

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -



Mac K Energy
(13837)

2009 OCT 6 AM 7 48 1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST Sam SWD #3

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]

30-005-29104

changes

Horiz. Well

- [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
Print or Type Name

Jerry W. Sherrell
Signature

Production Clerk
Title

9-25-09
Date

jerrys@mackenergycorp.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: (575)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.).

*VII. 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).

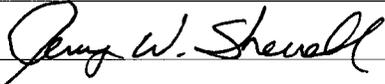
*XI. Attach a chemical analysis of freshwater from two or more freshwater wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

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:  DATE: 9-25-09

* 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: _____

OPERATOR: Mack Energy Corporation

WELL NAME & NUMBER: Sam SWD #3

WELL LOCATION: 1779 FSL & 436 FEL

FOOTAGE LOCATION

I

UNIT LETTER

28

SECTION

15S

TOWNSHIP

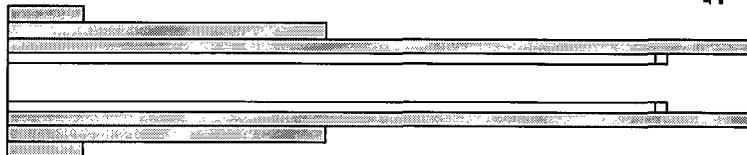
30E

RANGE

WELL CONSTRUCTION DATA

Surface Casing

WELLBORE SCHEMATIC



13 3/8" casing @ 700'; cem w/ 450sx; circ

8 5/8" casing @ 3200'; cem w/ 800sx; circ

2 7/8" PC tubing @ 11,300'
set w/ 10k nickel plated pkr

Perfs @ 11,400-12,350'

Perfs @ 12,500-12,800'

5 1/2" casing @ 12800'; cem w/ 2500sx; circ

Hole Size: 17 1/2

Casing Size: 13 3/8 @ 700'

Cemented with: 450sx or _____

ft

Top of Cement: Surface

Method Determined: Circulated

Intermediate Casing

Hole Size: 12 1/4

Casing Size: 8 5/8 @ 3,200'

Cemented with: 800sx or _____

ft

Top of Cement: Surface

Method Determined: Circulated

Production Casing

Hole Size: 7 7/8

Casing Size: 5 1/2 @ 12,800'

Cemented with: 2,500x or _____

ft

Top of Cement: Surface

Method Determined: Circulated

Total Depth: 12,800'

TD @ 12,800'

Injection Interval

Perf- 11,400' feet to 12,350'

Perf- 12,500' feet to 12,800'

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

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

Type of Packer: Arrow Set 10K Nickel Plated Packer

Packer Setting Depth: 11,300'

