969	496	FUND CODE	05;145003	
04/01/1969	530	RLTY RATE - 12 1/2%		
04/01/1969	868	EFFECTIVE DATE		
04/03/1970	140	ASGN FILED	DODGE/	
04/03/1970	140	ASGN FILED	F S DIGRAPPA/	
06/05/1970	139	ASGN APPROVED	(1) EFF 05/01/70;	
06/05/1970	139	ASGN APPROVED	(2) EFF 05/01/70;	
05/02/1979	235	EXTENDED	THRU 03/31/81;	
08/17/1979	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
08/17/1979	510	KMA CLASSIFIED		
12/10/1979	315	RENTAL RATE DET/ADJ	\$2.00;	
01/11/1980	102	NOTICE SENT-PROD STATUS		
03/10/1987	500	GEOGRAPHIC NAME	INDIAN BASIN;	
03/10/1987	512	KMA EXPANDED		
08/14/1987	963	CASE MICROFILMED	CNUM 107,012	
09/12/1987	974	AUTOMATED RECORD VERIF		MLO/KG
03/03/1989	396	TRF OF INTEREST FILED	M YATES/YATES ET AL	
03/03/1989	974	AUTOMATED RECORD VERIF		DGT/DH
04/13/1993	396	TRF OF INTEREST FILED	L YATES/L YATES EST	
04/13/1993	974	AUTOMATED RECORD VERIF		JLV/ST
05/05/1993	909	BOND ACCEPTED	EFF 04/22/93;NM2166	
09/08/1995	140	ASGN FILED	EST M YATES/SHARBRO	
11/27/1995	139	ASGN APPROVED	EFF 10/01/95;	
12/06/1995	974	AUTOMATED RECORD VERIF	ANN/TF	
07/01/1996	621	RLTY RED-STRIPPER WELL	2.1%;/1/	
01/06/1997	575	APD FILED		
03/05/1997	576	APD APPROVED	2 SACAUISTE KE FED	
08/01/1997	621	RLTY RED-STRIPPER WELL	0.5%;/2/	
09/01/1998	621	RLTY RED-STRIPPER WELL	2.1%;/3/	

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 02:48 PM

Page 2 of 2

Run Date: 10/17/2012

11/01/1999	621	RLTY RED-STRIPPER WELL	6.5%;/4/
12/06/1999	140	ASGN FILED	YATES/SACRAMENTO
04/06/2000	139	ASGN APPROVED	EFF 01/01/00;
04/06/2000	974	AUTOMATED RECORD VERIF	LR
10/05/2000	625	RLTY REDUCTION APPV	/1/
10/18/2000	625	RLTY REDUCTION APPV	/2/
01/01/2001	621	RLTY RED-STRIPPER WELL	4.5%;/5/
06/08/2001	625	RLTY REDUCTION APPV	/1/
06/08/2001	625	RLTY REDUCTION APPV	/3/
06/08/2001	625	RLTY REDUCTION APPV	/4/
03/01/2002	621	RLTY RED-STRIPPER WELL	3.7%;/6/
03/25/2002	974	AUTOMATED RECORD VERIF	BCO
04/01/2002	974	AUTOMATED RECORD VERIF	ANN
05/01/2003	621	RLTY RED-STRIPPER WELL	5.3%;/7/
07/01/2004	621	RLTY RED-STRIPPER WELL	6.1%;/8/
12/15/2004	625	RLTY REDUCTION APPV	/7/
12/23/2004	974	AUTOMATED RECORD VERIF	BCO
02/08/2005	625	RLTY REDUCTION APPV	/8/
02/25/2005	974	AUTOMATED RECORD VERIF	BCO
02/02/2006	140	ASGN FILED	ESTATE OF/SHARBRO O;1
03/23/2006	139	ASGN APPROVED	EFF 03/01/06;
03/23/2006	974	AUTOMATED RECORD VERIF	ANN
03/30/2006	626	RLTY REDUCTION DENIED	
06/30/2010	234	EXPIRED	
08/15/2011	643	PRODUCTION DETERMINATION	LAST;
08/15/2011	646	MEMO OF LAST PROD-ACTUAL	
08/30/2011	393	DEC ISSUED	PROD CEASED;
08/30/2011	974	AUTOMATED RECORD VERIF	MJD
10/04/2011	970	CASE CLOSED	

