

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
NMNM121475

6. If Indian, Allottee or Tribe Name

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

8. Lease Name and Well No.
ACME FEDERAL 1 **320482**

9. API Well No.
30-005-29164

1a. Type of work: DRILL REENTER

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

2. Name of Operator
MACK ENERGY CORPORATION

3a. Address
11344 Lovington HWY Artesia NM 88211

3b. Phone No. (include area code)
13837
(575)748-1288

10. Field and Pool, or Exploratory
Wildcat

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface **SENE / 2285 FNL / 330 FEL / LAT 33.0023567 / LONG -103.8709006**
At proposed prod. zone

11. Sec., T. R. M. or Blk. and Survey or Area
SEC 24 / T15S / R30E / NMP

14. Distance in miles and direction from nearest town or post office*
18 miles

12. County or Parish
CHAVES

13. State
NM

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
330 feet

16. No. of acres in lease
440

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location* to nearest well, drilling, completed, 800 feet applied for, on this lease, ft.

19. Proposed Depth
N/A / N/A

20. BLM/BIA Bond No. on file
FED: NMB000286

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
4458 feet

22. Approximate date work will start*
12/15/2017

23. Estimated duration
5 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature (Electronic Submission) Name (Printed/Typed) Date
Jerry Sherrell / Ph: (575)748-1288 10/30/2017

Title
Production Clerk

Approved by (Signature) Name (Printed/Typed) Date
[Signature] ROSWELL 12/11/17

Title
Office
ROSWELL

Application approval 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.
Conditions of approval, if any, are attached.

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.

(Continued on page 2)

*(Instructions on page 2)

27-20-17

Re-entry of Roadrunner Fed Com #1 (38404)

NM OIL CONSERVATION
ARTESIA DISTRICT
DEC 13 2017

RECEIVED

RWP 12-18-17



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Operator Certification Data Report

12/11/2017

Operator Certification

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

NAME: Jerry Sherrell

Signed on: 10/30/2017

Title: Production Clerk

Street Address: 11344 Lovington HWY

City: Artesia

State: NM

Zip: 88211

Phone: (575)748-1288

Email address: jerrys@mec.com

Field Representative

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:



APD ID: 10400023348

Submission Date: 10/30/2017

Highlighted data
reflects the most
recent changes

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Reenter

Section 1 - General

APD ID: 10400023348

Tie to previous NOS? 10400022890

Submission Date: 10/30/2017

BLM Office: ROSWELL

User: Jerry Sherrell

Title: Production Clerk

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM121475

Lease Acres: 440

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? YES

Permitting Agent? NO

APD Operator: MACK ENERGY CORPORATION

Operator letter of designation:

Operator Info

Operator Organization Name: MACK ENERGY CORPORATION

Operator Address: 11344 Lovington HWY

Zip: 88211

Operator PO Box:

Operator City: Artesia

State: NM

Operator Phone: (575)748-1288

Operator Internet Address: jerrys@mec.com

Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: ACME FEDERAL

Well Number: 1

Well API Number:

Field/Pool or Exploratory? Exploratory

Field Name:

Pool Name:

Is the proposed well in an area containing other mineral resources? USEABLE WATER

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Describe other minerals:

Is the proposed well in a Helium production area? N **Use Existing Well Pad?** NO **New surface disturbance?**

Type of Well Pad: SINGLE WELL

Multiple Well Pad Name:

Number:

Well Class: VERTICAL

Number of Legs: 1

Well Work Type: Reenter

Well Type: OIL WELL

Describe Well Type:

Well sub-Type: EVALUATION

Describe sub-type:

Distance to town: 18 Miles

Distance to nearest well: 800 FT

Distance to lease line: 330 FT

Reservoir well spacing assigned acres Measurement: 40 Acres

Well plat: ACME_FEDERAL_1_Plats_20171003125116.pdf

Well work start Date: 12/15/2017

Duration: 5 DAYS

Section 3 - Well Location Table

Survey Type: RECTANGULAR

Describe Survey Type:

Datum: NAD83

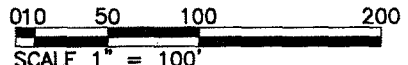
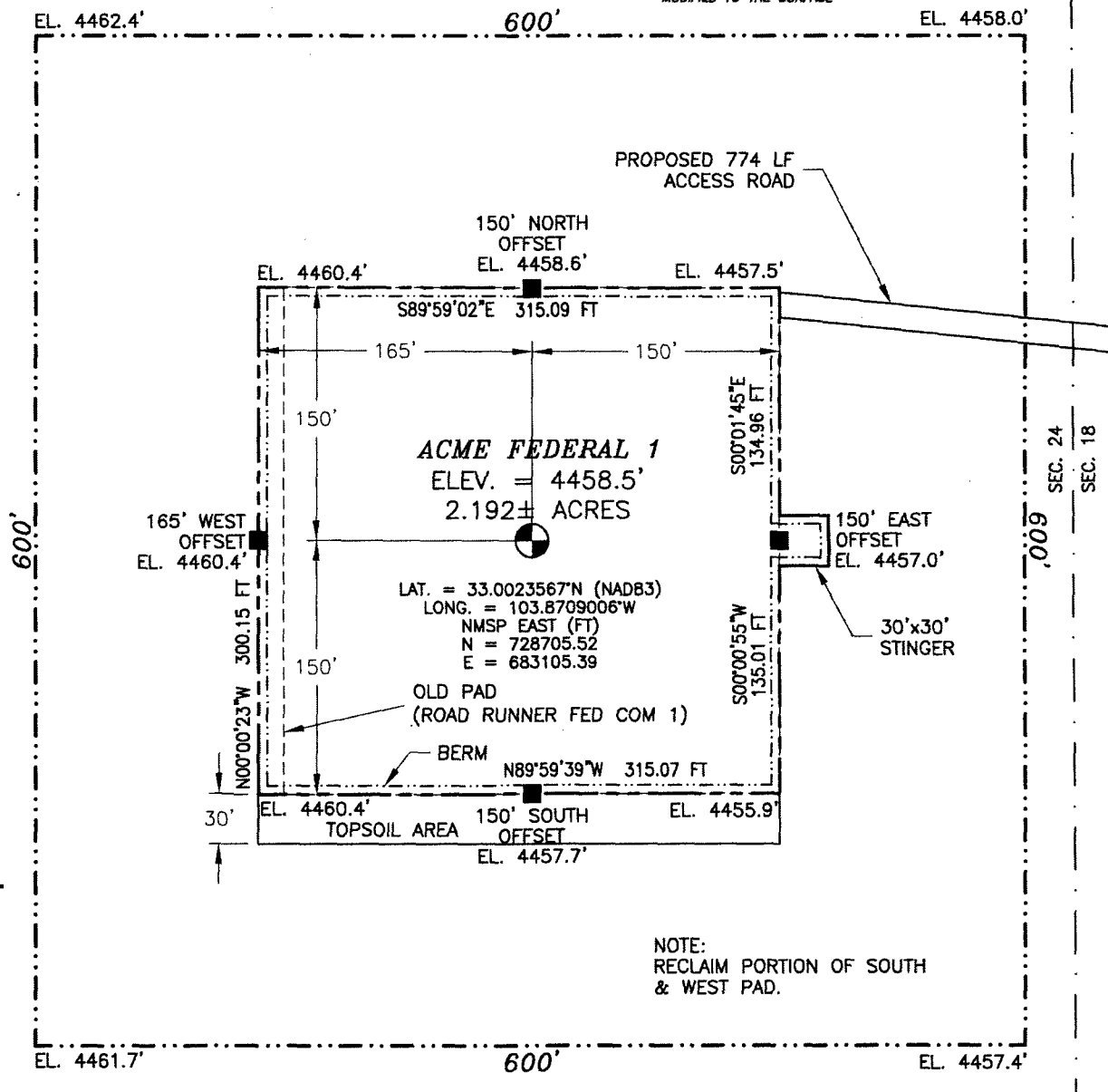
Vertical Datum: NAVD88

Survey number: 5517

	NS-Foot	NS Indicator	EW-Foot	EW Indicator	Twsp	Range	Section	Aliquot/Lot/Tract	Latitude	Longitude	County	State	Meridian	Lease Type	Lease Number	Elevation	MD	TVD
SHL Leg #1	2285	FNL	330	FEL	15S	30E	24	Aliquot SENE	33.0023567	-103.8709006	CHAVES	NEW MEXICO	NEW MEXICO	F	NMNM 121475	4458	6100	6100

SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
 CHAVES COUNTY, STATE OF NEW MEXICO
SITE MAP

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE



DIRECTIONS TO LOCATION
 FROM THE INTERSECTION OF STATE HIGHWAY 249 AND STATE HIGHWAY 172, GO WEST-NORTHWEST ON STATE HIGHWAY 249 FOR APPROX. 3.0 MILES, TURN LEFT ON 20' CALICHE LEASE ROAD (MILE POST 30) AND GO SOUTH APPROX. 0.9 OF A MILE, TURN RIGHT ON 15' CALICHE LEASE ROAD AND GO WEST APPROX. 0.9 OF A MILE TO A WELL PAD AND 15' CALICHE LEASE ROAD GOING SOUTH AND BEGIN ROAD SURVEY, FOLLOW ROAD SURVEY WEST APPROX. 774' TO THE NORTHEAST PAD CORNER FOR THIS LOCATION.

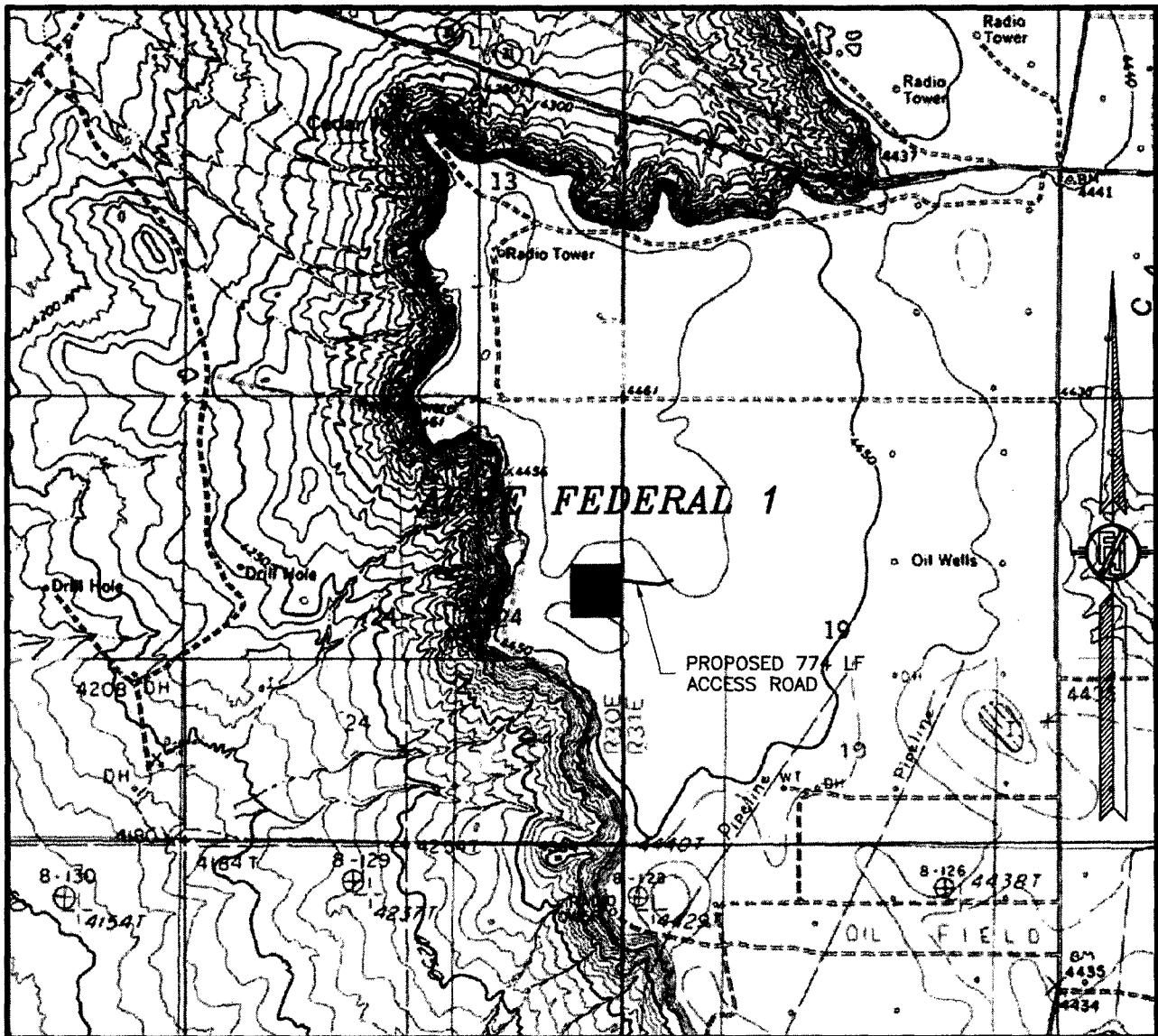
MACK ENERGY CORPORATION
ACME FEDERAL 1
 LOCATED 2285 FT. FROM THE NORTH LINE
 AND 330 FT. FROM THE EAST LINE OF
 SECTION 24, TOWNSHIP 15 SOUTH,
 RANGE 30 EAST, N.M.P.M.
 CHAVES COUNTY, STATE OF NEW MEXICO

AUGUST 23, 2017

SURVEY NO. 5517

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

SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
 CHAVES COUNTY, STATE OF NEW MEXICO
 LOCATION VERIFICATION MAP



USGS QUAD MAP:
 CEDAR POINT

NOT TO SCALE

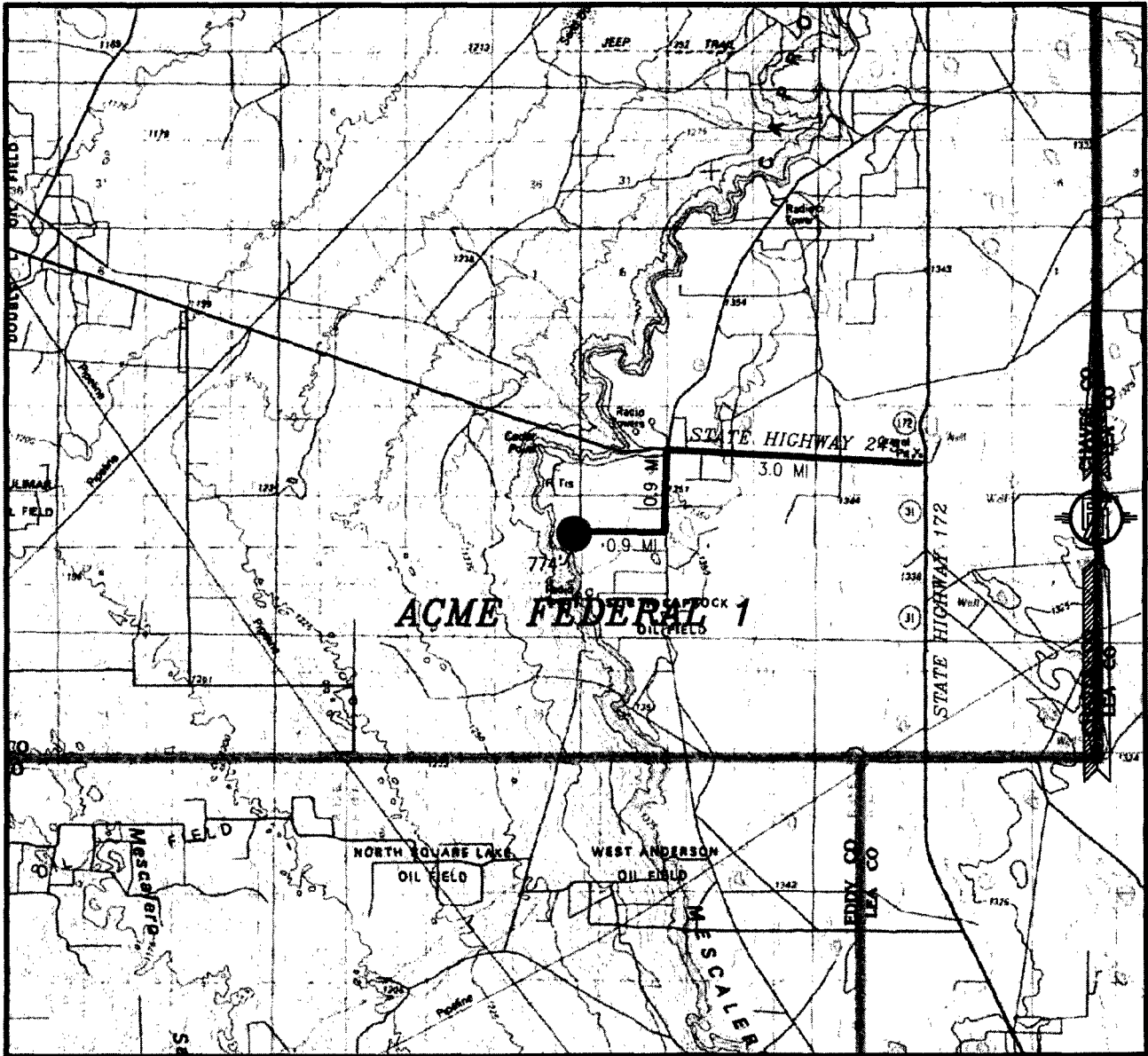
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MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
 CHAVES COUNTY, STATE OF NEW MEXICO
 VICINITY MAP



DISTANCES IN MILES

NOT TO SCALE

MACK ENERGY CORPORATION
ACME FEDERAL 1

LOCATED 2285 FT. FROM THE NORTH LINE
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 CHAVES COUNTY, STATE OF NEW MEXICO