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? _____

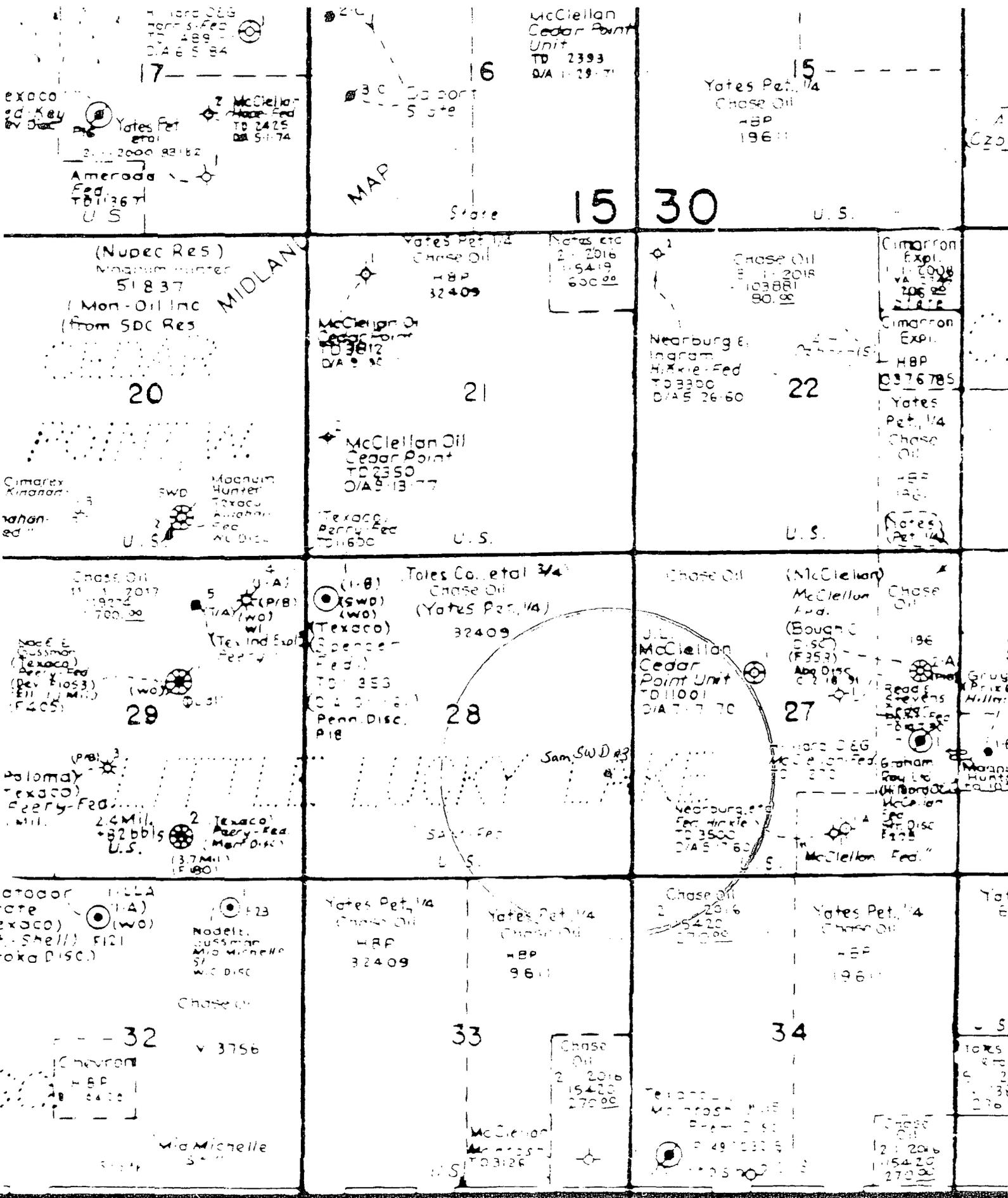
2. Name of the Injection Formation: Devonian/Ellenburger

3. Name of Field or Pool (if applicable): SWD;Devonian/Ellenburger

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. No

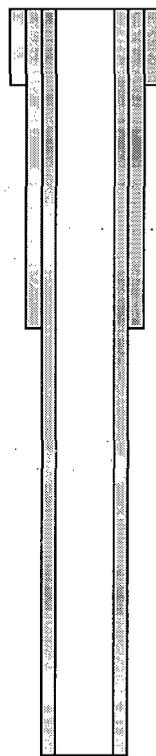
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Devonian: Underlying- Montoya Overlying- Woodford

Ellenburger: Underlying- Basement Granite Overlying- Silurian



LEGEND

Sam SWD #3
Sec. 28 T15S R30E
1779 FSL 436 FEL



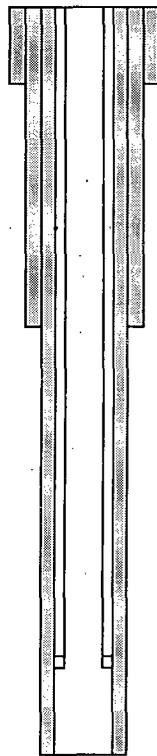
13 3/8" casing @ 700'; cem w/ 450sx; circ

8 5/8" casing @ 3200'; cem w/800sx; circ

5 1/2" casing @ 12800'; cem w/ 2500sx; circ

TD @ 12,800'

