

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

N.M. OIL CONSERVATION DIVISION

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

811 S. FIRST STREET  
ARTESIA, NM 88210

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

Serial No. NMNM-4434  
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator: Mack Energy Corporation

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

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

4. Location of Well (Footage, Sec., T,R,M, or Survey Description): Sec. 19 T15S R29E

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

8. Well Name and No. Victoria Federal #1

9. API Well No. Multiple 3000564162

10. Field and Pool or Exploratory Area: Round Tank; San Andres

11. Country or Parish, State: Chaves, NM

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

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

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

Mack Energy Corporation as operator respectfully requests approval to surface commingle and Off lease storage and measurement of production. It is requested that surface commingling of Victoria Federal Lease NMNM-4434 at the Calgary Federal TB. All wells produce from the Round Tank; San Andres pool.

The tank battery is located in the NE/4 NE/4, Sec. 25 T15S R28E. Proper allocation for production will be measured using periodic well tests. This facility is equipped with testing equipment to ensure proper allocation. Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle.

Mack Energy is currently producing the Calgary Federal #3 from the Round Tank; San Andres and intend to drill and complete the Victoria Federal #1 in the same formation. At this time we are requesting approval to add the Victoria production to this facility.

Note: There is an approved sundry to commingle the Victoria at the Eskimo State TB. At this time we would like to cancel that request.

Accepted for record  
6/20/2013 NMOC DLR

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Jerry W. Sherrell

Title Production Clerk

Signature

*Jerry W. Sherrell*

Date 5/28/13

RECEIVED

JUN 13 2013

NMOC D ARTESIA

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Date JUN 03 2013

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

Office

ROSWELL FIELD OFFICE

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

(Instructions on page 2)

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL



Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 June 19, 2008

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-005-64089    30-005-64099
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. NMNM-4434    NMNM-4433
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Victoria Federal & Calgary Federal
4. Well Location Unit Letter _____ feet from the _____ line and _____ feet from the _____ line Section 19 & 25 Township 15S Range 29E & 28E NMPM County Chaves		8. Well Number Multiple
11. Elevation (Show whether DR, RKB, RT, GP etc.) Multiple		9. OGRID Number 013837
10. Pool Name or Wildcat Round Tank; San Andres		

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Surface Commingle/Off lease Storage <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation as operator respectfully requests administrative approval for Off Lease Storage/Surface Commingle of production. It is requested that the Round Tank; San Andres production from the Victoria Federal Lease and the Calgary Federal Lease be Commingled at the Calgary Federal #3 TB located in NENE Sec. 25 T15S R28E.

The tank battery is located in the NE/4 NE/4, Sec. 25 T15S R28E. Proper allocation for production of oil will be measured using periodic well testing at this TB. Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Interests in all pools on this leases are common.

Mack Energy is currently producing the Calgary Federal #3 in the San Andres formation and the Victoria Federal #1 is scheduled to be drilled soon. A diagram of the TB facility will be attached. At this time we are requesting approval Off Lease Storage/Surface Commingling of production from these leases.

Spud Date:  Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 5/28/13

Type or print name Jerry W. Sherrell E-mail address: jerrys@mec.com PHONE: (575)748-1288

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): \_\_\_\_\_

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 38240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
11885 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2001  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-005-64099</b>	Pool Code 52770	Pool Name Round Tank; San Andres
Property Code 37615	Property Name CALGARY FEDERAL	Well Number 3
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3597