DIRECTIONS TO LOCATION

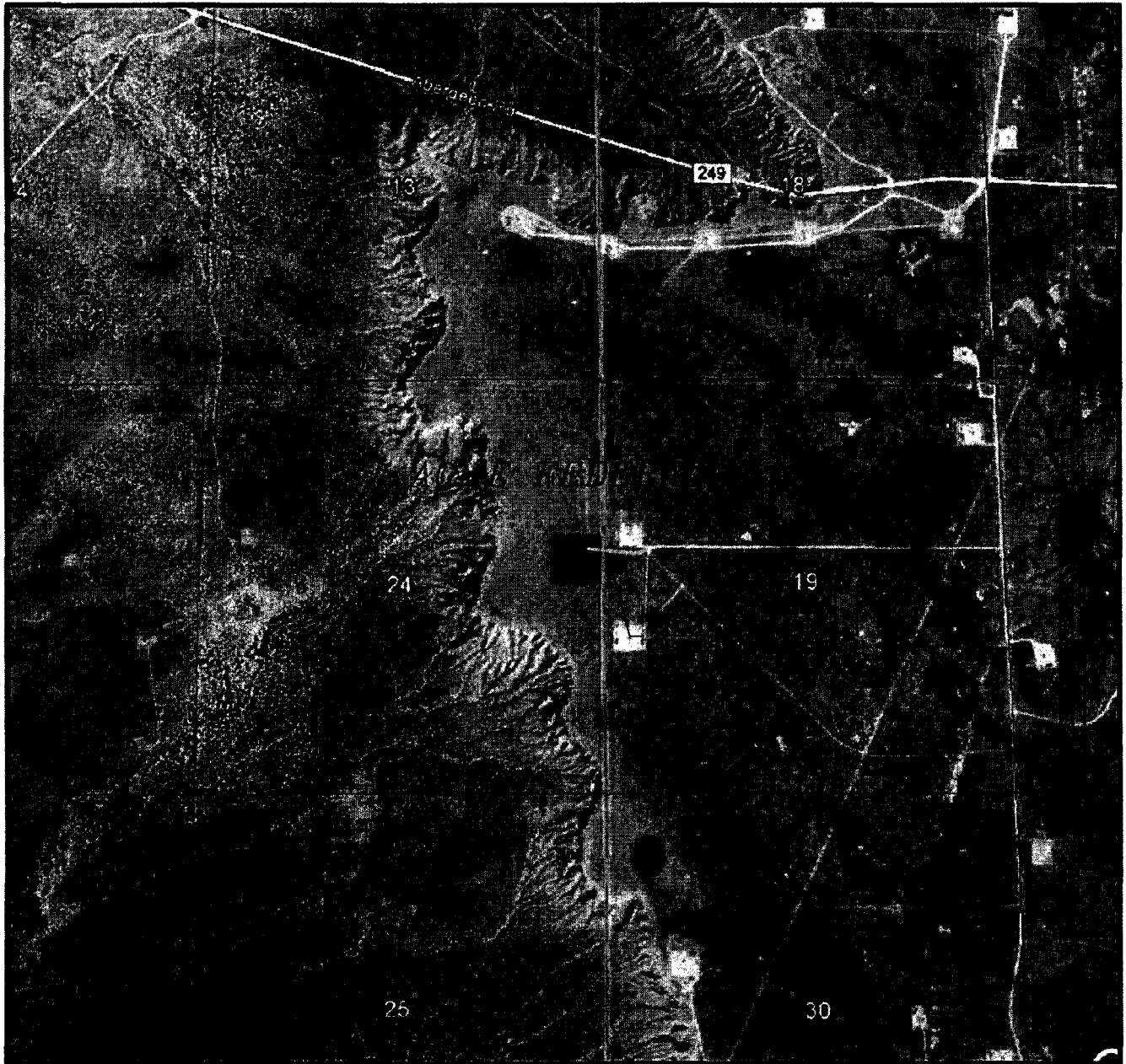
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AUGUST 23, 2017

SURVEY NO. 5517

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

SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
CHAVES COUNTY, STATE OF NEW MEXICO
AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
FEBRUARY 2017

MACK ENERGY CORPORATION
ACME FEDERAL 1
LOCATED 2285 FT. FROM THE NORTH LINE
AND 330 FT. FROM THE EAST LINE OF
SECTION 24, TOWNSHIP 15 SOUTH,
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CHAVES COUNTY, STATE OF NEW MEXICO

AUGUST 23, 2017

SURVEY NO. 5517

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

SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
CHAVES COUNTY, STATE OF NEW MEXICO
ACCESS AERIAL ROUTE MAP



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
FEBRUARY 2017

MACK ENERGY CORPORATION
ACME FEDERAL 1
LOCATED 2285 FT. FROM THE NORTH LINE
AND 330 FT. FROM THE EAST LINE OF
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CHAVES COUNTY, STATE OF NEW MEXICO

AUGUST 23, 2017

SURVEY NO. 5517

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



APD ID: 10400023348

Submission Date: 10/30/2017

Highlighted data reflects the most recent changes

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Reenter

Section 1 - Geologic Formations

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	QUATERNARY ALLUVIUM	4458	0	0	ALLUVIUM	NONE	Yes
2	TOP OF SALT	3086	1372	1372	SALT	NONE	No
3	BASE OF SALT	2209	2249	2249	SALT	NONE	No
4	YATES	2188	2270	2270	ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
5	SEVEN RIVERS	1944	2514	2514	ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
6	QUEEN	1108	3350	3350	ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
7	GRAYBURG	999	3459	3459	DOLOMITE,ANHYDRITE,SILTSTONE	NATURAL GAS,OIL	No
8	SAN ANDRES	672	3786	3786	DOLOMITE,ANHYDRITE	NATURAL GAS,OIL	Yes
9	GLORIETA	-887	5345	5345	DOLOMITE,ANHYDRITE	NATURAL GAS,OIL	Yes

Section 2 - Blowout Prevention

Pressure Rating (PSI): 3M

Rating Depth: 10500

Equipment: Rotating Head, Mud- Gas Separator

Requesting Variance? NO

Variance request:

Testing Procedure: The BOP/BOPE test shall include a low pressure test from 250-300psi. The test will be held for a minimum of 10 minutes if test is done a test plug and 30 minutes without a test plug.

Choke Diagram Attachment:

Revised_Choke_Manifold_3M_20171027091528.docx

BOP Diagram Attachment:

BOP_Schematic_APD_20171027091635.docx

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	PRODUCTION	8.75	5.5	NEW	API	N	0	6100	0	6100			6100	L-80	17	LTC	1.94 ⁴	2.63 ⁶	BUOY	3.86 ²	BUOY	2.58

Casing Attachments

Casing ID: 1 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

10272017acme_casing092502_20171027092603.pdf

Section 4 - Cement

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
PRODUCTION	Lead	6100	0	6100	560	1.85	13.2	1036	35	Class C 4%PF-20, 2%PF-001, .125pps PF-29, 4.0pps PF45	20bbls Gelled Water, 20bbls Chemical Wash, 50sx 11# Scavenger Cement.
PRODUCTION	Tail		0	6100	725	1.47	13	1065	35	PVL, 1.3%PF-44, 5%PF-174, 5%PF-606, 1%PF-153,	none

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Section 5 - Circulating Medium

Mud System Type: Closed

Will an air or gas system be Used? NO

Description of the equipment for the circulating system in accordance with Onshore Order #2:

Diagram of the equipment for the circulating system in accordance with Onshore Order #2:

Describe what will be on location to control well or mitigate other conditions: BOPE, Brine Water.

Describe the mud monitoring system utilized: Pason PVT with Pit Volume Recorder.

Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
0	6100	LOW SOLIDS NON- DISPERSED (LSND)	8.3	10	74.8		11		160000	10	

Section 6 - Test, Logging, Coring

List of production tests including testing procedures, equipment and safety measures:

None

List of open and cased hole logs run in the well:

CALIPER,CNL,DLL,FDC,GR

Coring operation description for the well:

We will evaluate after logging to determine the necessity for sidewall coring.

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Section 7 - Pressure

Anticipated Bottom Hole Pressure: 3050

Anticipated Surface Pressure: 1708

Anticipated Bottom Hole Temperature(F): 110

Anticipated abnormal pressures, temperatures, or potential geologic hazards? NO

Describe:

Contingency Plans geohazards description:

Contingency Plans geohazards attachment:

Hydrogen Sulfide drilling operations plan required? NO

Hydrogen sulfide drilling operations plan:

Section 8 - Other Information

Proposed horizontal/directional/multi-lateral plan submission:

Other proposed operations facets description:

None

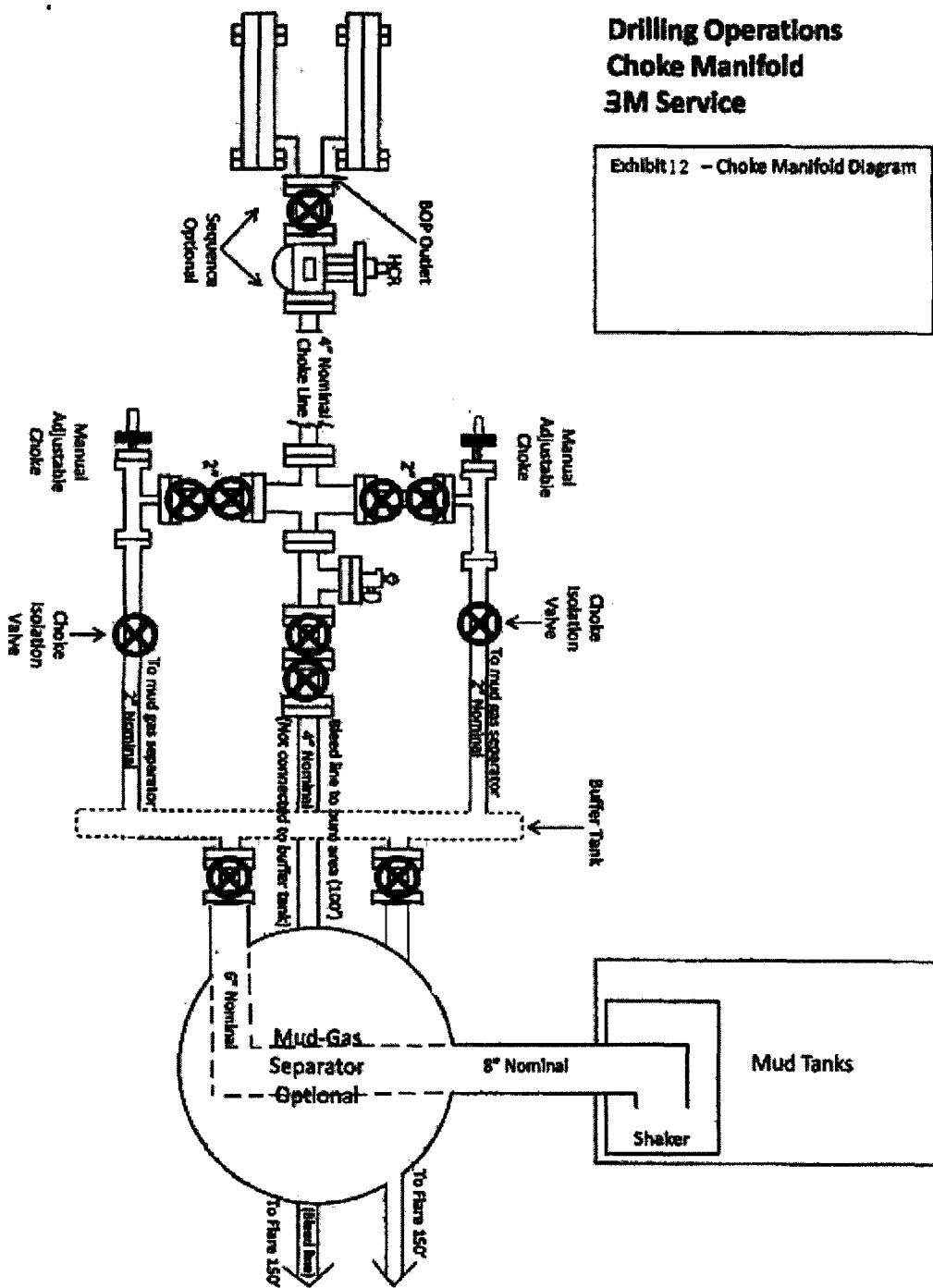
Other proposed operations facets attachment:

10272017acme_dp102136_20171027102451.pdf

Other Variance attachment:

Drilling Operations Choke Manifold 3M Service

Exhibit 12 - Choke Manifold Diagram



Mack Energy Corporation
Minimum Blowout Preventer Requirements
5000 psi Working Pressure
13 5/8 inch- 5 MWP
11 Inch - 5 MWP
EXHIBIT #10

Stack Requirements

NO.	Items	Min. I.D.	Min. Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		2" Choke
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

16	Flanged Valve	1 13/16	
----	---------------	---------	--

CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 2000 psi minimum.
2. Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers' position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.

9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:
10.

ME

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position.
4. Chokes will be positioned so as not to

hamper or delay changing of choke beans. Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.

5. All valves to be equipped with handwheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.
7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.

11. es not use kill line for routine fill up operations.

1. Bradenhead or casing head and side valves.

2. Wear bushing. If required.

Casing Design Well: Acme Federal #1 (Re-entry)

String Size & Function: 5 1/2 in Production x

Total Depth: 6100 ft TVD: 6100 ft

Pressure Gradient for Calculations (While drilling)

Mud weight, collapse: 10.2 #/gal Safety Factor Collapse: 1.125

Mud weight, burst: 10.2 #/gal Safety Factor Burst: 1.25

Mud weight for joint strength: 10.2 #/gal Safety Factor Joint Strength 1.8

BHP @ TD for: collapse: 3235.44 psi Burst: 3235.44 psi, joint strength: 3235.44 psi

Partially evacuated hole? Pressure gradient remaining: 10 #/gal

Max. Shut in surface pressure: 3000 psi

1st segment	6100 ft to 0 ft		Make up Torque ft-lbs			Total ft = 6100
O.D.	Weight	Grade	Threads	opt.	min.	mx.
5.6 inches	17 #/ft	L-80	LT&C	3410	2560	4260
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
6,290	7,740 psi	338,000 #	397,000 #	4,767		

2nd segment	ft to 0 ft		Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

3rd segment	0 ft to 0 ft		Make up Torque ft-lbs			Total ft = 0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

4th segment	0 ft to 0 ft		Make up Torque ft-lbs			Total ft = 0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

5th segment	0 ft to 0 ft		Make up Torque ft-lbs			Total ft = 0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

6th segment	0 ft to 0 ft		Make up Torque ft-lbs			Total ft = 0
O.D.	Weight	Grade	Threads	opt.	min.	mx.
inches	#/ft					
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift		
psi	psi	.000 #	.000 #			

DRILLING PROGRAM

1. Geologic Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geologic Markers:

Rustler	1259'	Grayburg	3459'
Top Salt	1372'	San Andres	3786'
Base Salt	2249'	Glorieta	5345'
Yates	2270'	Tubb	6574'
Seven Rivers	2514'	Abo	7280'
Queen	3350'		

3. Estimated Depths of Anticipated Fresh Water, Oil and Gas:

Water Sand	150'	Fresh Water
Yates	2270'	Oil/Gas
Seven Rivers	2514'	Oil/Gas
Queen	3350'	Oil/Gas
Grayburg	3459'	Oil/Gas
San Andres	3786'	Oil/Gas
Glorieta	5345'	Oil/Gas
Tubb	6574'	Oil/Gas
Abo	7280'	Oil/Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. 9 5/8" Surface Casing has been set @ 445'. Salt section and shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them by cementing 5 1/2" production casing, sufficient cement will be pumped to circulate back to surface.

4. Casing Program:

Hole Size	Interval	OD Casing	Wt, Grade, Jt, cond, collapse/burst/tension
14 3/4"	0-445' In-place	9 5/8"	36#, J-55, ST&C, New, 9.093201/6.912044/7.04
8 3/4"	0-6100'	5 1/2"	17#, L-80, LT&C, New, 1.944094/2.635737/2.58

5. Cement Program:

9 5/8" Surfacing Casing: Lead 470sx, Class C + 1% PF1, yld 1.33, wt 14.8 ppg, 6.323gals/sx, excess 100%.

5 1/2" Production Casing: Lead 560sx Class C + 4%PF-20+2%PF20-001+1.25pps PF-29+4.0 pps PF-45, yld 1.85, wt 13.2 ppg, 9.94gals/sx, excess 35%, Tail 725sx PVL + 1.3% PF44 (BWOW)+ 5% PF174 + 5% PF606 + .1% PF153 +.2% PF13, yield 1.47, wt 13.0, 7.57gals/sx, 35% excess.

6. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #10 will consist of a double ram-type (3000 psi WP) minimum preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on bottom. The 11" BOP will be nipped up on the 8 5/8" surface casing and tested by a 3rd party to 2000 psi used continuously until TD is reached. All BOP's and accessory equipment will be tested to 2000 psi before drilling out of intermediate casing. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve and choke lines and choke manifold (Exhibit #11) with a minimum 3000 psi WP rating

7. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of fresh and cut brine mud system. The applicable depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-500'	Fresh Water	8.5	28	N.C.
500'-TD'	Cut Brine	9.1	29	N.C.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the well site at all times.

8. Auxiliary Well Control and Monitoring Equipment:

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

9. Logging, Testing and Coring Program:

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log from T.D. to 8 5/8 casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.
- D. Further testing procedures will be determined at TD.

10. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 110 degrees and estimated maximum bottom hole pressure is 3,100 psig. Low levels of

Hydrogen sulfide have been monitors in producing wells in the area, so H2S may be present while drilling of the well; a plan is attached to the Drilling program. No major loss of circulation zones has been reported in offsetting wells.

11. Anticipated Starting Date and Duration of Operations:

Road and location work will not begin until approval has been received from the BLM. The anticipated spud date is December 15, 2017. Once commenced, the drilling operation should be finished in approximately 5 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.

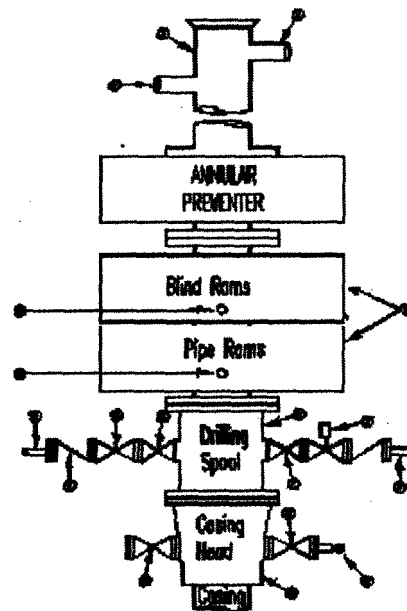
**Attachment to Exhibit #10
NOTES REGARDING THE BLOWOUT PREVENTERS
Acme Federal #1
Chaves County, New Mexico**

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
6. All choke and fill lines to be securely anchored especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on Kelly.
9. Extension wrenches and hands wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

Mack Energy Corporation
Minimum Blowout Preventer Requirements
3000 psi Working Pressure
13 3/8 inch- 3 MWP
11 Inch - 3 MWP
EXHIBIT #10

Stack Requirements

NO.	Items	Min. I.D.	Min. Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		2" Choke
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"



OPTIONAL

16	Flanged Valve	1 13/16	
----	---------------	---------	--

CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 2000 psi minimum.
2. Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers' position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

1. Bradenhead or casing head and side valves.
2. Wear bushing. If required.

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position
4. Chokes will be positioned so as not to hamper or delay changing of choke beans.

10. Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.
5. All valves to be equipped with hand-wheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.
7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Does not use kill line for routine fill up operations.