Sam SWD #3
Sec. 28 T15S R30E
1779 FSL 436 FEL



13 3/8" casing @ 700'; cem w/ 450sx; circ

8 5/8" casing @ 3200'; cem w/800sx; circ

2 7/8" PC tubing @ 11,300'
set w/ 10k nickel plated pkr

Perfs @ 11,400-12,350'

Perfs @ 12,500-12,800'

5 1/2" casing @ 12800'; cem w/ 2500sx; circ

TD @ 12,800'

Sam SWD #3
1779 FSL & 436 FEL, Sec. 28 T15S R30E
Formation Tops

| Quaternary | Surface | | |
|------------|---------|-------------|--------|
| Yates | 1700' | Wolfcamp | 8020' |
| Queen | 2425' | Cisco | 8930' |
| Grayburg | 2790' | Strawn | 10380' |
| San Andres | 3025' | Atoka | 10510' |
| Glorieta | 4685' | Chester | 10925' |
| Tubb | 5910' | Woodford | 11325' |
| Abo | 6625' | Devonian | 11400' |
| | | Montoya | 12350' |
| | | Silurian | 12425' |
| | | Ellenburger | 12500' |

VII. DATA SHEET: PROPOSED OPERATIONS

1. Proposed average and maximum daily rate and volume of fluids to be injected;
Average 1000/Maximum 4000 BWPD
2. The system is closed or open;
Closed
3. Proposed average and maximum injection pressure;
0-1670# ✓
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

Devonian

1. Lithologic Detail; **Dolomite**
2. Geological Name; **SWD; Devonian/Ellenburger**
3. Thickness; **950'; 300'**
4. Depth; **11,400-12,350'; 12,500-12,800'**

IX. PROPOSED STIMULATION PROGRAM

1. To be treated with 10,000 gallons 15% acid

X. LOGS AND TEST DATA

1. Well data will be filed with OCD.

XI. ANALYSIS OF FRESHWATER WELLS

1. Will send information when available.

XII. AFFIRMATIVE STATEMENT

RE: Sam SWD #3

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: 9/25/09



Charles Sadler, Geologist

**Sam SWD #3
Notification List**

Yates Petroleum Corporation

105 South Fourth Street
Artesia, NM 88210

Yates Drilling Company

105 South Fourth Street
Artesia, NM 88210

Myco Industries Inc.

105 South Fourth Street
Artesia, NM 88210

Abo Petroleum Corporation

105 South Fourth Street
Artesia, NM 88210

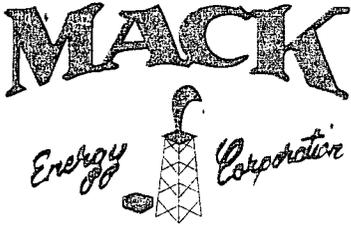
Bureau of Land Management

2909 W. 2nd Street
Roswell, NM 88202

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 Sam SWD #3 1779 FSL & 436 FEL of Section 28, T15S R30E, NMPM, Chaves County, New Mexico. The water will be injected into the Devonian/Ellenburger formation at a disposal depth of 11,400-12,350 and 12,500-12,800'. Water will be injected at a maximum surface pressure of 1670 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 Roswell Daily Record on 9/23/09.



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

September 22, 2009

VIA CERTIFIED MAIL 7009 0820 0002 1408 4335
RETURN RECEIPT REQUESTED

Bureau of Land Management
2909 W. 2nd. Street
Roswell, NM 88202

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian/Ellenburger SWD well. Produced water will be injected at a proposed depth of 11,400-12,350 and 12,500-12,800'. The Sam SWD #3, located 1779 FSL & 436 FEL, Sec. 28, T15S R30E, Chaves County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to drill this 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.

