28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						

Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status
			→					

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						

Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status
			→					

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*
UNKNOWN

30 Summary of Porous Zones (Include Aquifers).

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
RED BEDS	0	400		YATES	1640
DEVONIAN	12039	12767		SEVEN RIVERS	1893
ELLENBURGER	12895	13120		QUEEN	2416
				GRAYBURG	2812
				SAN ANDRES	3160
				GLORIETA	4709
				TUBB	5920
				ABO	6634
				WOLFCAMP	8172
				STRAWN	10320
				ATOKA	10510
				MISSISSIPPIAN	10962
				WOODFORD	11820
				DEVONIAN	11855
				SIMPSON	12816
				ELLENBURGER	12895

32. Additional remarks (include plugging procedure):
FORMATION (LOG) MARKERS

YATES 1640'
SEVEN RIVERS 1893'
QUEEN 2416'
GRAYBURG 2812'
SAN ANDRES 3160'
GLORIETTA 4709'

33. Circle enclosed attachments:

1. Electrical/Mechanical Logs (1 full set req'd.)
2. Geologic Report
3. DST Report
4. Directional Survey
5. Sundry Notice for plugging and cement verification
6. Core Analysis
7 Other:

34 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Electronic Submission #80921 Verified by the BLM Well Information System.
For MACK ENERGY CORPORATION, sent to the Roswell
Committed to AFMSS for processing by DAVID GLASS on 02/02/2010 (10DG0047SE)

Name *(please print)* DEANA WEAVER Title PRODUCTION CLERK

Signature (Electronic Submission) Date 02/01/2010

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 fradulent statements or representations as to any matter within its jurisdiction.

**** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ****

New Mexico Oil Conservation Division, District I
1625 N. French Drive
Hobbs, NM 88240

RECEIVED
MAR 01 2010
HOBBSOCD

Form 3160-4
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

EC

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. NMNM32409

1a. Type of Well ☐ Oil Well ☐ Gas Well ☐ Dry ☒ Other: OTH
b. Type of Completion ☒ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.
Other

6. If Indian, Allottee or Tribe Name

7. Unit or CA Agreement Name and No.

2. Name of Operator: MACK ENERGY CORPORATION — Contact: ROBERT CHASE — E-Mail: JERRYS@MACKENERGYCORP.COM

8. Lease Name and Well No.: SAM SWD 3 (a Federal)

3. Address: P. O. BOX 960, ARTESIA, NM 88211-0960

3a. Phone No. (include area code): Ph: 575-748-1288

9. API Well No.: 30-005-29104-00-S1

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface: Sec 28 T15S R30E Mer NMP NESE 1779FSL 436FEL
At top prod interval reported below
At total depth

10. Field and Pool, or Exploratory: SWD-DEVONIAN (Fus-Mon-Simp-Ell 97775)

11. Sec., T., R., M., or Block and Survey or Area: Sec 28 T15S R30E Mer NMP

12. County or Parish: CHAVES

13. State: NM

14. Date Spudded	15. Date T.D. Reached	16. Date Completed	17. Elevations (DF, KB, RT, GL)*
11/13/2009	12/23/2009	☐ D & A ☒ Ready to Prod. 01/26/2010	4010 GL

18. Total Depth:	19. Plug Back T.D.:	20 Depth Bridge Plug Set:
MD 13120 TVD 13120	MD 13076 TVD 13076	MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CNL FDC DLL GR

22. Was well cored? ☒ No ☐ Yes (Submit analysis)
Was DST run? ☒ No ☐ Yes (Submit analysis)
Directional Survey? ☒ No ☐ Yes (Submit analysis)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
17 500	13.375 H-40	48.0	0	444		400		0	
7 875	5.500 L-80	17 0	0	13120		2615		0	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 875	11966	11966						

25. Producing Intervals / 26. Perforation Record

	Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)	DEVONIAN	12039	12767	12039 TO 12767	0.410	105	
B)							
C)							
D)							

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
12039 TO 12767	SEE 3160-5

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						

Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status
			→					

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr API	Gas Gravity	Production Method
			→						

Choke Size	Tbg Press Flwg SI	Csg Press	24 Hr Rate	Oil BBL	Gas MCF	Water BBL	Gas Oil Ratio	Well Status
			→					

(See Instructions and spaces for additional data on reverse side)

ELECTRONIC SUBMISSION #80921 VERIFIED BY THE BLM WELL INFORMATION SYSTEM

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

ACCEPTED FOR RECORD
/S/ DAVID R. GLASS
FEB 5 2010
DAVID R. GLASS
PETROLEUM ENGINEER

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division

Administrative Order SWD-1202
November 18 2009

Deana Weaver
Mack Energy Corp
PO Box 960
Artesia, NM 88211-0960

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Mack Energy Corp seeks an administrative order to utilize its Sam SWD Well No. 3 (API 30-005-29104) located 1779 feet from the South line and 436 feet from the East line, Unit I of Section 28, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of Division Rule 26.8B. Satisfactory information has been provided that affected parties as defined in Rule 26.8B.(2) have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 26.8 will be met and the operator is in compliance with Division Rule 5.9.

IT IS THEREFORE ORDERED THAT:

The applicant, Mack Energy Corp (OGRID 13837), is hereby authorized to utilize its Sam SWD Well No. 3 (API 30-005-29104) located 1779 feet from the South line and 436 feet from the East line, Unit I of Section 28, Township 15 South, Range 30 East, NMPM, Chaves County, New Mexico, for disposal of waste water into the Devonian through Ellenburger formations from approximately 11400 feet to 12800 feet through plastic-lined tubing set within 100 feet of the disposal interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wellhead injection pressure on the well shall be limited to **no more than 2280 psi.** In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may administratively authorize an increase in surface tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 26.13 and 7.24.

Without limitation on the duties of the operator as provided in Division Rules 30 and 29, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

In accordance with Division Rule No 26.12.C., the disposal authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request, mailed by the operator prior to the termination date, may grant an extension thereof for good cause. One year after disposal into the well has ceased, the authority to dispose will terminate *ipso facto.*

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Roswell