Mack Energy Corporation

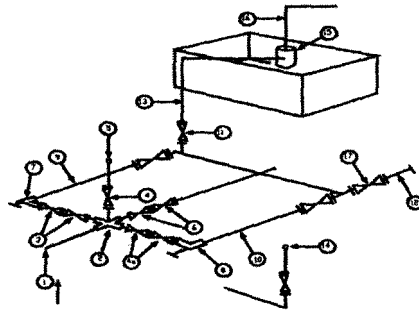
Exhibit #11

MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

3M will be used

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

* Location of separator optional

Below Substructure

Minimum requirements

No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	Nominal	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
1	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			3,000			5,000			
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
4	Valve Gate Plug	1 13/16		3,000	1 13/16		5,000	1 13/16		10,000
4a	Valves (1)	2 1/16		3,000	2 1/16		5,000	2 1/16		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure gauge			3,000			5,000			10,000
15	Gas Separator		2' x5'			2' x5'			2' x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000

(1) Only one required in Class 3M

(2) Gate valves only shall be used for Class 10 M

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees

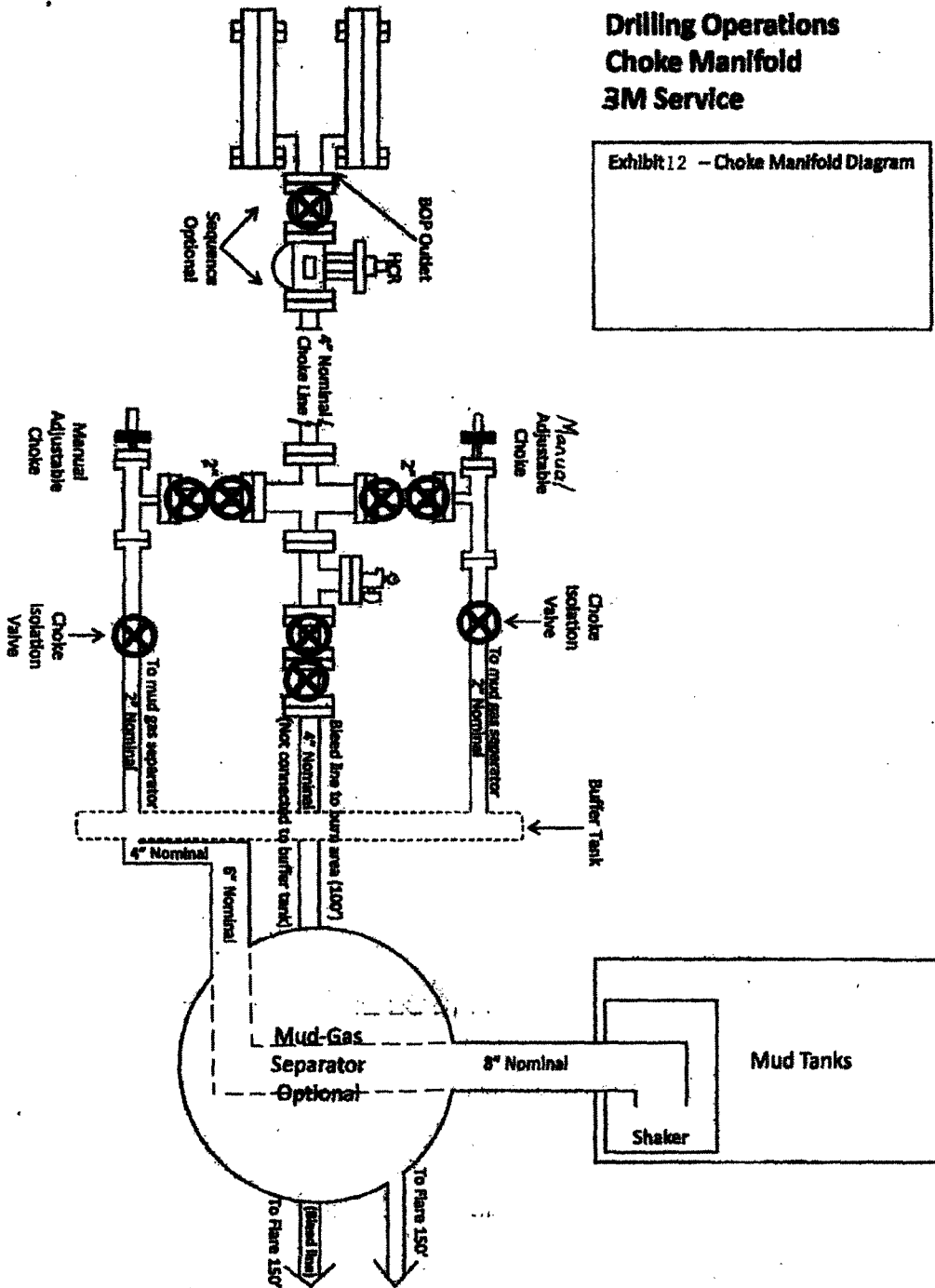
Mack Energy Corporation

MANIFOLD SCHEMATIC

Exhibit #12

Drilling Operations Choke Manifold 3M Service

Exhibit 12 - Choke Manifold Diagram



**Mack Energy Corporation
Onshore Order #6
Hydrogen Sulfide Drilling Operation Plan**

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors alarms warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. The concentrations of H₂S of wells in this area from surface to TD are low enough that a contingency plan is not required.

II. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H₂S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

2. Protective equipment for essential personnel:

- A. Mark II Survive air 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. 1 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram (Exhibit #8).
- B. Caution/Danger signs (Exhibit #7) shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communication at Office.

8. Well testing:

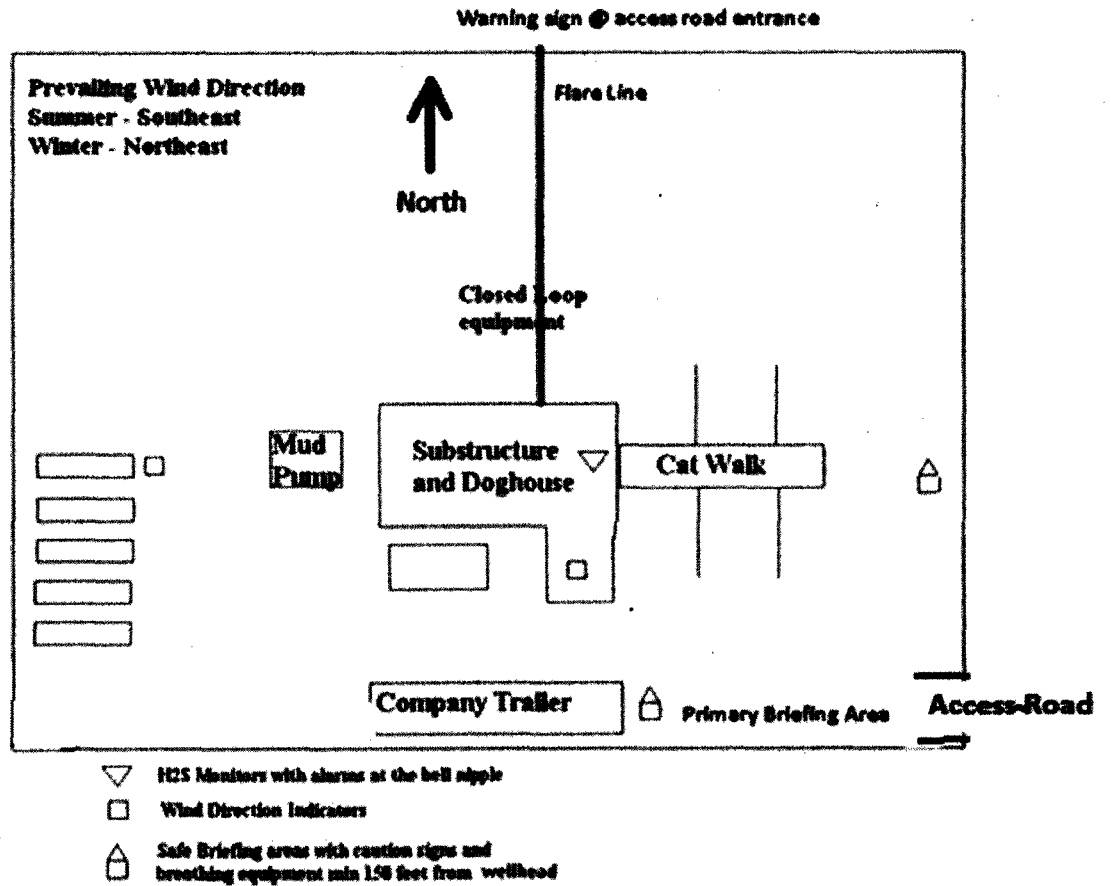
- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H2S environment will use the closed chamber method of testing.

EXHIBIT #7

WARNING
YOU ARE ENTERING AN H2S
AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED**
- 2. HARD HATS REQUIRED**
- 3. SMOKING IN DESIGNATED AREAS ONLY**
- 4. BE WIND CONSCIOUS AT ALL TIMES**
- 5. CHECK WITH MACK ENERGY FOREMAN AT OFFICE**

MACK ENERGY CORPORATION
1-575-748-1288

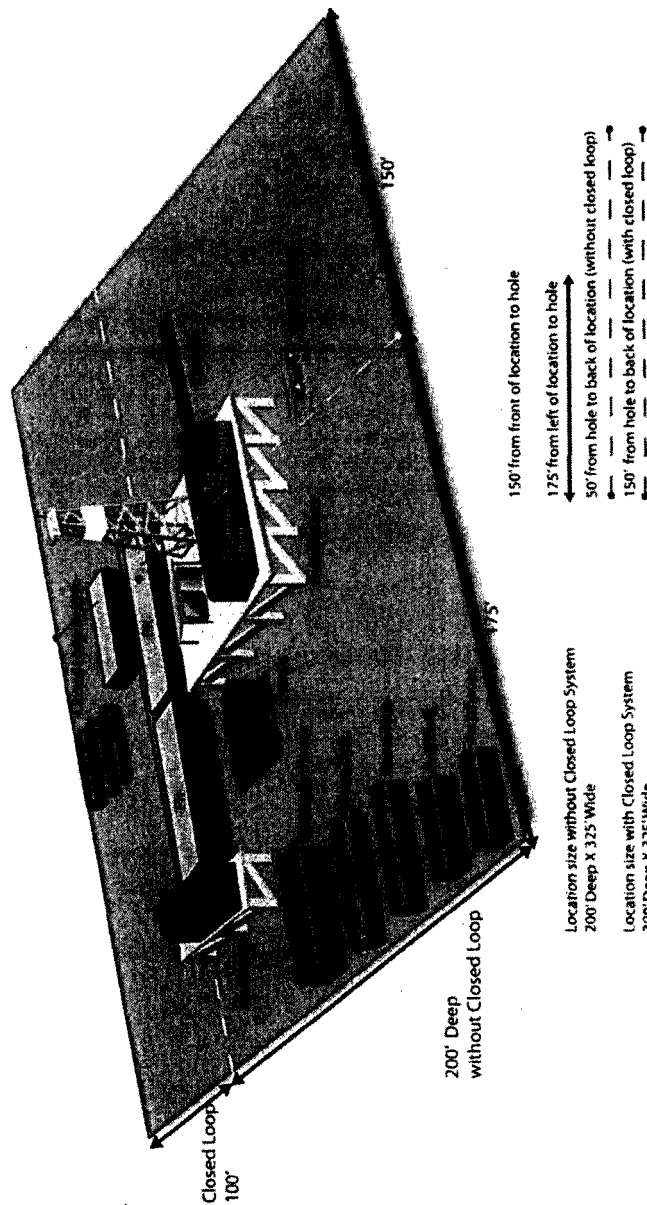


B. There will be no drill stem testing.

DRILLING LOCATION H2S SAFTY EQUIPMENT

Exhibit # 8

Location Layout



Mack Energy Corporation Call List, Chaves County

Artesia (575)	Cellular	Office
Jim Krogman.....	432-934-1596.....	748-1288
Emilio Martinez.....	432-934-7586.....	748-1288

Agency Call List (575)**Artesia**

State Police.....	746-2703
City Police.....	746-2703
Sheriff's Office.....	746-9888
Ambulance.....	911
Fire Department.....	746-2701
LEPC (Local Emergency Planning Committee).....	746-2122
NMOCD.....	748-1283

Carlsbad

State Police.....	885-3137
City Police.....	885-2111
Sheriff's Office.....	887-7551
Ambulance.....	911
Fire Department.....	885-2111
LEPC (Local Emergency Planning Committee).....	887-3798
Bureau of Land Management.....	887-6544
New Mexico Emergency Response Commission.....	(505)476-9690
24 Hour.....	(505)827-9126
National Emergency Response Center (Washington).....	(800)424-8802

Emergency Services

Boots & Coots IWC.....	1-800-256-9688 or (281)931-8884
Cudd pressure Control.....	(915)699-0139 or (915)563-3356
Halliburton.....	746-2757
Par Five.....	748-9539
Flight For Life-Lubbock, TX.....	(806)743-9911
Aerocare-Lubbock, TX.....	(806)747-8923
Med Flight Air Amb-Albuquerque, NM.....	(505)842-4433
Lifeguard Air Med Svc. Albuquerque, NM.....	(505)272-3115

APD ID: 10400023348

Submission Date: 10/30/2017

Highlighted data
reflects the most
recent changes

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

[Show Final Text](#)

Well Type: OIL WELL

Well Work Type: Reenter

Section 1 - Existing Roads

Will existing roads be used? YES

Existing Road Map:

Acme_Federal_1_Road_20171003151245.pdf

Existing Road Purpose: ACCESS,FLUID TRANSPORT

Row(s) Exist? YES

ROW ID(s)

ID: NM-12222

Do the existing roads need to be improved? NO

Existing Road Improvement Description:

Existing Road Improvement Attachment:

Section 2 - New or Reconstructed Access Roads

Will new roads be needed? YES

New Road Map:

Acme_Federal_1_Road_20171003151307.pdf

New road type: COLLECTOR

Length: 774

Feet

Width (ft.): 20

Max slope (%): 2

Max grade (%): 1

Army Corp of Engineers (ACOE) permit required? NO

ACOE Permit Number(s):

New road travel width: 14

New road access erosion control: The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. The average grade will be less than 1%. No turnouts are planned. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary. Surfacing material will consist of native caliche.

New road access plan or profile prepared? NO

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Access road engineering design? NO

Access road engineering design attachment:

Access surfacing type: OTHER

Access topsoil source: ONSITE

Access surfacing type description: Caliche

Access onsite topsoil source depth: 2

Offsite topsoil source description:

Onsite topsoil removal process: Blade topsoil into windrow along up slope edge of road.

Access other construction information: Caliche will be obtained from Mack Energy caliche pit located Sec. 11 T16S R31E

Access miscellaneous information: NM-122222

Number of access turnouts:

Access turnout map:

Drainage Control

New road drainage crossing: CULVERT,OTHER

Drainage Control comments: The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. The average grade will be less than 1%. No turnouts are planned. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary. Surfacing material will consist of native caliche.

Road Drainage Control Structures (DCS) description: The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. The average grade will be less than 1%. No turnouts are planned. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary. Surfacing material will consist of native caliche.

Road Drainage Control Structures (DCS) attachment:

Access Additional Attachments

Additional Attachment(s):

Section 3 - Location of Existing Wells

Existing Wells Map? YES

Attach Well map:

10262017acme_radius113455_20171027104843.pdf

Existing Wells description:

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Section 4 - Location of Existing and/or Proposed Production Facilities

Submit or defer a Proposed Production Facilities plan? SUBMIT

Production Facilities description: Production facility will be constructed on the East Side of this location. flowline will stay on location between well and facility.

Production Facilities map:

10262017acme_tb015303_20171027104931.pdf

Section 5 - Location and Types of Water Supply

Water Source Table

Water source use type: CAMP USE, DUST CONTROL, INTERMEDIATE/PRODUCTION CASING, STIMULATION

Describe type:

Source latitude:

Source datum:

Water source permit type: OTHER

Source land ownership: OTHER

Water source transport method: TRUCKING

Source transportation land ownership: OTHER

Water source volume (barrels): 2000

Source volume (gal): 84000

Water source type: GW WELL

Source longitude:

Describe land ownership:

Describe transportation land ownership:

Source volume (acre-feet): 0.25778618

Water source and transportation map:

10272017acme_water113314_20171027113641.pdf

Water source comments: Please see attachments. City/Municipal: Town of Hagerman S10 T14S R26E Mor-West S20 T17S R30E Brine Water: Salty Dog S5 T19S R36E Wasserhund S36 T16S R34E

New water well? NO

New Water Well Info

Well latitude:

Well Longitude:

Well datum:

Well target aquifer:

Est. depth to top of aquifer(ft):

Est thickness of aquifer:

Aquifer comments:

Aquifer documentation:

Well depth (ft):

Well casing type:

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

New water well casing?

Used casing source:

Drilling method:

Drill material:

Grout material:

Grout depth:

Casing length (ft.):

Casing top depth (ft.):

Well Production type:

Completion Method:

Water well additional information:

State appropriation permit:

Additional information attachment:

Section 6 - Construction Materials

Construction Materials description: Caliche will be obtained from Mack Energy caliche pit located Sec. 11 T16S R31E

Construction Materials source location attachment:

10272017acme_caliche114608_20171027114700.pdf

Section 7 - Methods for Handling Waste

Waste type: DRILLING

Waste content description: Drill cuttings and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66. Drilling fluids will be contained in steel tanks using a closed loop system. No pits will be used during drilling operations

Amount of waste: 700 barrels

Waste disposal frequency : Weekly

Safe containment description: Drill cuttings and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66. Drilling fluids will be contained in steel tanks using a closed loop system. No pits will be used during drilling operations

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL FACILITY

Disposal type description:

Disposal location description: R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66.

Waste type: SEWAGE

Waste content description: Sewage and Gray Water will be placed in container and hauled to a approved facility. Container and disposal handled by Black Hawk.

Amount of waste:

Waste disposal frequency : Weekly

Safe containment description: Sewage and Gray Water will be placed in container and hauled to a approved facility. Container and disposal handled by Black Hawk.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL FACILITY

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Disposal type description:

Disposal location description: Black Hawk will dispose at an approved location. Black Hawk, Keith Willis 1(575) 637-6378

Waste type: PRODUCED WATER

Waste content description: Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and trucked to the Round Tank SWD #1 L-0729, 30-005-64095, Sec. 19 T15S R29E 1980 FSL 1980 FWL, Chaves County, NM; produced oil will be collected in steel tanks until sold.

Amount of waste: 2080 barrels

Waste disposal frequency : Weekly

Safe containment description: Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and trucked to the Round Tank SWD #1 L-0729, 30-005-64095, Sec. 19 T15S R29E 1980 FSL 1980 FWL, Chaves County, NM; produced oil will be collected in steel tanks until sold. Amount of waste: 2080

Safe containmant attachment:

Waste disposal type: OFF-LEASE INJECTION **Disposal location ownership:** STATE

Disposal type description:

Disposal location description: Round Tank SWD #1 L-0729, 30-005-64095, Sec. 19 T15S R29E 1980 FSL 1980 FWL, Chaves County, NM

Waste type: GARBAGE

Waste content description: Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic waste or hazardous chemicals will be produced by this operation.

Amount of waste: pounds

Waste disposal frequency : Weekly

Safe containment description: Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic waste or hazardous chemicals will be produced by this operation.

Safe containmant attachment:

Waste disposal type: HAUL TO COMMERCIAL FACILITY **Disposal location ownership:** COMMERCIAL

Disposal type description:

Disposal location description: Black Hawk will dispose at an approved location. Black Hawk, Keith Willis 1 (575) 631-6378

Reserve Pit

Reserve Pit being used? NO

Temporary disposal of produced water into reserve pit?

Reserve pit length (ft.) **Reserve pit width (ft.)**

Reserve pit depth (ft.) **Reserve pit volume (cu. yd.)**

Is at least 50% of the reserve pit in cut?