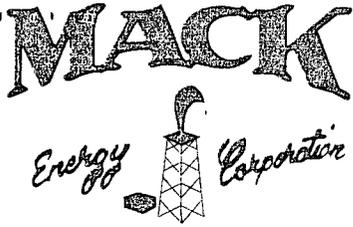
Sincerely,

MACK ENERGY CORPORATION

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

Jerry W. Sherrell
Production Clerk

JWS\dw



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

September 22, 2009

VIA CERTIFIED MAIL 7009 0820 0002 1408 4342
RETURN RECEIPT REQUESTED

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Gentlemen:

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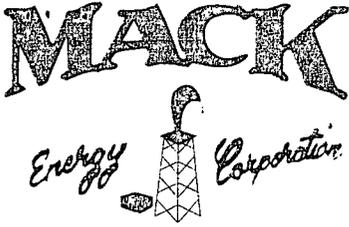
Sincerely,

MACK ENERGY CORPORATION

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

Jerry W. Sherrell
Production Clerk

JWS\dw



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

September 22, 2009

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RETURN RECEIPT REQUESTED

Yates Drilling Company
105 South Fourth Street
Artesia, NM 88210

Gentlemen:

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Sincerely,

MACK ENERGY CORPORATION

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

Jerry W. Sherrell
Production Clerk

JWSldw



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

September 22, 2009

VIA CERTIFIED MAIL 7009 0820 0002 1408 4342
RETURN RECEIPT REQUESTED

Abo Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

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This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to drill this 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.

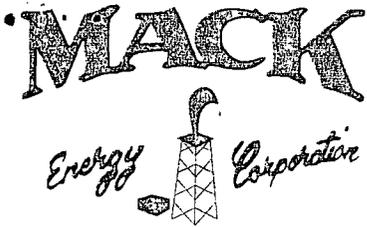
Sincerely,

MACK ENERGY CORPORATION

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

Jerry W. Sherrell
Production Clerk

JWS\dw



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

September 22, 2009

VIA CERTIFIED MAIL 7009 0820 0002 1408 4342
RETURN RECEIPT REQUESTED

Myco Industries Inc.
105 South Fourth Street
Artesia, NM 88210

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian/Ellenburger SWD well. Produced water will be injected at a proposed depth of 11,400-12,350 and 12,500-12,800'. The Sam SWD #3, located 1779 FSL & 436 FEL, Sec. 28, T15S R30E, Chaves County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCDD to drill this 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\dw

RECEIVED

New Mexico Oil Conservation Division, District L.

1625 N. French Drive

Hobbs, NM 88240

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

Form 3160-3
(August 2007)

OCT 02 2009

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBSOCD

SUNDRY NOTICES AND REPORTS ON WELLS

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

5 Lease Serial No
NMNM-~~23409~~ - 32409
6 If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1 Type of Well
 Oil Well Gas Well Other

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

2 Name of Operator
Mack Energy Corporation

8 Well Name and No
Sam SWD #3

3a Address
P.O. Box 960 Artesia, NM 88210-0960

3b Phone No (include area code)
(575) 748-1288

9 API Well No
30-005-29104

4 Location of Well (Footage, Sec., T.R.M. or Survey Description)
1779 FSL & 436 FEL, Sec. 28 T15S R30E

10 Field and Pool or Exploratory Area
SWD; Devonian/Ellenburger

11 Country or Parish, State
Chaves, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|--|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input type="checkbox"/> Other _____ |
| | <input checked="" type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13 Describe Proposed or Completed Operation Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Change well name from Sam Federal #3 to Sam SWD #3.

Mack Energy proposes to change the Sam Federal #3 to a Devonian/Ellenburger SWD well. Below are the proposed changes to the casing string.

Surface casing: Drill 17 1/2 hole, set 13 3/8, H-40 48# ST&C set at 700', cmt w/450sx Class C. Safety factors C/B/T 2.163/3.315/3.460.

Intermediate casing: Drill 12 1/4 hole, set 8 5/8, J-55 32# ST&C set at ~~4100'~~ ^{3200'} cmt w/ 800sx Class C. Safety factors C/B/T 1.141/15.270/13.100.

Production casing: Drill 7 7/8 hole, set 5 1/2, HCL-80, L-80 17# Buttress, LT&C set at 12,800 cmt w/ 2500sx Class C. Safety factors C/B/T 1.341/1.21/11.68.

This sundry is approved subject to the attached supplemental Conditions of Approval.

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 9/18/09

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by *[Signature]* Title Geologist Date SEP 24 2009
Office RFO *[Signature]* OCT 05 2009

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.

