

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NMOCD
Artesia

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

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-131580 NMNM 132677

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No.
2. Name of Operator Mack Energy Corporation		8. Well Name and No. Prince Rupert Federal #1 & #2
3a. Address P.O. Box 960 Artesia, NM 88210-0960	3b. Phone No. (include area code) (575) 748-1288	9. API Well No. 30-005-64222 & 30-005-64223
4. Location of Well (Footage, Sec., T,R,M, or Survey Description) 1900 FSL & 330 FWL; 1650 FSL & 1650 FWL, Sec. 20 T15S R29E		10. Field and Pool or Exploratory Area Round Tank; San Andres
		11. Country or Parish, State Chaves, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other CTB application
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<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 Corporation is requesting administrative approval from the NMOCD for approval of surface commingling of production on our Prince Rupert Federal Lease NMNM-131580 and our Seahawks Federal Lease NM-132677. Both Leases produce from the Round Tank; San Andres pool (52770) and will be commingled at a central tank battery located in the NWSE Sec. 19 T15S R29E. There are currently 2 producing wells within the Seahawks Federal TB. We anticipate drilling the Prince Rupert Federal #1 & #2 soon.

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

Allocation for oil and gas will be done using periodic well tests at the TB shown in the facility diagram. Each well will be tested periodically to insure accurate allocation.

NM OIL CONSERVATION
ARTESIA DISTRICT
SEP 01 2016

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Deana Weaver Title Production Clerk

Signature **Deana Weaver** Date **7.26.16**

RECEIVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by **/S/ DAVID R. GLASS** Title **PETROLEUM ENGINEER** Date **AUG 25 2016**

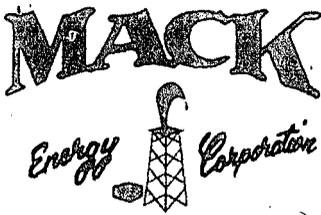
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

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

(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVAL



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

July 26, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3878

Bureau of Land Management
2902 West 2nd Street
Roswell, NM 88201-2019

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of surface commingling of production on our Prince Rupert Federal Lease NMNM-131580 and our Seahawks Federal Lease NM-132677. Both Leases produce from the Round Tank; San Andres pool (52770) and will be commingled at a central tank battery located in the NWSE Sec. 19 T15S R29E. There are currently 2 producing wells within the Seahawks Federal TB. We anticipate drilling the Prince Rupert Federal soon.

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

Allocation for oil and gas will be done using periodic well tests at the TB shown in the facility diagram. Each well will be tested periodically to insure accurate allocation.

Should you have any questions please contact me @ 575-748-1288.

Sincerely,

A handwritten signature in cursive script that reads "Deana Weaver".

Deana Weaver
Production Clerk
dweaver@mec.com

DW/

Enclosures

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

**Off-Lease Measurement, Off-Lease Storage, And Surface Commingling
Conditions Of Approval**

1. This agency will be notified of any change in your sales method or location of the sales meter.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval is subject to like approval by the New Mexico Oil Conservation Division.
5. Additional wells and/or leases require additional commingling approvals.
6. Contact the BLM Roswell Field Office at least 24 hours prior to the commencing any monthly well test. For wells in Chaves and Roosevelt County, during office hours or after office hours call (575) 627-0205. Engineer on call during office hours phone (575) 627-0275 or phone (after hours) call (575) 626-5749.
7. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days an application for right-of-way approval must be submitted to the Realty Section to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201-1287 for wells in Chaves or Roosevelt County if you have not already done so.