Reserve pit liner

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Reserve pit liner specifications and installation description

Cuttings Area

Cuttings Area being used? NO

Are you storing cuttings on location? NO

Description of cuttings location

Cuttings area length (ft.)

Cuttings area width (ft.)

Cuttings area depth (ft.)

Cuttings area volume (cu. yd.)

Is at least 50% of the cuttings area in cut?

WCuttings area liner

Cuttings area liner specifications and installation description

Section 8 - Ancillary Facilities

Are you requesting any Ancillary Facilities?: NO

Ancillary Facilities attachment:

Comments:

Section 9 - Well Site Layout

Well Site Layout Diagram:

10272017acme_site_map115959_20171027120053.pdf

Comments: After evaluation is complete a plan for power will be submitted for approval.

Section 10 - Plans for Surface Reclamation

Type of disturbance: New Surface Disturbance

Multiple Well Pad Name:

Multiple Well Pad Number:

Recontouring attachment:

10272017acme_reclaimed121821_20171027121924.pdf

Drainage/Erosion control construction: Edges of location will be bermed to prevent run off or erosion.

Drainage/Erosion control reclamation: The maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Well pad proposed disturbance (acres):	Well pad interim reclamation (acres): 2.192	Well pad long term disturbance (acres): 1.43
Road proposed disturbance (acres):	Road interim reclamation (acres): 0.35	Road long term disturbance (acres): 0.24
Powerline proposed disturbance (acres):	Powerline interim reclamation (acres):	Powerline long term disturbance (acres):
Pipeline proposed disturbance (acres):	Pipeline interim reclamation (acres): 0.017148761	Pipeline long term disturbance (acres): 0.017148761
Other proposed disturbance (acres):	Other interim reclamation (acres): 0.0068	Other long term disturbance (acres):
Total proposed disturbance:	Total interim reclamation: 2.5659487	Total long term disturbance: 2.0371487

Reconstruction method: Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds

Topsoil redistribution: Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds

Soil treatment: Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water. 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds

Existing Vegetation at the well pad: The area around the well site is grassland and topsoil is sandy. The vegetation is native scrub grass with sagebrush.

Existing Vegetation at the well pad attachment:

Existing Vegetation Community at the road: The area around the well site is grassland and topsoil is sandy. The vegetation is native scrub grass with sagebrush.

Existing Vegetation Community at the road attachment:

Existing Vegetation Community at the pipeline: The area around the well site is grassland and topsoil is sandy. The vegetation is native scrub grass with sagebrush.

Existing Vegetation Community at the pipeline attachment:

Existing Vegetation Community at other disturbances: The area around the well site is grassland and topsoil is sandy. The vegetation is native scrub grass with sagebrush.

Existing Vegetation Community at other disturbances attachment:

Non native seed used? NO

Non native seed description:

Seedling transplant description:

Will seedlings be transplanted for this project? NO

Seedling transplant description attachment:

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Will seed be harvested for use in site reclamation? YES

Seed harvest description: A cultural resources examination has been requested and will be forwarded to your office in the near future.

Seed harvest description attachment:

Seed Management

Seed Table

Seed type:

Seed source:

Seed name:

Source name:

Source address:

Source phone:

Seed cultivar:

Seed use location:

PLS pounds per acre:

Proposed seeding season:

Seed Summary

Total pounds/Acre:

Seed Type	Pounds/Acre
-----------	-------------

Seed reclamation attachment:

Operator Contact/Responsible Official Contact Info

First Name: Jerry

Last Name: Sherrell

Phone: (575)748-1288

Email: jerrys@mec.com

Seedbed prep:

Seed BMP:

Seed method:

Existing invasive species? NO

Existing invasive species treatment description:

Existing invasive species treatment attachment:

Weed treatment plan description: The holder shall seed all disturbed areas with the seed mixture listed by BLM. The seed mixture shall be planted in the amounts specified in pounds of pure live seed (PLS)* per acre. There shall be no primary or secondary noxious weeds in the seed mixture. Seed will be tested and the viability testing of seed will be done in accordance with State Law(s) and the nine (9) months prior to purchase. Commercial seed will be either certified or registered seed. The seed container will be tagged in accordance with State Law(s) and available for inspection by the authorized officer.

Weed treatment plan attachment:

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Monitoring plan description: After all disturbed area have been satisfactorily prepared, these areas need to be revegetated with seed mixture provided by BLM. Seeding should be accomplished by drilling on the contour whenever practical or by other approved methods. Seeding may be repeated until revegetation is successful, as determined by the BLM

Monitoring plan attachment:

Success standards: The seeding will be repeated until a satisfactory stand is established as determined by the authorized officer. Evaluation of growth will not be made before completion of at least one full growing season after seeding

Pit closure description: No Pit.

Pit closure attachment:

Section 11 - Surface Ownership

Disturbance type: WELL PAD

Describe:

Surface Owner: BUREAU OF LAND MANAGEMENT, BUREAU OF LAND MANAGEMENT, PRIVATE OWNERSHIP

Other surface owner description:

BIA Local Office:

BOR Local Office:

COE Local Office:

DOD Local Office:

NPS Local Office:

State Local Office:

Military Local Office:

USFWS Local Office:

Other Local Office:

USFS Region:

USFS Forest/Grassland:

USFS Ranger District:

Operator Name: MACK ENERGY CORPORATION

Well Name: ACME FEDERAL

Well Number: 1

Fee Owner: Jace Reid

Fee Owner Address: PO Box 1852

Phone: (806)632-7445

Email: barheartx ranch@gmail.com

Surface use plan certification:

Surface use plan certification document:

Surface access agreement or bond:

Surface Access Agreement Need description:

Surface Access Bond BLM or Forest Service:

BLM Surface Access Bond number:

USFS Surface access bond number:

Section 12 - Other Information

Right of Way needed? NO

Use APD as ROW?

ROW Type(s):

ROW Applications

SUPO Additional Information:

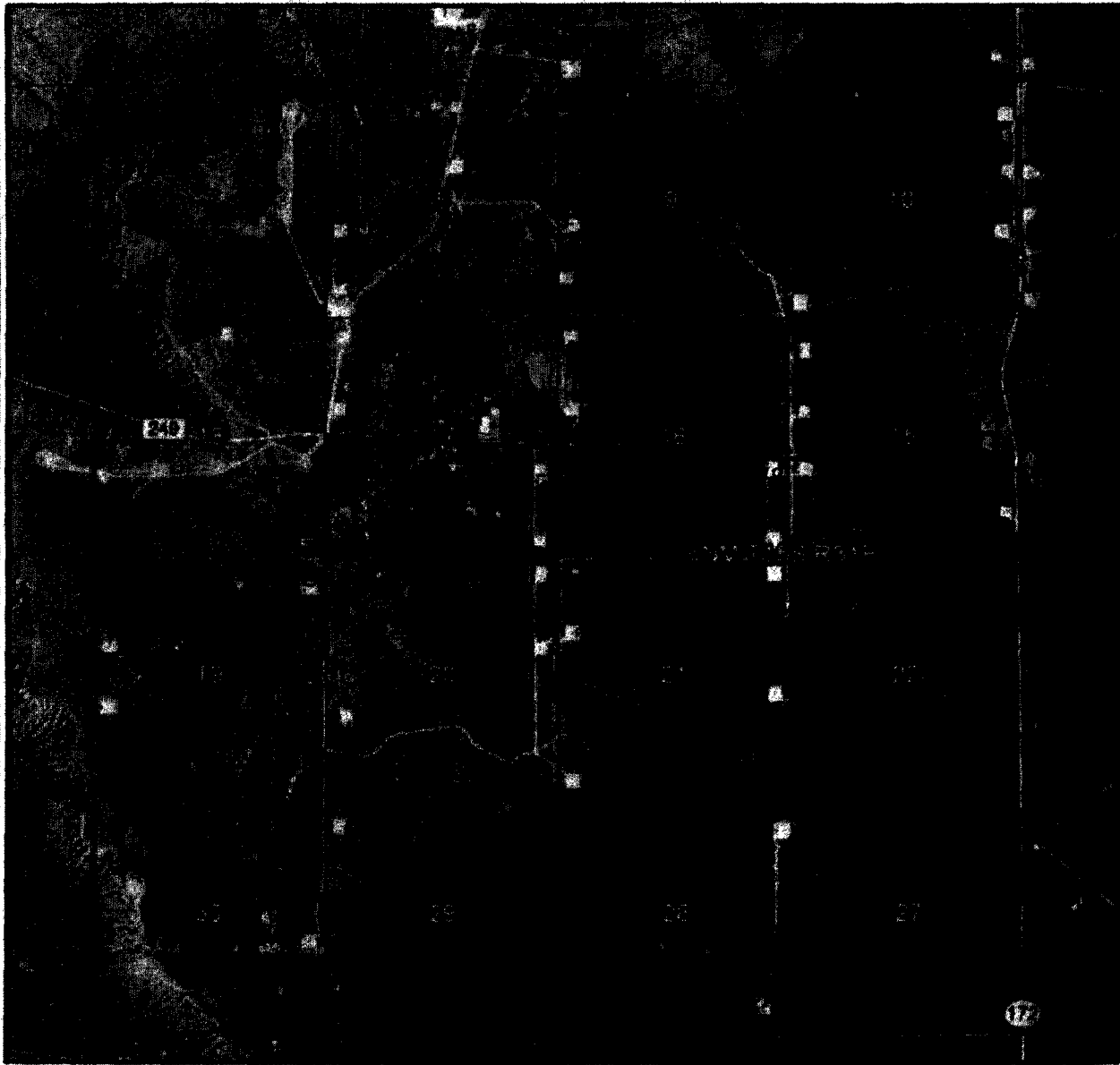
Use a previously conducted onsite? YES

Previous Onsite information: Acme Federal #1 Onsite - 10/11/2017

Other SUPO Attachment

10272017acme_suppo102316_20171027125851.pdf

**SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
CHAVES COUNTY, STATE OF NEW MEXICO
ACCESS AERIAL ROUTE MAP**



**NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
FEBRUARY 2017**

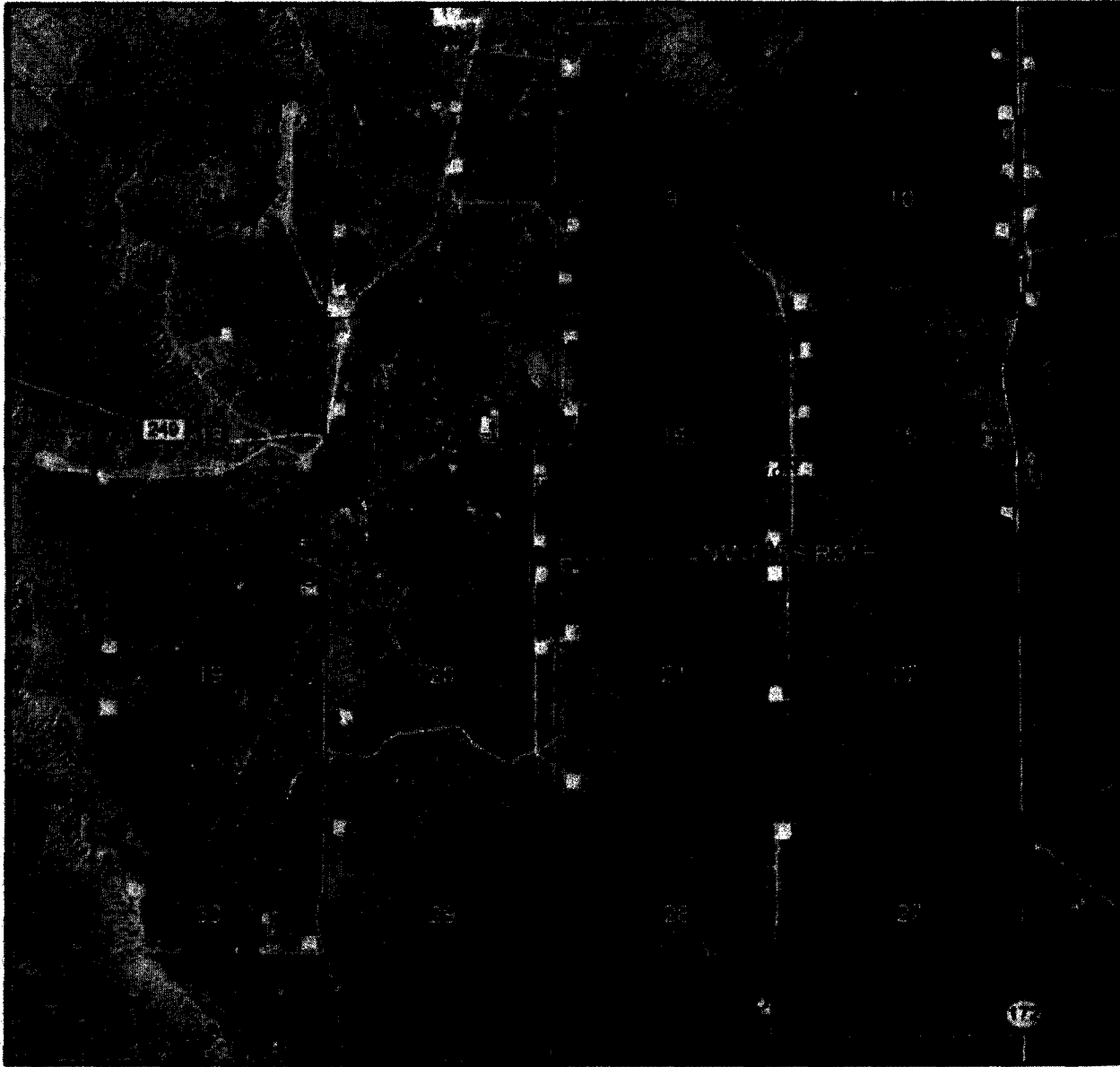
**MACK ENERGY CORPORATION
ACME FEDERAL 1
LOCATED 2285 FT. FROM THE NORTH LINE
AND 330 FT. FROM THE EAST LINE OF
SECTION 24, TOWNSHIP 15 SOUTH,
RANGE 30 EAST, N.M.P.M.
CHAVES COUNTY, STATE OF NEW MEXICO**

AUGUST 23, 2017

SURVEY NO. 5517

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

SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
CHAVES COUNTY, STATE OF NEW MEXICO
ACCESS AERIAL ROUTE MAP



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
FEBRUARY 2017

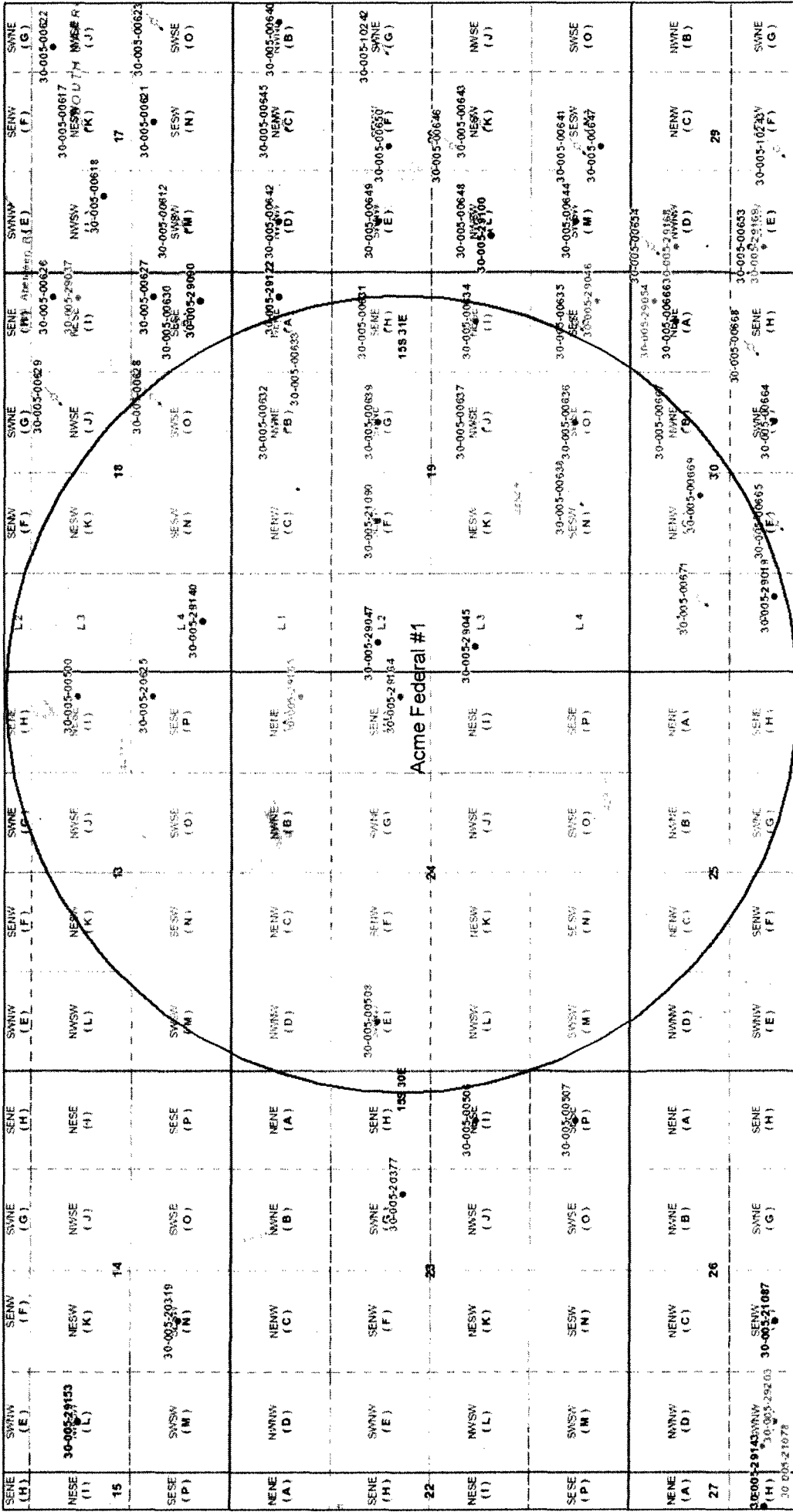
MACK ENERGY CORPORATION
ACME FEDERAL 1
LOCATED 2285 FT. FROM THE NORTH LINE
AND 330 FT. FROM THE EAST LINE OF
SECTION 24, TOWNSHIP 15 SOUTH,
RANGE 30 EAST, N.M.P.M.
CHAVES COUNTY, STATE OF NEW MEXICO

AUGUST 23, 2017

SURVEY NO. 5517

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

ArcGIS Web Map



October 26, 2017

Scale: 1:18,056

0 0.175 0.35 0.7 mi
0 0.35 0.7 1.4 km

Legend:

- Override 1
- Well Locations - Large Scale
- Call other values
- Miscellaneous
- CO2 Active
- CO2 Cancelled
- CO2 New
- Injection, Cancelled
- Injection, New
- Injection, Plugged
- Injection, Temporarily Abandoned
- Oil, Active
- Oil, Cancelled
- Oil, New
- Oil, Plugged
- CO2, Plugged
- CO2, Temporarily Abandoned
- Gas, Active
- Gas, Cancelled, Never Drilled
- Gas, New
- Gas, Plugged
- Gas, Temporarily Abandoned
- Injection, Active
- Oil, Temporarily Abandoned
- Salt Water Injection, Active
- Salt Water Injection, Cancelled
- Salt Water Injection, New
- Salt Water Injection, Plugged
- Salt Water Injection, Temporarily Abandoned
- Water, Active
- Water, Cancelled
- Water, New
- Water, Plugged
- Water, Temporarily Abandoned
- CCD Clinic Offices
- PLSS Townships
- PLSS Second Division
- PLSS First Division