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

(Instructions on page 2)

NMOCD CONDITIONS OF APPROVAL
MAY NOT INJECT UNTIL 2ND APPLICATION
IS APPROVED RE

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Jones, William V., EMNRD

From: Deana Weaver [deanap@mackenergycorp.com]
Sent: Tuesday, October 06, 2009 3:08 PM
To: Jones, William V., EMNRD
Cc: Jerry Sherrell
Subject: Sam SWD #3
Attachments: Sam SWD #3 Affidavit.pdf

<<Sam SWD #3 Affidavit.pdf>> Regarding: Sam SWD #3

Mr. Will Jones

Attached is a copy of the affidavit from the Roswell Daily Record. I also heard back from Catalyst, there are no fresh water wells in the area.

Thank you

Deana Weaver
Mack Energy Corporation

This inbound email has been scanned for malicious software and transmitted safely to you using Webroot Email Security.

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Christina E. Stock
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time with the issue dated

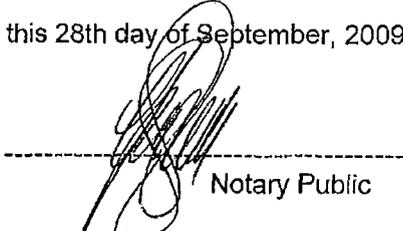
September 23, 2009



Clerk

Sworn and subscribed to before me

this 28th day of September, 2009



Notary Public

My Commission expires
June 13, 2010

(SEAL)

Publish September 23, 2009

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 Sam SWD #3 1779 FSL & 436 FEL of Section 28, T15S R30E, NMPM, Chaves County, New Mexico. The water will be injected into the Devonian/Ellenburger formation at a disposal depth of 11,400-12,350 and 12,500-12,800'. Water will be injected at a maximum surface pressure of 1670 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) 749-1288. 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.

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Tuesday, November 17, 2009 10:52 AM
To: 'Deana Weaver'
Cc: Jerry Sherrell; Reeves, Jacqueta, EMNRD; Ezeanyim, Richard, EMNRD;
'Wesley_Ingram@blm.gov'
Subject: Disposal application from Mack Energy: Sam SWD #3 30-005-29104

Deana or Jerry:

I looked this over and remember the Little Lucky Lake area. Just a few questions, otherwise this looks fine.

1. What is the well status... Has any work been done? Has the hole been drilled?
2. Isn't there a DV tool planned for the long string – do you know where it will be or where it is?
3. Is this a vertical well? Everything in the well file shows a horizontal well plan.
4. Did the BLM in Roswell or Carlsbad have any comments?
5. What diagnostic logs or mudlogs or dsts will be done from the top of the Devonian to the TD in order to make sure the Devonian and Ellenburger are not productive?
6. What will be the source for the waste water destined for this well? (What Pools? And what companies will use this well for disposal?) The application was not specific.

I can get this out as soon as you reply.

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

Tracking:

Jones, William V., EMNRD

From: Deana Weaver [deanap@mackenergycorp.com]
Sent: Tuesday, November 17, 2009 11:54 AM
To: Jones, William V., EMNRD
Cc: Jerry Sherrell
Subject: Disposal application from Mack Energy: Sam SWD #3 30-005-29104
Attachments: Sam SWD #3.pdf

Will

Below are the answers to your questions. Please let me know if you have any more questions.

1. Currently drilling 11/17/2009 @ 1,576'.
2. Est. DV tool at 8,000'
3. Yes, it is a vertical well.
4. Attach is the Final copy from BLM, showing the change of plan.
5. We will have a mudlogger on the well from 3000' to TD. Also, we will run GR/Neutron Density/Laterlog from the intermediate casing to TD.
6. Abo, Wolfcamp. All Mack Energy water.

Thank you,

Deana Weaver

Mack Energy Corporation
575-748-1288 Phone
575-746-9539 Fax
deanap@mackenergycorp.com



From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Tuesday, November 17, 2009 10:52 AM
To: Deana Weaver
Cc: Jerry Sherrell; Reeves, Jacqueta, EMNRD; Ezeanyim, Richard, EMNRD; Wesley_Ingram@blm.gov
Subject: Disposal application from Mack Energy: Sam SWD #3 30-005-29104

Deana or Jerry:

I looked this over and remember the Little Lucky Lake area. Just a few questions, otherwise this looks fine.