Serial Number: NMNM-- - 009194

Line Nr	Remarks
0002	BONDED OPERATOR(S) :
0003	07/28/1992 - YATES PETRO CORP SW-NM0344
0004	BONDED OPERATOR PER AFMSS
0005	04/06/2000 YATES PETROLEUM CORP NM2166 S/W;
0006	03/23/2006 - BONDED OPERATOR
0007	YATES PETRO CORP - NM2811 - N/W;

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, November 27, 2012 4:29 PM
To: Jerry Sherrell
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD
Subject: Disposal application from Mack Energy Corp: proposed Dark Canyon SWD #1 30-015-NA 330FNL/2630FEL B/3/23S/23E/Eddy Dev/Fuss/Mont/Ellen 10700 to 12300 feet

Hello Jerry,

I reviewed and it looks fine – just a few comments/questions,

- a. Would you send a more detailed post conversion wellbore diagram (on one separate page) and show the estimated formation tops on this also? Ask Charles to show the top of the Miss and Dev and Fuss and Montoya and Ellenburger and projected base of Ellenburger. ✓
- b. Where do you estimate you will put your DV tools in the final casing? ✓
- c. Where is the water well located that you sampled? What depth is fresh water and what formation name? ✓
- d. What testing will Mack do of the target formations? Mudlog? Other logs? ✓
- e. I see the deep P&Aed well located one mile east of here – does this mean the target interval is expected to be wet or off-structure (Charles comments)? ✓
- f. What tract of land does EG3 own? Your tract map shows Yates owning all of Section 34, but no notice to them? ✓

Thanks in advance,

William V. Jones, P.E.

505-476-3448W 505-476-3462F
Engineering Bureau, Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Jones, William V., EMNRD

From: Jerry Sherrell <jerrys@mec.com>
Sent: Thursday, November 29, 2012 12:41 PM
To: Jones, William V., EMNRD
Cc: Charles Sadler; Deana Weaver
Subject: RE: Disposal application from Mack Energy Corp: proposed Dark Canyon SWD #1 30-015-NA 330FNL/2630FEL B/3/23S/23E/Eddy Dev/Fuss/Mont/Ellen 10700 to 12300 feet
Attachments: 11292012Dark Canyon Info053622.pdf

Will, please see the attachments and answers shown below.

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, November 27, 2012 4:29 PM
To: Jerry Sherrell
Cc: Ezeanyim, Richard, EMNRD; Shapard, Craig, EMNRD
Subject: Disposal application from Mack Energy Corp: proposed Dark Canyon SWD #1 30-015-NA 330FNL/2630FEL B/3/23S/23E/Eddy Dev/Fuss/Mont/Ellen 10700 to 12300 feet