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), Swisstopo, MapboxIndia, © OpenStreetMap contributors, and the GIS

Web App Builder for ArcGIS
Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, Intermap, USGS, METUNASA, EPA, USDA | NM OSE | U.S. BLM | US Census Bureau, NM DOT | BLM | OGD

Production Phase

Tank 1
 F-1 Open
 F-2 Closed
 E-1 Open
 D-1 Open
 D-2 Closed
 S-1 Closed
 S-2 Closed

Tank 2
 F-1 Closed
 F-2 Open
 E-1 Closed
 D-1 Closed
 D-2 Open
 S-1 Open
 S-2 Closed

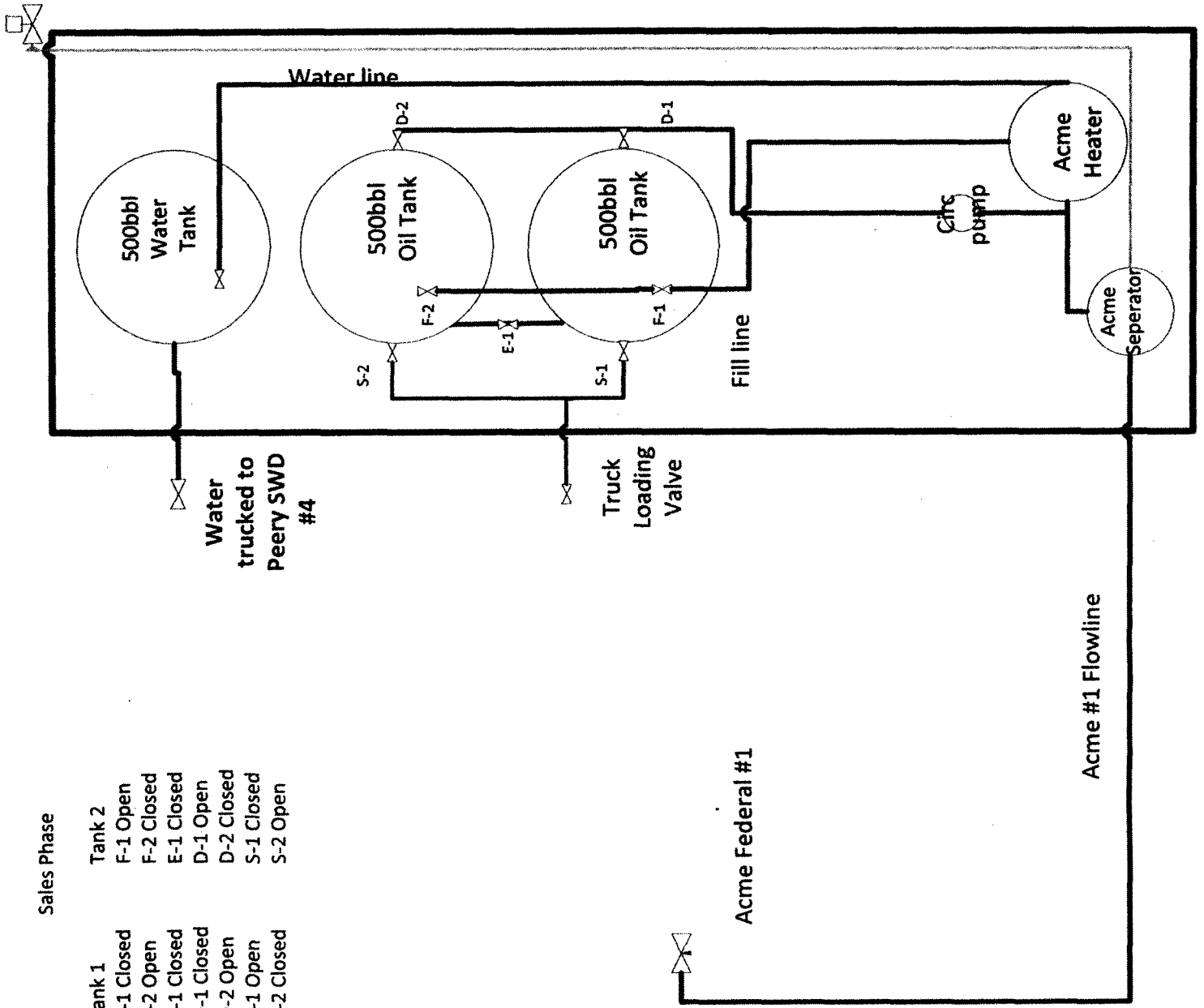
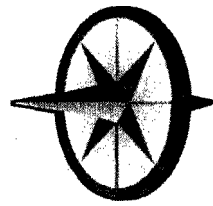
Sales Phase

Tank 1
 F-1 Closed
 F-2 Open
 E-1 Closed
 D-1 Closed
 D-2 Open
 S-1 Open
 S-2 Closed

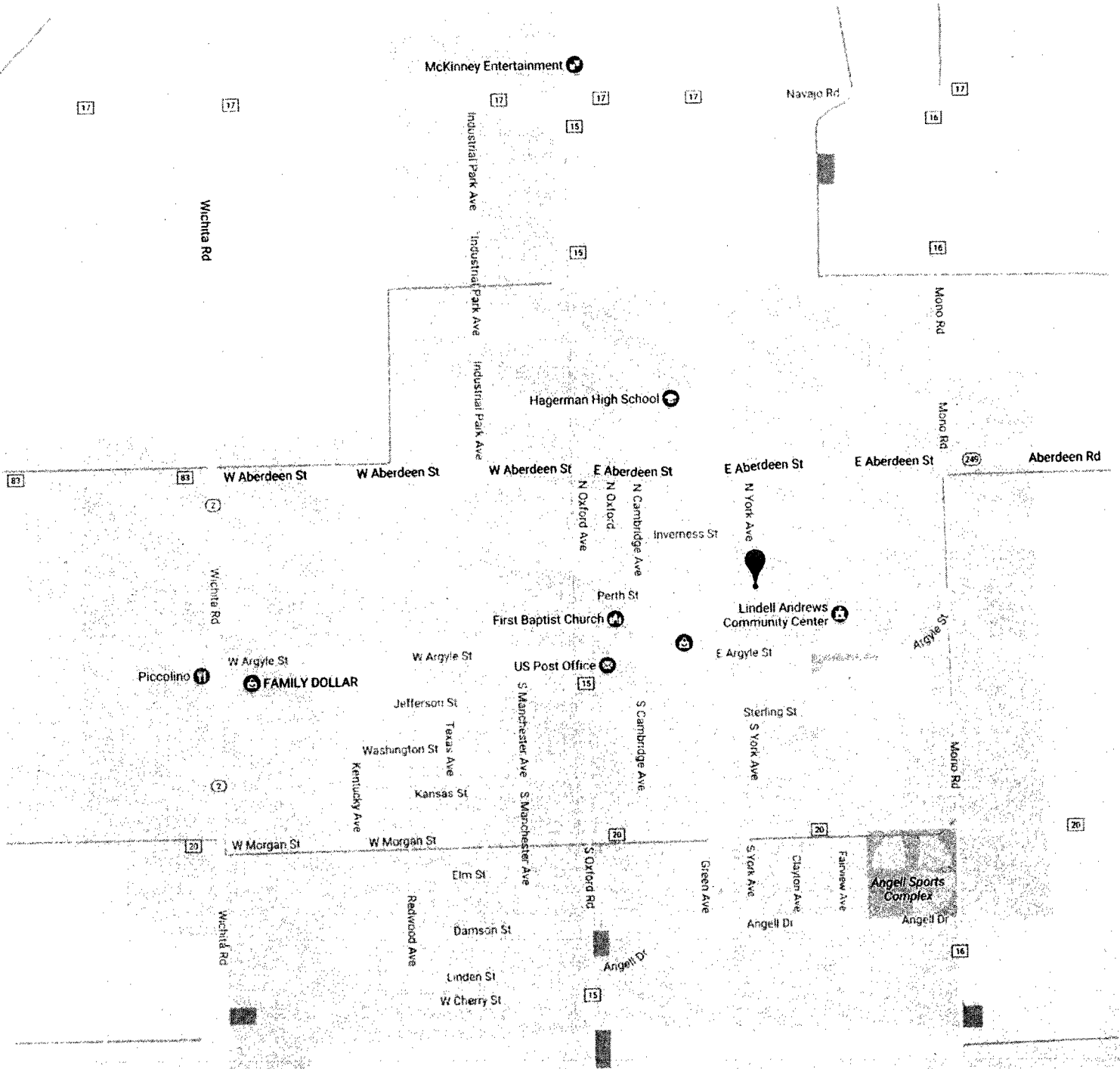
Tank 2
 F-1 Open
 F-2 Closed
 E-1 Closed
 D-1 Open
 D-2 Closed
 S-1 Closed
 S-2 Open

Acme Federal #1
 SENE Sec. 24 T15S R30E
 Lease NMNM121475

Mack Energy Corporation
 11344 Lovington Hwy
 Artesia, NM 88210



33°06'55.3"N 104°19'24.4"W





32°49'05.3"N 103°59'03.7"W
Mor-West Corp. - Loco Hills FW



Hagerman Cutoff Rd

Goat Ropers Rd

Goat Ropers Rd

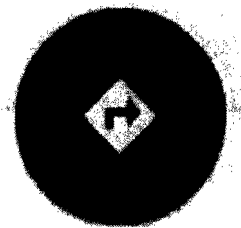
Lovington Hwy

Hagerman Cutoff Rd



Loco Hills Post Office

Loco Hills



Google

Rd

32°49'05.3"N 103°59'03.7"W



32°52'23.1"N 103°30'18.3"W
Gandy Corp - Wasserhund BW



Tatum

(172)

(206)

(457)

Lovington

82



(249)

Maljamar

82

Loco Hills

Buckeye

(529)

(360)

62

Monument

62

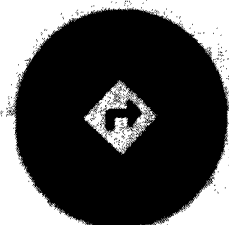
(176)



ter

E

North
back Google



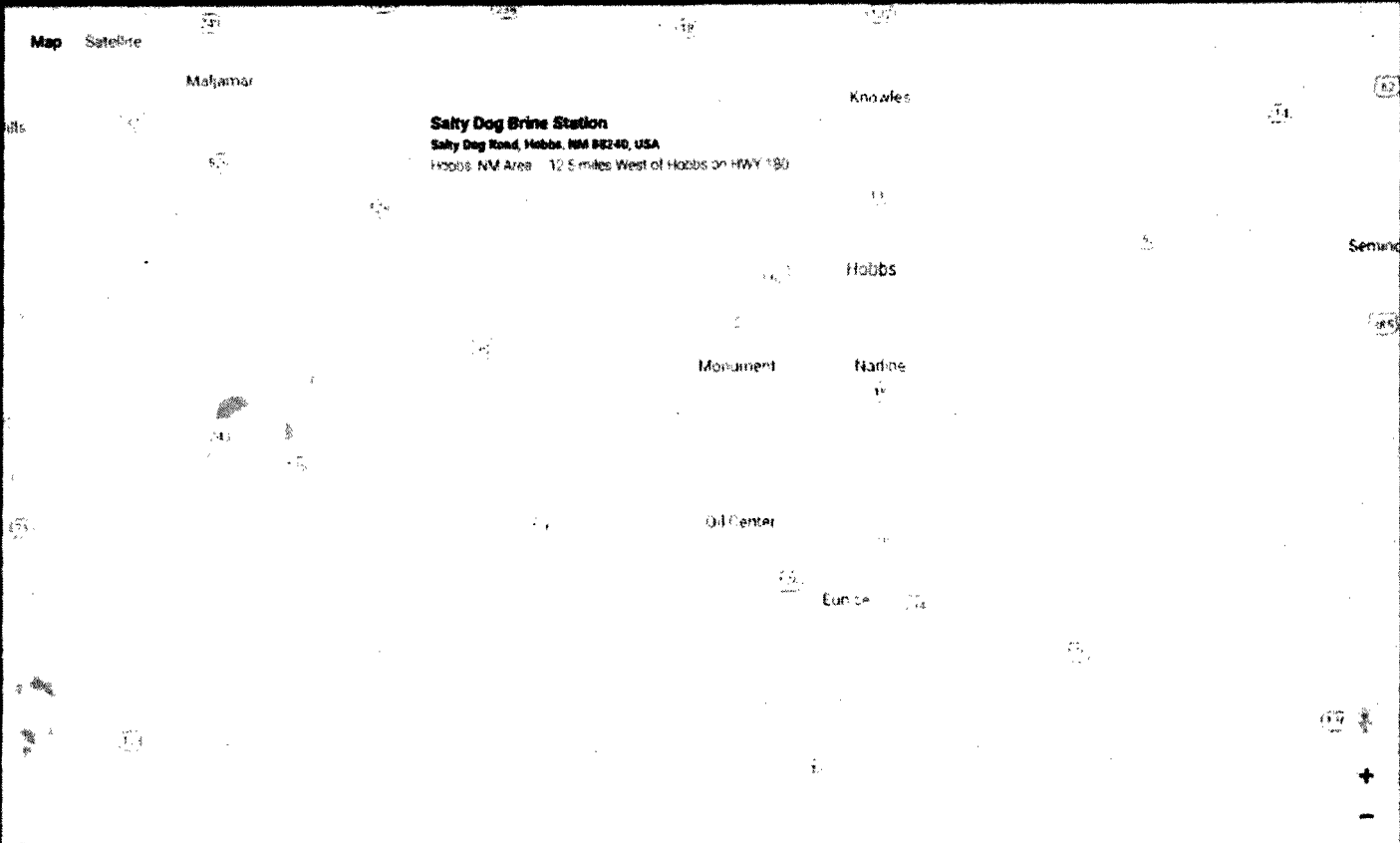
32°52'23.1"N 103°30'18.3"W



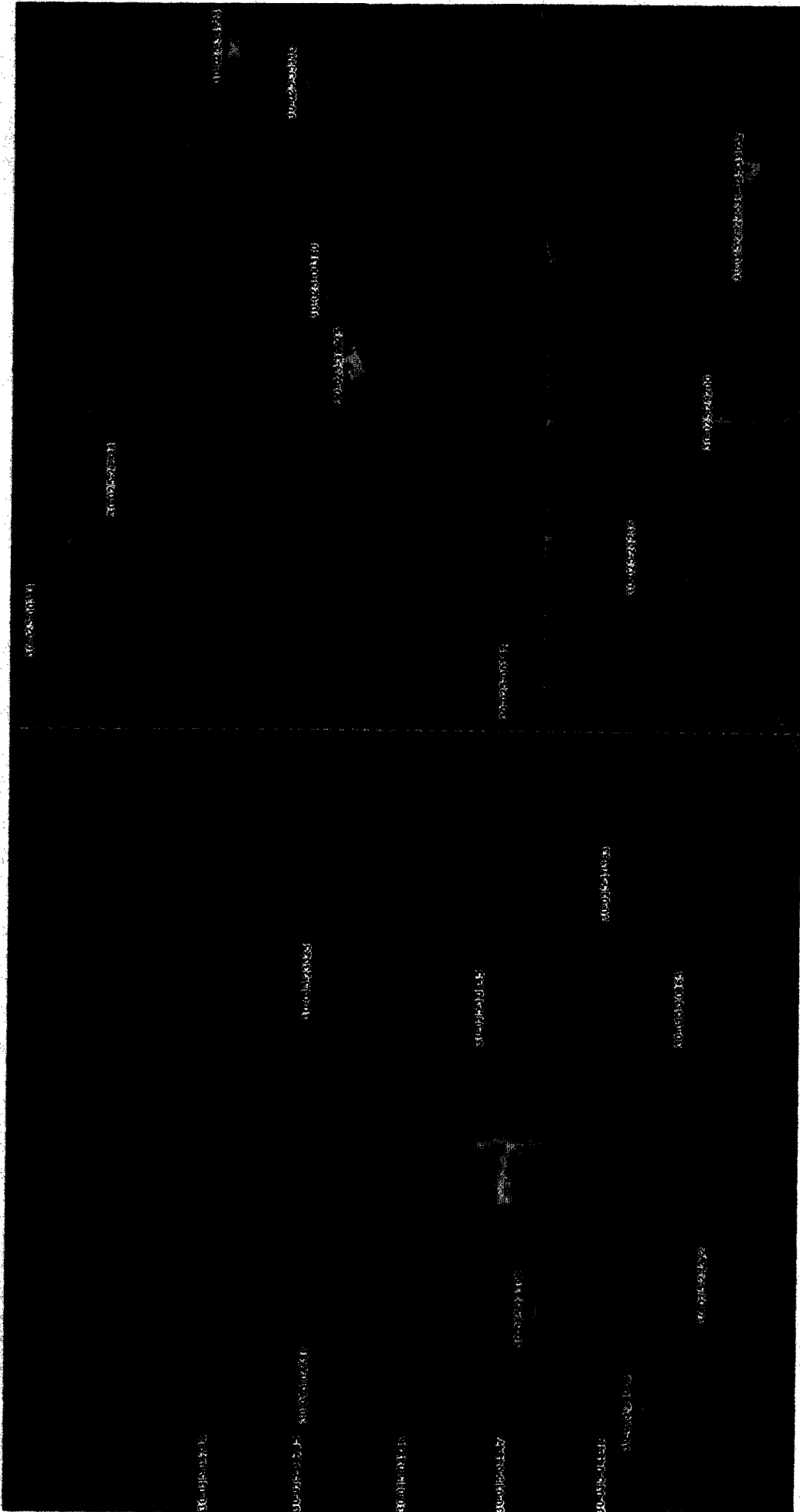
Home | Mission | Site Map | Contact Us | Products | Services | News & Events | Investor Relations | About Us

Company | News & Events | Careers | Contact Us | Products | Services | Investor Relations | About Us

News and Events | Testimonials | Employment Opportunities | Investor Relations | About Us



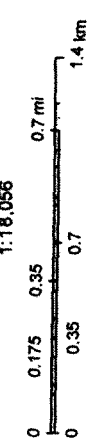
ArcGIS Web Map



October 27, 2017

- Areas**
- Override 1
 - Well Locations - Large Scale
 - Call other values
 - Miscellaneous
 - CO2 Active
 - CO2 Cancelled
 - CO2 New