1. What is the well status... Has any work been done? Has the hole been drilled?
2. Isn't there a DV tool planned for the long string – do you know where it will be or where it is?
3. Is this a vertical well? Everything in the well file shows a horizontal well plan.
4. Did the BLM in Roswell or Carlsbad have any comments?

5. What diagnostic logs or mudlogs or dsts will be done from the top of the Devonian to the TD in order to make sure the Devonian and Ellenburger are not productive?
6. What will be the source for the waste water destined for this well? (What Pools? And what companies will use this well for disposal?) The application was not specific.

I can get this out as soon as you reply.

William V. Jones PE
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Santa Fe, NM 87505
505-476-3448

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Injection Permit Checklist (8/14/09)

Case SWD 1196 WFX PMX IPI Permit Date 11/18/09 IC Qtr (O, N, P)

Wells 1 Well Name: SAN SWD #3 (was SAN Federal #3)

API Num: (30-) 025-29104 Spud Date: new New/Old: N (UIC primacy March 7, 1982)

Footages 1774 FSL / 436 FEL Unit I Sec 28 Tsp 15S Rge 30E County CHawas

Operator: MACK Energy Corp Contact: Deanna Weaver / Tony Acord

OGRID: 13837 RULE 5.9 Compliance (Wells) 01341 (Finan Assur) _____

Operator Address: PO Box 960, Detone NM 88211-0960

Current Status of Well: Drilling

Planned Work to Well: Horizontal well Planned Tubing Size/Depth: 27 1/2 @ 11,300'

Planned well

| | Sizes Hole.....Pipe | Setting Depths | Cement Sx or Cf | Cement Top and Determination Method |
|----------------------------------|--------------------------|------------------|-----------------|-------------------------------------|
| Existing Surface | 17 1/2 13 5/8 | 700 | 450 | CIRC |
| Existing Intermediate | 2 1/4 8 5/8 | 3200 | 800 | CIRC |
| Existing Long String | 7 1/8 5 1/2 | 12800 | 2500 | CIRC |

DV Tool ? Liner ? Open Hole ? Total Depth 12800

Well File Reviewed ?

Diagrams: Before Conversion ? After Conversion ? Elogs in Imaging File: not yet

LITTLE LUCKY Lake area

| Intervals: | Depths | Formation | Producing (Yes/No) |
|---------------------------------|--------------------|-----------------|--------------------|
| Above (Name and Top) | | | |
| Above (Name and Top) | <u>11325</u> | <u>WOODFORD</u> | |
| Injection..... Interval TOP: | <u>11400-12350</u> | <u>Dar</u> | <u>NO</u> |
| Injection..... Interval BOTTOM: | <u>12800</u> | <u>Ellen.</u> | <u>NO</u> |
| Below (Name and Top) | | | |

2250 PSI Max. WHIP
Open Hole (Y/N)
Deviated Hole?

11400 / 22800

Sensitive Areas: Capitan Reef ? Cliff House ? Salt Deposits < 1700'

.... Potash Area (R-111-P) ? Potash Lessee ? Noticed? ?

Fresh Water: Depths: 0-150' Wells None Analysis? ? Affirmative Statement ?

Disposal Fluid Sources: See Letters Analysis? ?

Disposal Interval Production Potential/Testing/Analysis Analysis: will run logs

Notice: Newspaper (Y/N) ? Surface Owner BLM Mineral Owner(s) ?

RULE 26.7(A) Affected Parties: YPC, and others; Yolo Dills, MYCO, APO

Area of Review: Adequate Map (Y/N) ? and Well List (Y/N) ?

Active Wells 0 Num Repairs ? Producing in Injection Interval in AOR ?

..P&A Wells 0 Num Repairs ? All Wellbore Diagrams Included? ?

Questions to be Answered: Run DIAGNOSTIC LOGS from TO DIS P.

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

_____ Request Sent _____ Reply: _____