

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

RECEIVED
JUL 7 2010
NMOCD ARTESIA

FORM APPROVED
Budget Bureau No 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator

Mack Energy Corporation

3 Address and Telephone No

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

(575) 748-1288

4 Location of Well (Footage, Sec, T, R, M. or Survey Description)

355 FNL & 530 FEL, Sec. 20 T16S R29E

5 Lease Designation and Serial No

NMNM-109644

6 If Indian, Allottee or Tribe Name

7 If Unit or CA, Agreement Designation

NMNM-123769

8 Well Name and No

Vikings Federal Com #1

9. API Well No.

30-015-36781

10 Field and Pool, or Exploratory Area

Pavo Mesa;Abo

11 County or Parish, State

Eddy, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☒ Altering Casing
☒ Other **Onshore Order 7**
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Name (s) of formation (s) producing water on the lease

Pavo Mesa;Abo

Amount of water produced from each formation in barrels per day

209

A water analysis of produced water from each zone showing at lease the total dissolved solids, ph, and concentration of chlorides and sulfates.

Will send when received

How water is stored on lease

Fiberglass Tank

How water is moved to disposal facility

Trucked

Operator's name, well name and location, by 1/4 1/4, section township, and range, of the disposal facility. If the disposal facility is an approved disposal system, the operator's name and the name of the disposal system should be affixed.

COG Operating LLC

Aid State 14 #1

Disposal Permit

NMOCD LE

SWD-757

SEE ATTACHED FOR

CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct

Signed

James W. Sherrill

Title

Production Clerk

Date

6/14/10

(This space for Federal or State office use)

Approved by

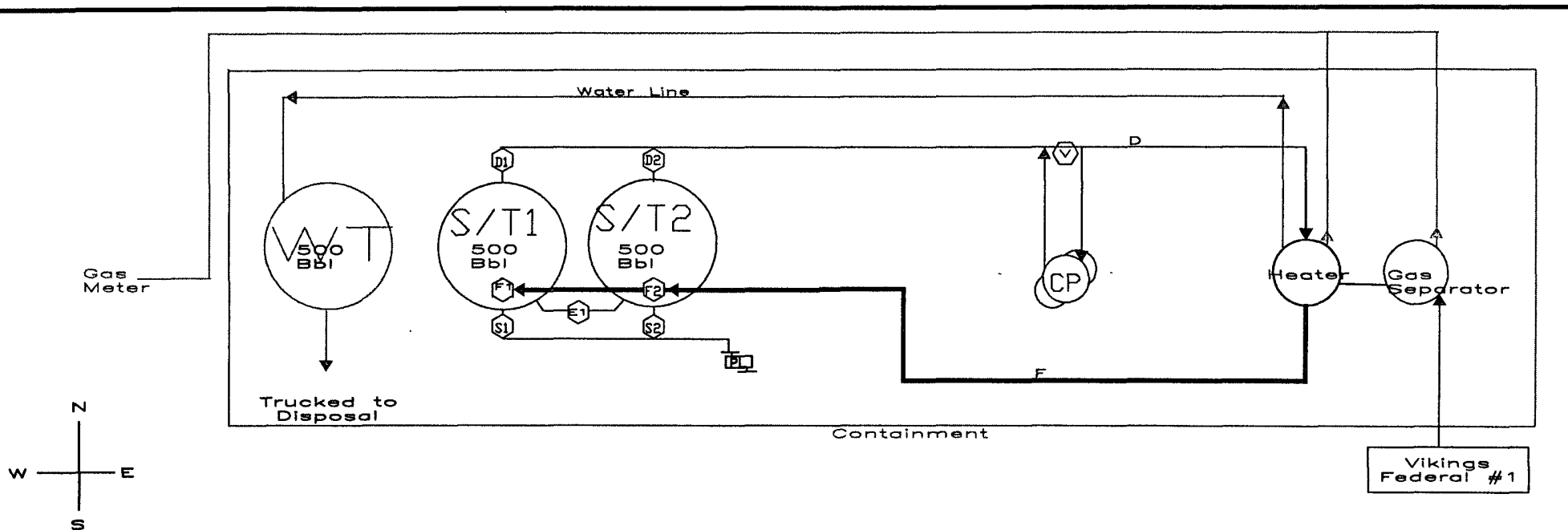
Conditions of approval, if any

Title

Date

Title 18 U S C Section 1001, makes 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

*See Instruction on Reverse Side



Production Phase

| Vikings Federal Battery | | | |
|-------------------------|--------|-------|--------|
| S/T 1 | | S/T 2 | |
| F1 | Open | F1 | Closed |
| MD1 | Open | MD1 | Closed |
| WD1 | Open | WD1 | Open |
| SD1 | Closed | SD1 | Closed |
| WN2 | Closed | WN2 | Open |
| ND2 | Closed | ND2 | Open |
| SD2 | Closed | SD2 | Closed |

Sales Phase

| Vikings Federal Battery | | | |
|-------------------------|--------|-------|--------|
| S/T 1 | | S/T 2 | |
| F1 | Closed | F1 | Open |
| MD1 | Closed | MD1 | Open |
| WD1 | Closed | WD1 | Closed |
| SD1 | Open | SD1 | Closed |
| WN2 | Open | WN2 | Closed |
| ND2 | Open | ND2 | Closed |
| SD2 | Closed | SD2 | Open |

MACK
Energy Corporation



Vikings
Federal
#1

This Lease is subject to the site Security plan for southeast New Mexico operations.

The Plan is Located at :

Mack Energy Corporation
P.O. Box 960
Artesia NM 88211-0960

Mack Energy Corporation
Vikings Federal Tank Battery
NE/4 NE/4
Section 20 T16S R29E

Vikings Federal Lease

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Disposal of Produced Water From Federal Wells
Conditions of Approval**

Approval of the produced water disposal methodology is subject to the following conditions of approval:

1. This agency shall be notified of any change in your method or location of disposal.
2. Compliance with all provisions of Onshore Order No. 7.
3. This agency shall be notified of any spill or discharge as required by NTL-3A.
4. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
5. All above ground structures on the lease shall be painted Shale Green (5Y 4/2), or as per approved APD stipulations. This is to be done within 90 days, if you have not already done so.
6. Any on-lease open top storage tanks shall be covered with a protective cover to prevent entry by birds and other wildlife.
7. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
8. If water is transported via a pipeline that extends beyond the lease boundary, then you need to submit within 30 days an application for right-of-way approval to the Realty Section in this office if you have not already done so.
9. Subject to like approval by NMOCD.
10. If approved facility is down you must obtain approval prior to taking water to any other facility.

3/25/2010