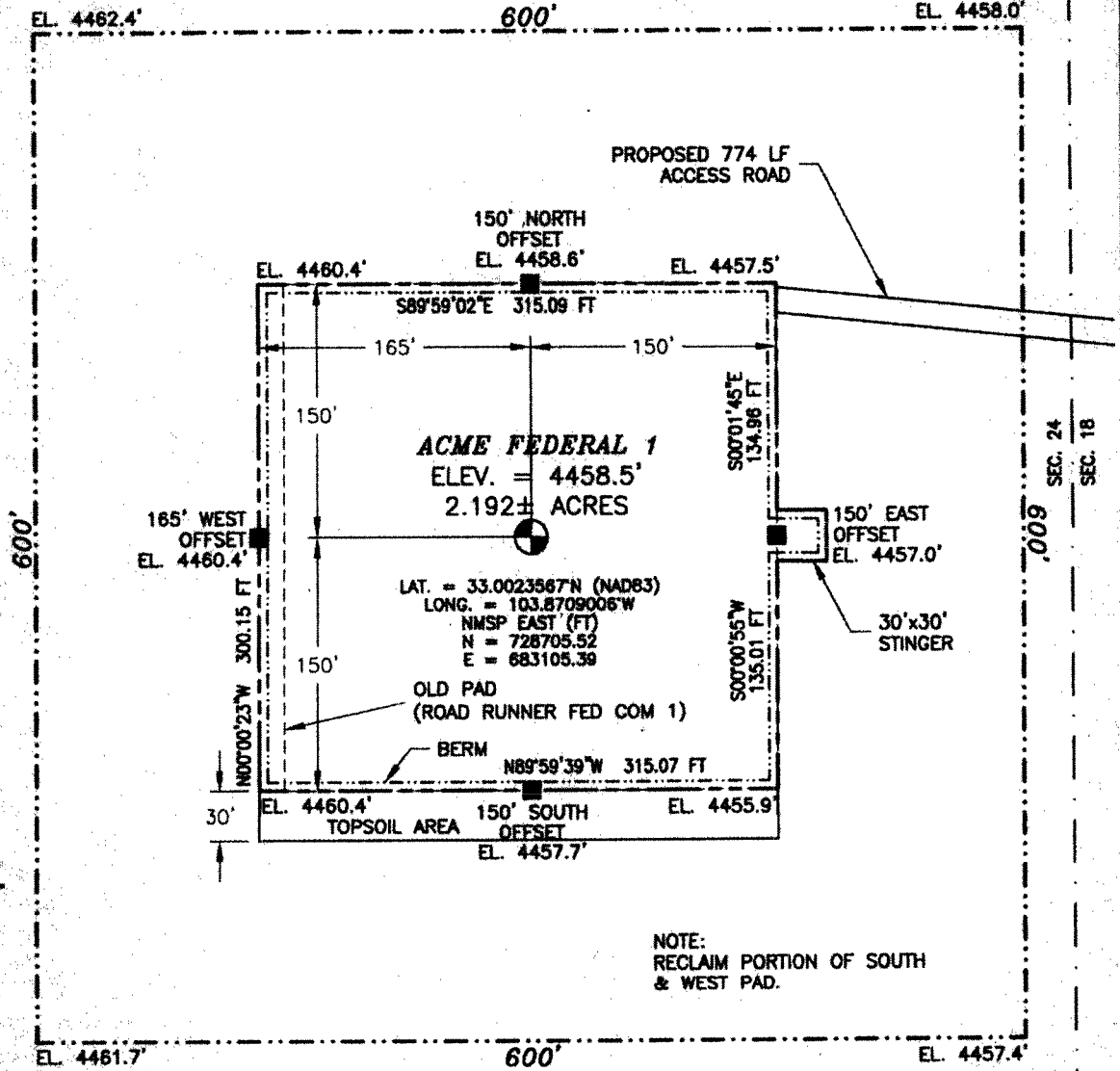
- CO2, Plugged
- CO2, Temporarily Abandoned
- Gas Active
- Gas, Cancelled, Never Drilled
- Gas, New
- Gas, Plugged
- Gas, Temporarily Abandoned
- Injection, Active
- Injection, Cancelled
- Injection, New
- Injection, Plugged
- Injection, Temporarily Abandoned
- Oil, Active
- Oil, Cancelled
- Oil, New
- Oil, Plugged
- Oil, Temporarily Abandoned
- Salt Water Injection, Active
- Salt Water Injection, Cancelled
- Salt Water Injection, New
- Salt Water Injection, Plugged
- Salt Water Injection, Temporarily Abandoned
- Water, Active
- Water, Cancelled
- Water, New
- Water, Plugged
- Water, Temporarily Abandoned
- OCD District Offices
- PLSS Townships
- PLSS Second Division
- PLSS First Division



OCD
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 Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics,

SECTION 24, TOWNSHIP 15 SOUTH, RANGE 30 EAST, N.M.P.M.
 CHAVES COUNTY, STATE OF NEW MEXICO
SITE MAP

NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (GADS). BASIS OF BEARINGS AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE



NOTE:
 RECLAIM PORTION OF SOUTH
 & WEST PAD.

0 10 50 100 200

SCALE 1" = 100'

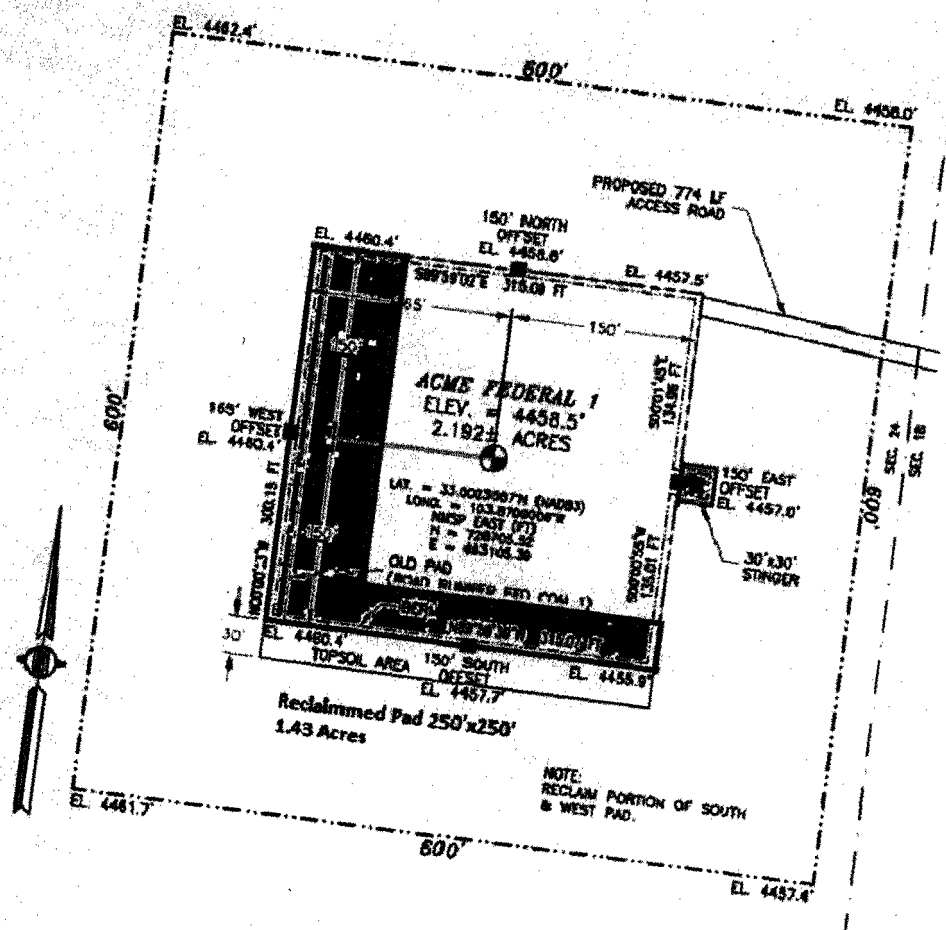
DIRECTIONS TO LOCATION
 FROM THE INTERSECTION OF STATE HIGHWAY 249 AND STATE HIGHWAY 172, GO WEST-NORTHWEST ON STATE HIGHWAY 249 FOR APPROX. 3.0 MILES, TURN LEFT ON 20' CALICHE LEASE ROAD (MILE POST 30) AND GO SOUTH APPROX. 0.9 OF A MILE, TURN RIGHT ON 15' CALICHE LEASE ROAD AND GO WEST APPROX. 0.9 OF A MILE TO A WELL PAD AND 15' CALICHE LEASE ROAD GOING SOUTH AND BEGIN ROAD SURVEY, FOLLOW ROAD SURVEY WEST APPROX. 774' TO THE NORTHEAST PAD CORNER FOR THIS LOCATION.

MACK ENERGY CORPORATION
ACME FEDERAL 1
 LOCATED 2285 FT. FROM THE NORTH LINE
 AND 390 FT. FROM THE EAST LINE OF
 SECTION 24, TOWNSHIP 15 SOUTH,
 RANGE 30 EAST, N.M.P.M.
 CHAVES COUNTY, STATE OF NEW MEXICO

AUGUST 23, 2017

SURVEY NO. 5517

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



SURFACE USE AND OPERATING PLAN

1. Existing Access Roads

- A. All roads to the location are shown in Exhibit #6. The existing lease roads are illustrated and are adequate for travel during drilling and production operations. Upgrading existing roads prior to drilling well, will be done where necessary.
- B. Directions to Location: From the intersection of Hwy 249 and Hwy 172, go west on Hwy 249 for 3 miles, go south on lease road .9 mile, turn west and go .9 mile to proposed lease road 774' to NE corner of location.
- C. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

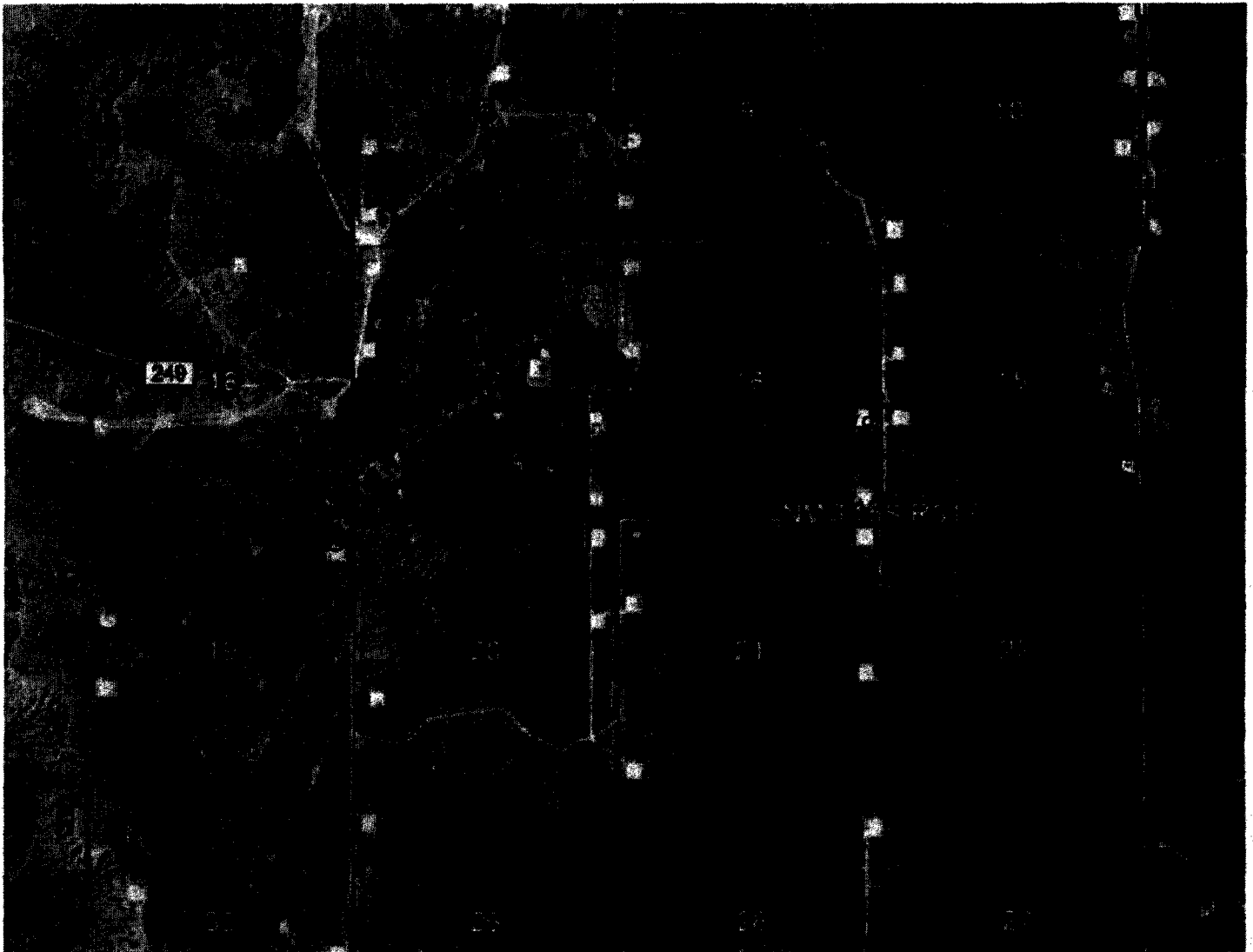


Exhibit #6

1. Proposed Access Road:

Vicinity Map shows this location with existing road and 774' of new road. Proposed upgrade of existing road will be done along staked centerline survey. Necessary maintenance will be done to insure traffic stays within proposed ROW. The road has been constructed as follows:

- A. The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit.
- F. The access road as shown in Exhibit #6 is existing.

2. Location of Existing Wells:

Exhibit #16 shows all existing wells within a one-mile radius of this well.

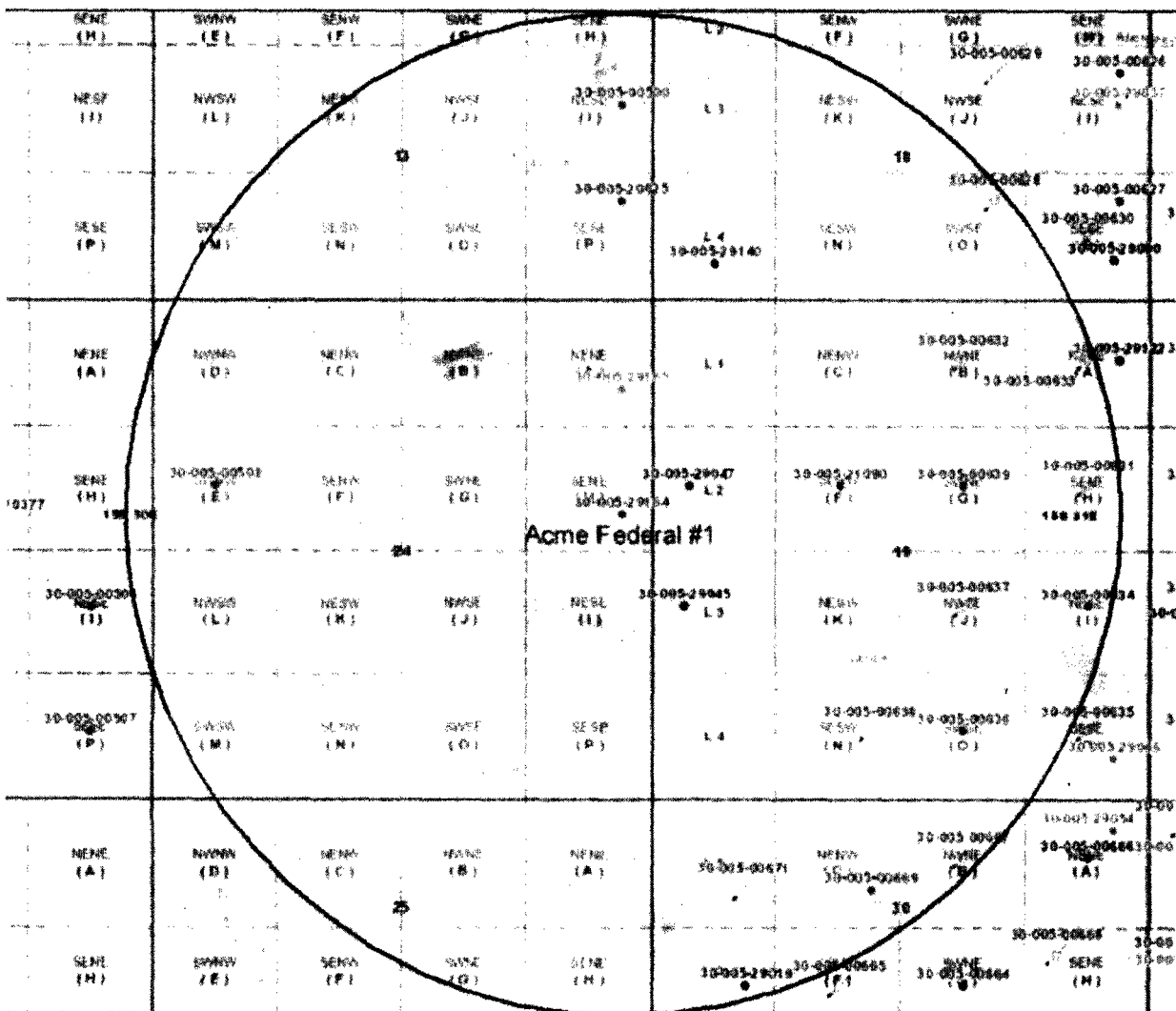


Exhibit #16

3. Location of Existing and/or Proposed Facilities:

- A. Mack Energy Corporation will construct facility at this location.
- B. If the well is productive, contemplated facilities will be as follows:
 - 1) Yeso Completion: Will be sent to the Acme Federal TB located at the #1 well. The Facility is shown in Exhibit #13.
 - 2) The tank battery and facilities including all flow lines and piping will be installed according to API specifications.
 - 3) Any additional caliche will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.
 - 4) It will be necessary to run electric power if this well is productive. Power will be run by CVE and they will send in a separate plan for power.
- C. Proposed flow lines will stay on location, TB will be built on the EAST SIDE of the pad on location at Acme Federal #1. Flowline will be a 3" poly surface line, 300' in length with a 40 psi working pressure.