Hello Jerry,

I reviewed and it looks fine – just a few comments/questions,

- a. Would you send a more detailed post conversion wellbore diagram (on one separate page) and show the estimated formation tops on this also? Ask Charles to show the top of the Miss and Dev and Fuss and Montoya and Ellenburger and projected base of Ellenburger. See attached. Will, our intention to inject into the Devonian formation wherever that top ends up. We put 10700', but that is a "moving target".
- b. Where do you estimate you will put your DV tools in the final casing? 8000' + or -, if losing fluid deeper then it could change.
- c. Where is the water well located that you sampled? What depth is fresh water and what formation name? Sec. 20 T22S R23E See attached.
- d. What testing will Mack do of the target formations? Mudlog? Other logs?
We will run Schlumberger Platform Express openhole logs across all proposed injection intervals and have a mudlogger on the well below the San Andes.
- e. I see the deep P&Aed well located one mile east of here – does this mean the target interval is expected to be wet or off-structure (Charles comments)?
The proposed Dark Canyon SWD #1 is anticipated to be approximately 100' updip to the Humble Bandana Point Unit #2, located to the east in Section 2. However, both wells are on the southeast flank of a Devonian structure that was tested wet by the Ralph Lowe Marathon Federal #1, located in Section 28, T22S, R23E. The Ralph Lowe Marathon Federal #1 is approximately 400' high to the proposed Dark Canyon SWD #1.
- f. What tract of land does EG3 own? Your tract map shows Yates owning all of Section 34, but no notice to them? EG3 and Allar are the same company. Sec 34 is unleased federal Minerals(I noticed the BLM). See attached.

Injection Permit Checklist (11/15/2010)

WFX _____ PMX _____ SWD 1371 Permit Date 12/7/12 UIC Qtr (O/N/D)

Wells 1 Well Name(s): DARK CANYON SWD #1

API Num: 30-015-NA Spud Date: New New/Old: N (UIC primacy March 7, 1982)

Footages 330 FNL / 2630 FEL Unit B Sec 3 Tsp 235 Rge 23E County EDDY

General Location: W. of Corral

Operator: MAK ENERGY CORP. Contact Jerry Shavell

OGRID: 13837 RULE 5.9 Compliance (Wells) 2/405 (Finan Assur) OK IS 5.9 OK? OK

Well File Reviewed Current Status: NOT DRILLED / NOT PERMITTED

Planned Work to Well: _____

Diagrams: Before Conversion After Conversion Elogs in Imaging File: _____

Handwritten note: Seal before...

Well Details:	Sizes Hole.....Pipe	Setting Depths	Stage Tool	Cement Sx or Cf	Cement Top and Determination Method
New ___ Existing ___ Surface	17 1/2 - 13 3/8	400'	-	750 SX	CIRC
New ___ Existing ___ Interm	12 1/4 - 8 5/8	2600'	-	1700 SX	CIRC
New ___ Existing ___ LongSt	7 7/8 - 5 1/2	12,300'	8000'	1725 SX	CIRC
New ___ Existing ___ Liner					
New ___ Existing ___ OpenHole					

Handwritten notes: 10700, 12300, 11000, 11300, 11740, 12000

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	10310		<input checked="" type="checkbox"/>
	10600	DEV	<input checked="" type="checkbox"/>
Injection TOP:	10700	Dev. Fuss	Max. PSI 2140
Injection BOTTOM:	12300'	Mont. Ell.	Tubing Size 2 7/8
Formation(s) Below	11000	Fuss	<input checked="" type="checkbox"/>
	11300	Mont.	<input checked="" type="checkbox"/>
	11740	Ell.	<input checked="" type="checkbox"/>
	12000	Base of ELL	<input checked="" type="checkbox"/>

Handwritten note: INDIAN BASIN one P&A well to 12,000' LIME

Capitan Reef? (Potash? Noticed? WIPP? Noticed? Salado Top/Bot Cliff House?

Fresh Water: Depths: _____ Formation: _____ Wells? Analysis? Affirmative Statement

Disposal Fluid Analysis? Sources: RE-INT, Prod. water

Disposal Interval: Analysis? _____ Production Potential/Testing: MSD 60/60 + Effect Test

Notice: Newspaper Date 12/30/12 Surface Owner SLO. Mineral Owner(s) BLM p/25

RULE 26.7(A) Affected Persons: CHOR / YPC / AUC / EG 3 / TUC

AOR: Maps? Well List? Producing in Interval? Wellbore Diagrams?

.....Active Wells Repairs? Which Wells? _____

.....P&A Wells Repairs? Which Wells? _____

Issues: Run inj Survey? (1600' of interval)

Request Sent _____ Reply: _____

Vertical handwritten note: Will New wells go thru...