Production Phase		Sales Phase	
Tank 1	Tank 2	Tank 1	Tank 2
F-1 Open	F-1 Closed	F-1 Closed	F-1 Open
F-2 Closed	F-2 Open	F-2 Open	F-2 Closed
E-1 Open	E-1 Open	E-1 Closed	E-1 Closed
D-1 Open	D-1 Closed	D-1 Closed	D-1 Open
D-2 Closed	D-2 Open	D-2 Open	D-2 Closed
S-1 Closed	S-1 Closed	S-1 Open	S-1 Closed
S-2 Closed	S-2 Closed	S-2 Closed	S-2 Open

Acme Federal #1
SENE Sec. 24 T15S R30E
Lease NMNM121475

Mack Energy Corporation
11344 Lovington Hwy
Artesia, NM 88210

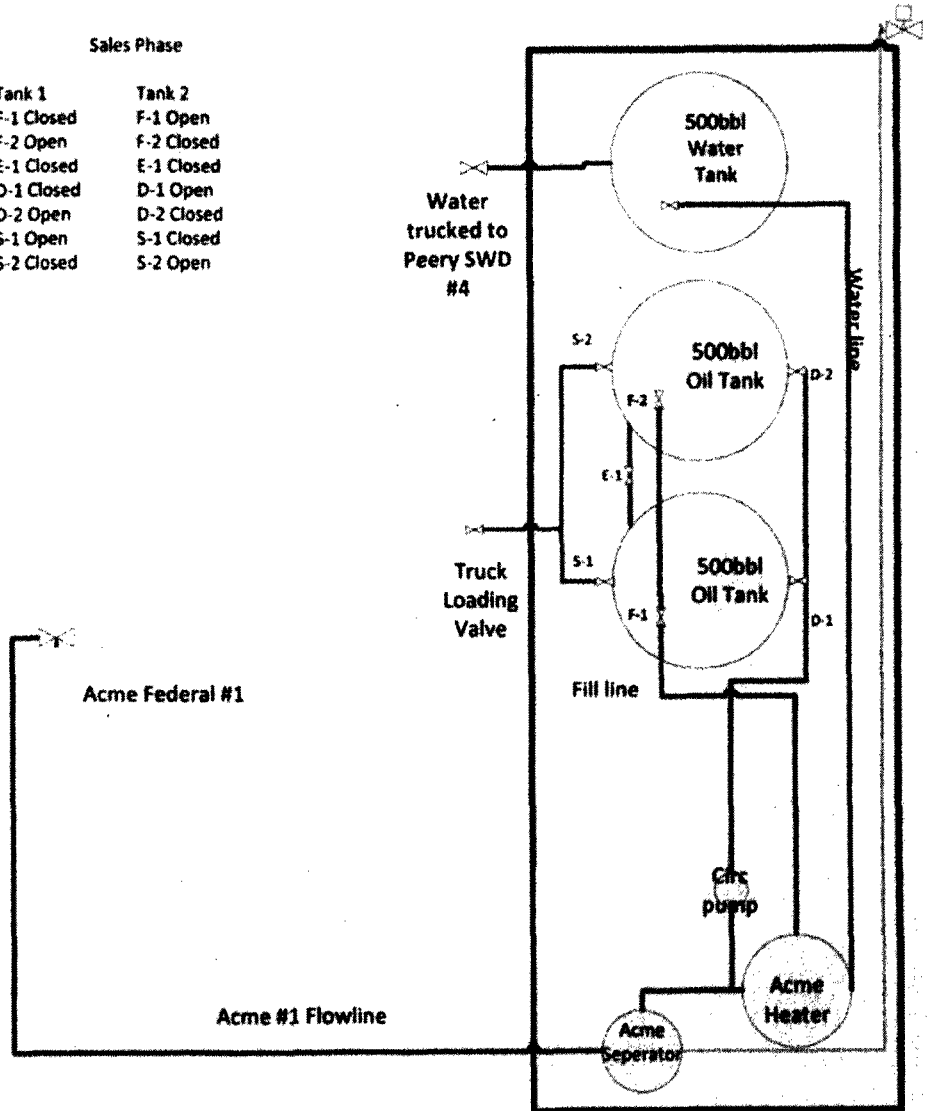


Exhibit #13

4. Location and Type of Water Supply:

The well will be drilled with combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to location by transport truck over the existing and proposed access roads shown in Exhibit #6. If a commercial fresh water source is nearby, fasline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

5. Source of Construction Materials:

All caliche required for construction of the drill pad and proposed new access road (approximately 2500 cubic yards) will be obtained from Private pit managed by the landowner.

6. Methods of Handling Waste:

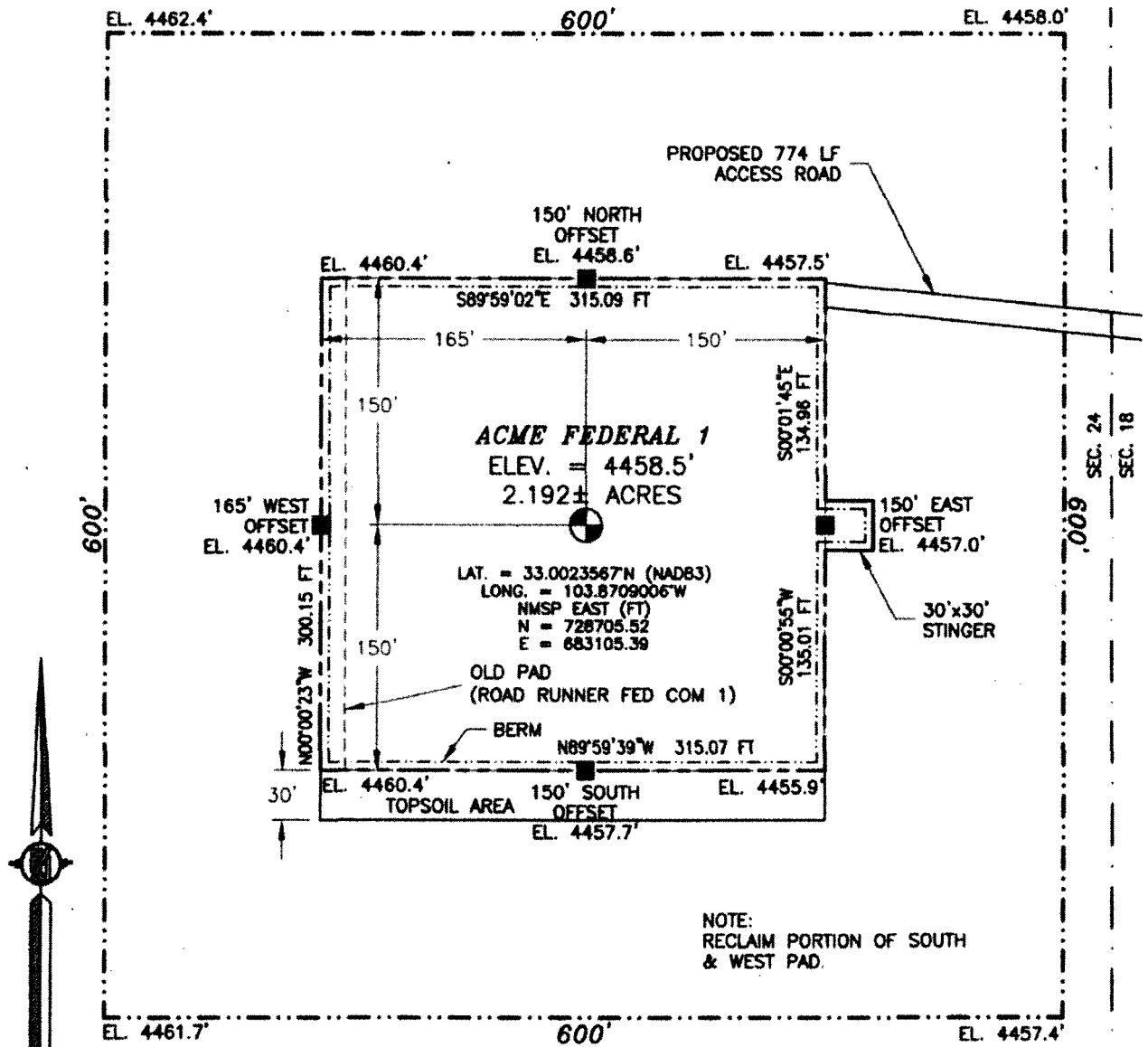
- A. Drill cuttings and fluids will be disposed into the steel tanks and hauled to R-360 disposal facility, permit number NM-01-0006. Located on Hwy 62 at MM 66.
- B. Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) and trucked to our Peery SWD #4; produced oil will be collected in steel tanks until sold.
- C. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved local landfill. No toxic waste or hazardous chemicals will be produced by this operation.
- D. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. In the event of a dry hole only a dry hole marker will remain.
- E. Sewage and Gray Water will be placed in container and hauled to a approved facility. Container and disposal handled by Black Hawk.
- F. Drilling fluids will be contained in steel tanks using a closed loop system Exhibit #12. No pits will be used during drilling operations

7. Ancillary Facilities:

No airstrip, campsite or other facilities will be built as a result of the operation on this well.

8. Well Site Layout:

- A. The well site and elevation plat for the proposed well is shown in Exhibit #14. It was staked by Maddron Surveying, Carlsbad, NM.
- B. The drill pad layout, with elevations staked by Maddron Surveying, is shown in Exhibit #14. Dimensions of the pad are shown. Topsoil, if available, will be stockpiled per BLM specifications. Because the pad is almost level no major cuts will be required.
- C. Diagram below shows the proposed orientation of the location. No permanent living facilities are planned, but a temporary foreman/toolpusher's trailer will be on location during the drilling operations.



Exhibit# 14

9. Plans for Restoration of the Surface:

- A. Upon completion of the proposed operations, if the well is completed, any additional caliche required for facilities will be obtained from a BLM approved caliche pit.
- B. Plans for interim and or final remediation:
 - 1) Caliche will be removed, ground ripped and stockpiled topsoil used to recontoured as close as possible to the original natural level to prevent erosion and ponding of water.
 - 2) Area will be reseeded as per BLM specifications. Seeding will be done when moisture is available and weather permitting. Pure live seed will be used to prevent noxious weeds. Annual inspection of growth will be done and necessary measures taken to eliminate noxious weeds.
- C. Exhibit #15 below shows the proposed downsized well site after Interim Reclamation. Dimensions are estimates on present conditions and are subject to change.

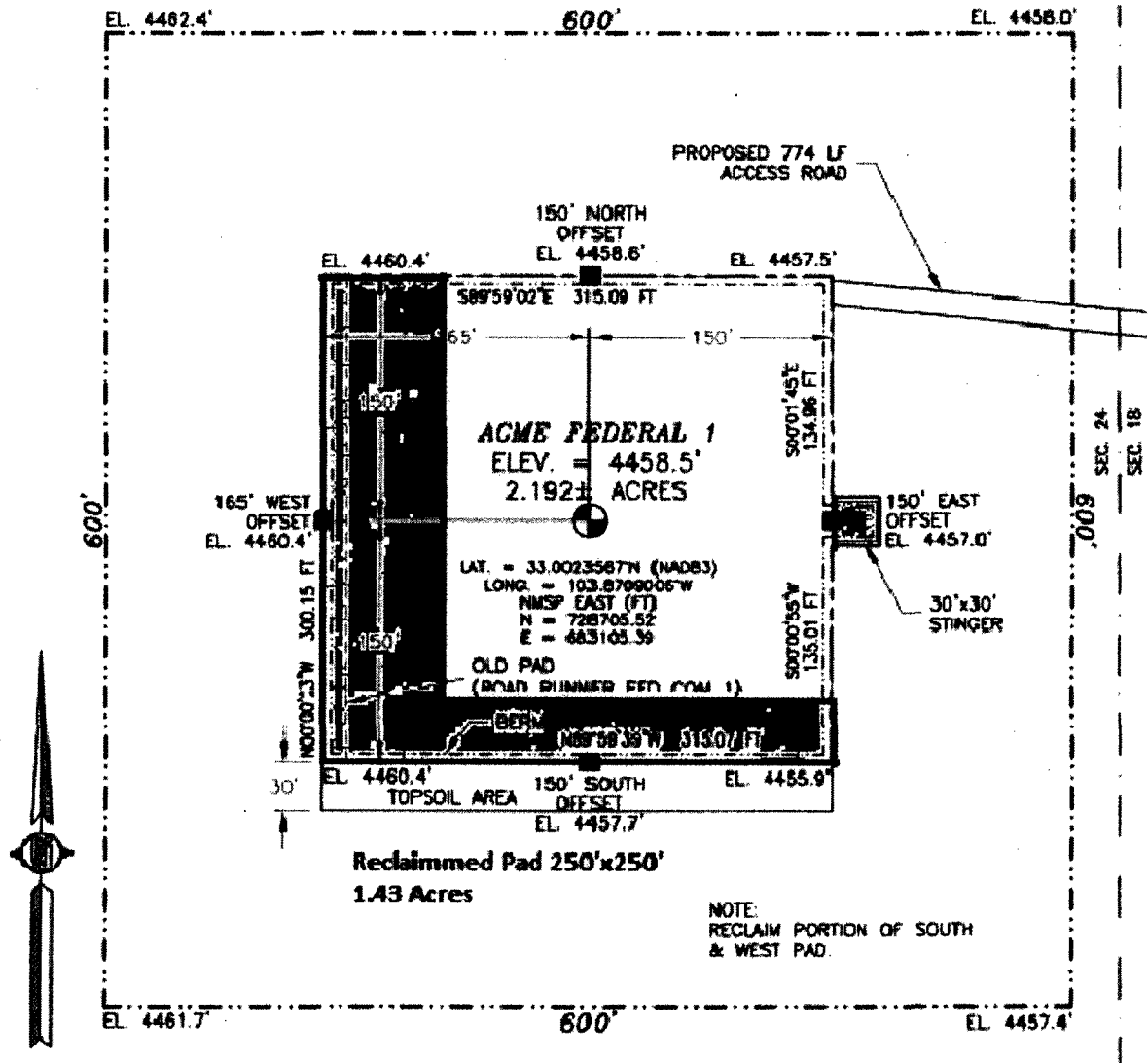


Exhibit #15

10. Surface Ownership:

The well site and lease is located entirely on Fee surface. We have notified the surface owner of the impending operations. Bar Heart-X Ranch, Jacew Reid, PO Box 1852 Lovington, NM 88260 (806) 632-7445.

11. Other Information:

- A. The area around the well site is grassland and the topsoil is sandy. The vegetation is native scrub grass with sagebrush.
- B. There is no permanent or live water in the immediate area.
- C. A Cultural Resources Examination has been performed. It is on record as Road Runner Fed Com #1.

12. Lessee's and Operator's Representative:

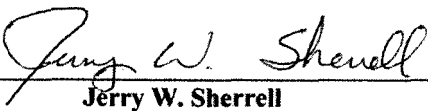
The Mack Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

Jerry W. Sherrell
Mack Energy Corporation
P.O. Box 960
Artesia, NM 88211-0960
Phone (575) 748-1288 (office)
jerrys@mec.com

APD CERTIFICATION

I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Date: 10/27/2017

Signed: 
Jerry W. Sherrell



Section 1 - General

Would you like to address long-term produced water disposal? NO

Section 2 - Lined Pits

Would you like to utilize Lined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Lined pit PWD on or off channel:

Lined pit PWD discharge volume (bbl/day):

Lined pit specifications:

Pit liner description:

Pit liner manufacturers information:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Lined pit precipitated solids disposal schedule:

Lined pit precipitated solids disposal schedule attachment:

Lined pit reclamation description:

Lined pit reclamation attachment:

Leak detection system description:

Leak detection system attachment:

Lined pit Monitor description:

Lined pit Monitor attachment:

Lined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Lined pit bond number:

Section 3 - Unlined Pits

Would you like to utilize Unlined Pit PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Unlined pit PWD on or off channel:

Unlined pit PWD discharge volume (bbl/day):

Unlined pit specifications:

Precipitated solids disposal:

Describe precipitated solids disposal:

Precipitated solids disposal permit:

Unlined pit precipitated solids disposal schedule:

Unlined pit precipitated solids disposal schedule attachment:

Unlined pit reclamation description:

Unlined pit reclamation attachment:

Unlined pit Monitor description:

Unlined pit Monitor attachment:

Do you propose to put the produced water to beneficial use?

Beneficial use user confirmation:

Estimated depth of the shallowest aquifer (feet):

Does the produced water have an annual average Total Dissolved Solids (TDS) concentration equal to or less than that of the existing water to be protected?

TDS lab results:

Geologic and hydrologic evidence:

State authorization:

Unlined Produced Water Pit Estimated percolation:

Unlined pit: do you have a reclamation bond for the pit?

Is the reclamation bond a rider under the BLM bond?

Unlined pit bond number:

Unlined pit bond amount:

Additional bond information attachment:

Section 4 - Injection

Would you like to utilize Injection PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Injection PWD discharge volume (bbl/day):

Injection well type:

Injection well number:

Injection well name:

Assigned injection well API number?

Injection well API number:

Injection well new surface disturbance (acres):

Minerals protection information:

Mineral protection attachment:

Underground Injection Control (UIC) Permit?

UIC Permit attachment:

Section 5 - Surface Discharge

Would you like to utilize Surface Discharge PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Surface discharge PWD discharge volume (bbl/day):

Surface Discharge NPDES Permit?

Surface Discharge NPDES Permit attachment:

Surface Discharge site facilities information:

Surface discharge site facilities map:

Section 6 - Other

Would you like to utilize Other PWD options? NO

Produced Water Disposal (PWD) Location:

PWD surface owner:

PWD disturbance (acres):

Other PWD discharge volume (bbl/day):

Other PWD type description:

Other PWD type attachment:

Have other regulatory requirements been met?

Other regulatory requirements attachment:



U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

Bond Information

Federal/Indian APD: FED

BLM Bond number: NMB000286

BIA Bond number:

Do you have a reclamation bond? NO

Is the reclamation bond a rider under the BLM bond?

Is the reclamation bond BLM or Forest Service?

BLM reclamation bond number:

Forest Service reclamation bond number:

Forest Service reclamation bond attachment:

Reclamation bond number:

Reclamation bond amount:

Reclamation bond rider amount:

Additional reclamation bond information attachment:

PECOS DISTRICT DRILLING CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Mack Energy Corporation
LEASE NO.:	NMNM-121475
WELL NAME & NO.:	Acme Federal 1
SURFACE HOLE FOOTAGE:	2285' FNL & 0330' FEL
LOCATION:	Section 24, T. 15 S., R 30 E., NMPM
COUNTY:	County, New Mexico

When well is drilled and completed submit a new C-102 with the pool information.

Provide NMOCD Gas Capture Plan (GCP) Form:

Well(s)/Facility information:

1. Name of facility
2. Wells that will be located (new and future) at this facility
 - a. Well name and number
 - b. Well API number
 - c. Well location, Sect, T, R, Footages, county, state
 - d. Expected IP gas rate, Mcfpd of each well
 - e. First planned production date for well(s) that are developed from this facility

I. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

The BLM is to be notified in advance for a representative to witness:

- a. Spudding well (minimum of 24 hours)
- b. Setting and/or Cementing of all casing strings (minimum of 4 hours)
- c. BOPE tests (minimum of 4 hours)

Chaves and Roosevelt Counties

Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201.
During office hours call (575) 6270272.
After office hours call (575)

1. **Hydrogen Sulfide (H2S) monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which**

includes equipment and personnel/public protection items. If Hydrogen Sulfide is encountered, provide measured values and formations to the BLM.

2. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval. **If the drilling rig is removed without approval – an Incident of Non-Compliance will be written and will be a “Major” violation.**
3. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works is located, this does not include the dog house or stairway area.
4. **The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well – vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.**

B. CASING

Changes to the approved APD casing program need prior approval if the items substituted are of lesser grade or different casing size or are Non-API. The Operator can exchange the components of the proposal with that of superior strength (i.e. changing from J-55 to N-80, or from 36# to 40#). Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.). The initial wellhead installed on the well will remain on the well with spools used as needed.

Centralizers required on surface casing per Onshore Order 2.III.B.1.f.

Wait on cement (WOC) for Water Basin:

After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met: 1) cement reaches a minimum compressive strength of 500 psi at the shoe, 2) until cement has been in place at least 8 hours. WOC time will be recorded in the driller’s log. See individual casing strings for details regarding lead cement slurry requirements.

Provide compressive strengths including hours to reach required 500 pounds compressive strength prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.

No pea gravel permitted for remedial or fall back remedial without prior authorization from the BLM engineer.

Hazards:

Medium Cave/Karst

Possibility of lost circulation in the Queen and San Andres formations.

1. Surface casing is in place. 14-3/4 inch hole 9-5/8 inch 36# J-55 ST&C casing set at 445'.

A CIT is to be performed on 9-5/8" surface casing per Onshore Oil and Gas Order 2.III.B.1.h prior to drilling the shoe plug. Contact BLM 24 hours prior to witness the test at 575-361-0106.

2. The minimum required fill of cement behind the 5-1/2 inch production casing is:

- Cement to surface. If cement does not circulate, contact the appropriate BLM office.

There is mud in hole from 5400'-7144' and the total depth of the 5-1/2 inch casing is 6100'. Per conversation with Jerry Sherrell, Mack will submit a sundry after review of the logs to ensure completion is behind pipe.

3. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

C. PRESSURE CONTROL

1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API 53.
2. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be psi.
 - a. **For surface casing only:** If the BOP/BOPE is to be tested against casing, the wait on cement (WOC) time for that casing is to be met (see WOC statement at start of casing section). Independent service company required.

3. The appropriate BLM office shall be notified a minimum of hours in advance for a representative to witness the tests.
 - a. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
 - a. The tests shall be done by an independent service company utilizing a test plug **not a cup or J-packer**. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
 - b. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
 - c. The results of the test shall be reported to the appropriate BLM office.
 - d. All tests are required to be recorded on a calibrated test chart. **A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.**
 - e. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.

D. DRILL STEM TEST

If drill stem tests are performed, Onshore Order 2.III.D shall be followed.

E. WASTE MATERIAL AND FLUIDS

All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.

Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

JAM 112917

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME: MACK ENERGY CORPORATION
LEASE NO.: NMNM-121475
WELL NAME & NO.: Acme Federal #1
SURFACE HOLE FOOTAGE: 2285' FNL, 330' FEL
LOCATION: Section 24, T 15. S., R 30 E., NMPM
COUNTY: Chaves County, New Mexico

1. GENERAL PROVISIONS

Approval of the APD does not warrant that any party holds equitable or legal title. Any request for a variance shall be submitted to the Authorized Officer on Sundry Notice (Form 3160-5).

For BLM's surface operating standards and guidelines, refer to: The Gold Book, Fourth Edition – Revised 2007. To obtain a copy free of charge contact the Roswell Field Office (575) 627-0272. All construction, operations, and reclamation shall follow the Onshore Oil and Gas Operations as described in the 43 CFR part 3160.

The Operator shall submit a Sundry Notice (Form 3160-5) to the Bureau of Land Management, Roswell Field Office (address above) for approval prior to beginning any new surface-disturbing activities or operations that are not specifically addressed and approved by this APD.

A site facility diagram and a site security plan shall be filed no later than 60 calendar days following first production (Onshore Order 3, Section III, I. and 43 CFR 3162.7-5).

2. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD (Filing of a Sundry Notice is required for this 60 day extension).

3. JURISDICTIONAL WATERS of the U.S.

The operator shall obtain appropriate permits from the U.S. Army Corps of Engineers prior to discharge or dredge and fill material into waters of the United States in accordance with Section 404 of the Clean Water Act. Contact The U.S. Army Corps of Engineers regulatory New

Mexico Branch Office, 4101 Jefferson Plaza NE, Albuquerque, NM 87109-3435 at (505) 342-3678 or Email: CESPA-RD-NM@usace.army.mil if you have questions.

4. ARCHAEOLOGICAL, PALEONTOLOGICAL & HISTORICAL SITES

Any cultural and/or paleontological resource discovered inadvertently by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator 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 shall be made by the Authorized officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

5. HUMAN REMAINS AND OBJECTS OF CULTURAL PATRIMONY

The operator shall comply with procedures established in the Native American Graves Protection and Repatriation Act (NAGPRA) to protect such cultural items as human remains, funerary objects, sacred objects, and objects of cultural patrimony that are discovered inadvertently during project implementation. In the event that any of the cultural items listed above are discovered during the course of project work, the proponent shall immediately halt the disturbance and contact the BLM within 24 hours for instructions. The proponent or initiator of any project shall be held responsible for protecting, evaluating, reporting, excavating, treating, and disposing of these cultural items according to the procedures established by the BLM in consultation with Indian Tribes.

6. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations (access road and/or well pad). 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. CAVE AND KARST

Any Cave or Karst feature discovered by the operator or by any person working on the operator's behalf shall immediately report the feature to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. During drilling, previously unknown cave and karst features

could be encountered. If a void is encountered while drilling and a loss of circulation occurs, lost drilling fluids can directly contaminate groundwater recharge areas, aquifers, and groundwater quality. Drilling operations can also lead to sudden collapse of underground voids.

To mitigate or lessen the probability of impacts associated with the drilling and production of oil and gas wells in karst areas, the guidelines listed in Appendix 3, Practices for Oil and Gas Drilling and Production in Cave and Karst Areas, as approved in the Roswell Resource Management Plan Amendment of 1997, page AP3-4 through AP 3-7 shall be followed.

A more complete discussion of the impacts of oil and gas drilling can be found in the *Dark Canyon Environmental Impact Statement of 1993*, published by the U.S. Department of the Interior, Bureau of Land Management.

8. CONSTRUCTION

NOTIFICATION: The BLM shall administer compliance and monitor construction of the access road and well pad. Notify Natural Resource Specialist, Forrest Mayer at the Roswell Field Office, (575) 627-0272, **at least three (3) working days prior to commencing construction of the access road and/or well pad.**

A complete copy of the *approved* APD and the attached Conditions of Approval (COAs) **shall be kept on the well's location** for reference upon inspections.

Construction over and/or immediately adjacent to existing pipelines shall be coordinated, and in accordance with, the relevant pipeline companies' policy.

Any trench left open for (8) hours or less is not required to have escape ramps; however, before the trench is backfilled, an agency approved monitor shall walk the entire length of the open trench and remove all trapped fauna. The bottom surface of the trench will be disturbed a minimum of 2 inches in order to arouse any buried fauna. All fauna will be released a minimum of 100 yards from the trench.

For trenches left open for (8) hours or more, earthen escape ramps (built at nor more than a 30 degree slope and spaced no more than 500 feet apart) shall be placed in the trench. Structures will also be authorized within the trench. Metal structures will not be authorized. Structures used as escape ramps will be placed at no more than a 30 degree slope and spaced no more than 500 feet apart.

9. TOPSOIL:

When saturated soil conditions exist on access roads or location, construction shall be halted until soil material dries out or is frozen sufficiently for construction to proceed without undue damage and erosion to soils, roads and locations.

Topsoil shall be stripped following removal of vegetation during construction of well pads, pipelines, roads, or other surface facilities. This shall include all growth medium - at a minimum, the upper 2-6 inches of soil - but shall also include stripping of any additional topsoil present at a site, such as indicated by color or texture. Stripping depth may be specified during the onsite inspection. Stripped topsoil shall be stored separately from subsoil or other excavated material and replaced prior to interim seedbed preparation. No topsoil shall be stripped when soils are moisture-saturated or frozen below the stripping depth.

The topsoil will not be used to construct the containment structures or earthen dikes that are on the outside boundaries of the constructed well pad, tanks, and storage facilities.

Each construction area is site specific as to topsoil depth. It is the operator's responsibility to ensure that topsoil, caliche, or spoils are not mixed together.

(Pads): topsoil will be stripped and stored in separate piles from the spoils pile. They can be stored on opposite or adjacent sides. If topsoil and spoils must be stored on the same pad side together they shall be no closer than toe to toe, not overlapping. Each pile shall be kept within 30 feet of the pad's side. 100% of the topsoil will be used for both interim and final reclamation. 100% of topsoil will be respread over the disturbed areas during reclamation.

(Roads): topsoil shall be stripped in such a way to follow the road's edge outside of the surfacing or drivable area. During final reclamation, after removal of surface material and re-contouring, 100% of topsoil will be respread over the disturbed areas during reclamation. Vegetation in the topsoil will help hold re-seeding, moisture content, and reduce erosion.

10. WELL PAD SURFACING:

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational need. Surfacing of the well pad is not required. If the operator elects to surface the well pad, the surfacing material will be required to be removed at the time of reclamation.

Cattleguards

An appropriately sized cattleguard(s) sufficient to carry out the project shall be installed and maintained at fence crossing(s). Any existing cattle guard(s) on the access road shall be repaired or replaced if they are damaged or have deteriorated beyond practical use. The operator shall be responsible for the condition of the existing cattle guard(s) that are in place and are utilized during lease operations. Gates or cattle guards on public lands will not be locked or closed to public use unless closure is specifically determined to be necessary and is authorized in writing by the authorized officer. A gate shall be constructed and fastened securely to H-braces.

Fence Requirement

The operator shall notify the private surface landowner or the grazing allotment operator prior to crossing any fence(s). Where entry is required across a fence line, the fence shall be braced and tied off on both sides of the passageway prior to cutting.

11. PRODUCTION:

Storage

Fiberglass storage tanks are *not* permitted for the storage of production.

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim reclamation and re-vegetation of the well location.

Containment Structures

All production facilities shall have a lined containment structure large enough to contain **110% of the largest Tank (PLUS) 24 hours of production** (43 CFR 3162.5-1) *Environmental Obligations*, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, **OIL GREEN** (Standard Environmental Color Chart June 2008).

Completion Report

In accordance with 43 CFR 3160, Form 3160-4 (Well Completion or Re-completion Report and Log) must be submitted to the Bureau of Land Management, Roswell Field Office within 30 days after completion of the well or producer. Copies of all open hole and cased hole logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, formation test reports, stimulation reports, directional survey (if applicable), and all other surveys or data obtained and compiled during the drilling, completion, and/or work over operations, shall be included with Form 3160-4.

12. INTERIM RECLAMATION:

Reclamation earthwork for interim and/or final reclamation shall be completed within 6 months of well completion or well plugging (weather permitting), and shall consist of: 1) backfilling pits, 2) re-contouring and stabilizing the well site, access road, cut/fill slopes, drainage channels, utility and pipeline corridors, and all other disturbed areas, to approximately the original contour, shape, function, and configuration that existed before construction (any compacted backfilling activities shall ensure proper spoils placement, settling, and stabilization, 3) surface ripping, prior to topsoil placement, to a depth of 18-24 inches deep on 18-24 inch centers to reduce compaction, 4) final grading and replacement of all topsoil so that no topsoil's remains in the stockpile, 5) seeding in accordance with reclamation portions of the APD and these COA's.

Any subsequent re-disturbance of interim reclamation shall be reclaimed within six (6) months by the same means described above.

Prior to conducting interim reclamation, the operator is required to:

- Submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.
- Contact BLM at least three (3) working days prior to conducting any interim reclamation activities, and prior to seeding.

During reclamation, the removal of caliche is important to increasing the success of re-vegetating the site. Removed caliche may be used in road repairs, fire walls or for building other roads and locations. In addition, in order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing re-vegetated areas for production or workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be re-vegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

Use a certified noxious weed-free seed mixture. Use seed tested for viability and purity in accordance with State law(s) within nine months prior to purchase. Use a commercial seed mixture certified or registered and tagged in accordance with State law(s). Make the seed mixture labels available for BLM inspection.

13. SEED MIX:

SEE ATTACHED SEED MIX.

WELL NAME	ECOSITE (ACCESS ROAD)	ECOSITE (PAD)
OTTAWA FEDERAL COM #1H	SHALLOW SD-3	SHALLOW SD-3

14. FINAL ABANDONMENT:

- A. Upon abandonment of the well a Notice of Intent for Plug and Abandonment describing plugging procedures. Followed within 30 days you shall file with this office, a Subsequent Report of Abandonment (Form 3160-5). To be included with this report is where the plugs were placed; volumes of cement used and well bore schematic as plugged.
- B. On private surface/federal mineral estate land the reclamation procedures on the road and well pad shall be accomplished in accordance with the Private Surface Land Owner agreements and a copy of the release is to be submitted upon abandonment.
- C. **The Operator shall promptly plug and abandoned each newly completed, re-completed or producing well which is not capable of producing in paying quantities.** No well may be

temporarily abandoned for more than 30 days without prior approval from this office. When justified by the Operator, BLM may authorize additional delays, no one of which may exceed an additional 12 months. Upon removal of drilling or producing equipment from the site of a well which is to be permanently abandoned, the surface of the lands disturbed shall be reclaimed in accordance with an approved Notice of Intent for final reclamation.

- D. Final reclamation shall include:** the removal of all solid waste, trash, surfacing materials, storage facilities and all other related equipment, flow lines, and meter housing, power poles, guy wires, and all other related power materials. All disturbed areas, i.e. cuts and fills, shall be re-contoured to their original surroundings. 100% of topsoil shall be used to resurface all disturbed areas including access roads. A label of the seed mix used shall be submitted with the Final Abandonment Notice (FAN) for review once reclamation is complete.

15. PIPELINE PROTECTION REQUIREMENT:

Precautionary measures shall be taken by the operator during construction of the access road to protect existing pipelines that the access road will cross over. An earthen berm; 2 feet high by 3 feet wide and 14 feet across the access road travelway (2' X 3' X 14'), shall be constructed over existing pipelines. The operator shall be held responsible for any damage to existing pipelines. If the pipeline is ruptured and/or damaged the operator shall immediately cease construction operations and repair the pipeline. The operator shall be held liable for any unsafe construction operations that threaten human life and/or cause the destruction of equipment.

16. WILDLIFE PROTECTION MEASURES – Best Management Practices (BMPs)

COA/Stipulation for above ground pipelines

- All pipelines laid on the surface will have sloped dirt berms built over them every 100 yards to allow reptiles, amphibians, small mammals, ground-dwelling birds and their broods access over them. Dirt berms should be no less than 12 inches in width and extend over all surface pipelines within the Right of Way. Berms should be maintained for the life of the project.

Wildlife Mortality - General

The operator will notify the Bureau of Land Management (BLM) authorized officer and nearest Fish and Wildlife Service (FWS) Law Enforcement office within 24 hours, if the operator discovers a dead or injured federally protected species (i.e., migratory bird species, bald or golden eagle, or species listed by the FWS as threatened or endangered) in or adjacent to a pit, trench, tank, exhaust stack, or fence. (If the operator is unable to contact the FWS Law Enforcement office, the operator must contact the nearest FWS Ecological Services office.)

1. Closed top tanks are required for any containment system.

All tanks are required to have a closed top tank.

2. Chemical and Fuel Secondary Containment Systems

Chemical and Fuel Secondary Containment and Exclosure Screening – The operator will prevent all hazardous, poisonous, flammable, and toxic substances from coming into contact with soil and water. At a minimum, the operator will install and maintain an impervious secondary containment system for any tank or barrel containing hazardous, poisonous, flammable, or toxic substances sufficient to contain the contents of the tank or barrel and any drips, leaks, and anticipated precipitation. The operator will dispose of fluids within the containment system that do not meet applicable state or U. S. Environmental Protection Agency livestock water standards in accordance with state law; the operator must not drain the fluids to the soil or ground. The operator will design, construct, and maintain all secondary containment systems to prevent wildlife and livestock exposure to harmful substances. Closed-top tanks are required for any secondary containment systems.

3. Open-Vent Exhaust Stacks

Open-Vent Exhaust Stack Exclosures – The operator will construct, modify, equip, and maintain all open-vent exhaust stacks on production equipment to prevent birds and bats from entering, and to discourage perching, roosting, and nesting. Production equipment includes, but may not be limited to, tanks, heater-treaters, separators, dehydrators, flare stacks, in-line units, and compressor mufflers.

17. WASTE, HAZARDOUS AND SOLID:

Waste materials produced during all phases of operation will be disposed of promptly in an approved manner so it will not impact the air, soil, water, vegetation or animals.

“Waste” means all discarded matter including, but not limited to, human waste, trash, garbage, refuse, oil drums, petroleum products, ashes and equipment. All liquid waste, completion fluids and drilling products associated with oil and gas operations will be contained and then removed and deposited in an approved disposal site. Portable toilets will remain on site throughout well pad construction, drilling and reclamation.

The operator and contractors shall ensure that all use, production, storage, transportation and disposal of hazardous materials, solid wastes and hazardous wastes associated with the drilling, completion and production of this well will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. A file will be maintained onsite containing current Safety Data Sheets (SDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.

**18. SURFACE WATER AND GROUNDWATER PROTECTION MEASURES –
Best Management Practices (BMPs)**

A containment structure or earthen dike shall be constructed and maintained around the SOUTH, and WEST outside boundary of the well pad. The containment structure or earthen dike shall be constructed two (2) feet high (the containment structure or earthen dike can be constructed higher than the two (2) feet high minimum). The containment structure or earthen dike is required so that if a oilfield waste contaminant or product contaminant were leaked, spilled, and or released upon the well pad the oilfield waste contaminant or product contaminant shall be contained in order to prevent the contaminant from entering into the ephemeral drainage located north and east of the well pad location.

PECOS DISTRICT, BLM
SEED MIX FOR

The following Soils or Soil Associations may represent these ecological sites:
 Anthony Sandy loam. 0 to 1% slope. eroded. Berino complex. 0 to 3% slopes. eroded. Berino – Dune land complex. 0 to 3% slopes. eroded. Bluepoint. Douro. Faskin. loamy fine sands. 0-2% slope. Ima. Jalmar fine sands. 0-2% slope. Kermit fine sand. Likes loamy fine sand. 1 to 5% slopes. Malmstrom loamy fine sand. 0-2% slope. Pajarito-Dune land complex. 0 to 3% slopes. Pima slit loam. 0 to 1% slopes. Pintura. Pyote. Roswell fine sand. 2-25% slope. Wink fine sandy loam. 0 to 3% slopes

Sandy Plains CP-2 Ecological Site. Sand Hills CP-2 Ecological Site. Deep Sand SD-3 Ecological Site

April 4, 2006

<u>Common Name and Preferred Variety</u>	<u>Scientific Name</u>	<u>Pounds of Pure Live Seed Per Acre</u>
Sand bluestem.	(<i>Andropogon hallii</i>)	0.5
Little bluestem	(<i>Schizachyrium scoparium</i>)	0.5
Sideoats grama.	(<i>Bouteloua curtipendula</i>)	1.5
Sand dropseed	(<i>Sporobolus cryptandrus</i>)	0.5
Spike dropseed	(<i>S. contractus</i>)	0.5
Mesa dropseed	(<i>S. flexuosus</i>)	0.5
Plains bristlegrass	(<i>Setaria macrostachya</i>)	2.0
Desert or Scarlet Globemallow	(<i>Sphaeralcea ambigua</i>) or (<i>S. coccinea</i>)	0.5
Buckwheat	(<i>Eriogonum</i> spp.)	<u>1.5</u>
TOTAL POUNDS PURE LIVE SEED (pls) PER ACRE Certified Weed Free Seed		8.00

IF ONE SPECIES IS NOT AVAILABLE
 INCREASE ALL OTHER PROPORTIONATELY
 NO LESS THAN SIX (6) SPECIES WITH A MINIMUM OF ONE (1) FORB.

NO LESS THAN 8.0 POUNDS PLS PER ACRE SHALL BE APPLIED.

APPROVED: /s/ Douglas J. Burger
 District Manager, Pecos District