Surface Location

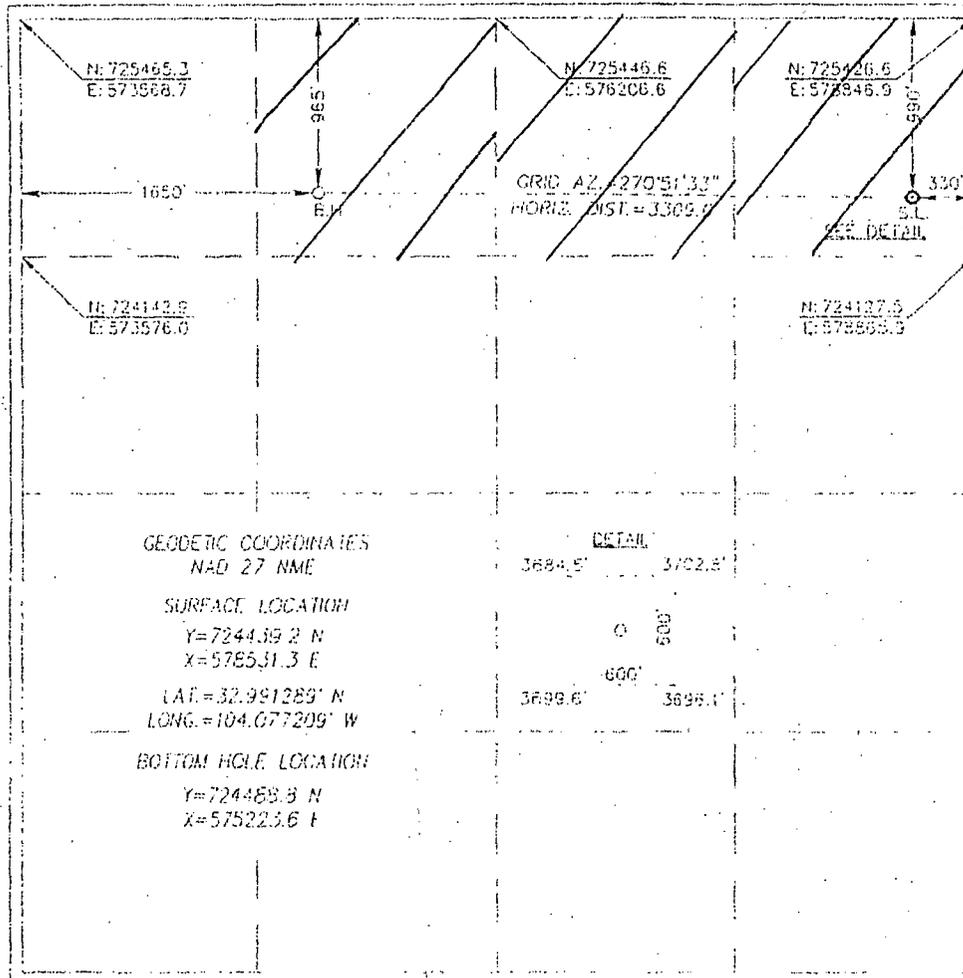
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	25	15-S	28-E		990	NORTH	330	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	25	15-S	28-E		965	NORTH	1050	WEST	CHAVES

Dedicated Acres 120	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division

*Jerry W. Sherrell* 8/17/11  
Signature Date

Jerry W. Sherrell  
Printed Name

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

OCTOBER 24, 2008  
Date Surveyed  
Signature & Seal of Professional Surveyor

*Ronald J. Edson* 11/05/2010  
10.13.1677  
Certificate No. GARY G. EDSON 42541  
RONALD J. EDSON 1239

DISTRICT I  
1626 N. FRENCH DR., HOODS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARIZONA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87606

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-005-64089</b>	Pool Code 52770	Pool Name Round Tank; San Andres
Property Code <b>37558</b>	Property Name VICTORIA FEDERAL	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3719'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
4	19	15-S	29-E		330	SOUTH	330	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40.31	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 1				<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jerry W. Sherrell</i> 10/8/08 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p>
LOT 2	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=725758.7 N X=579175.8 E</p> <p>LAT.=32.994912° N LONG.=104.075096° W</p>			
LOT 3				
LOT 4	<p>SEE DETAIL</p>			
				<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p style="text-align: center;"> </p> <p>Date Surveyed: _____ Signature &amp; Seal of Professional Surveyor: <i>Ronald J. Eidson</i> 12/22/08</p>
<p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>				

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# M E M O

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DATE: May 24, 2013

TO: NMOCD

FROM: STACI SANDERS  
MACK ENERGY CORPORATION

RE: VICTORIA FEDERAL  
NMNM-4434  
T15S, R29E  
Section 19: Lots 2, 3, & 4, SE/4NW/4  
Section 30: W/2NE/4  
Section 31: Lot 1  
Chaves County, New Mexico

CALGARY FEDERAL  
NMNM-4433  
T15S, R28E  
Section 24: S/2NE/4, SE/4NW/4, E/2SW/4, SE/4  
Section 25: NE/4, NE/4NW/4  
Chaves County, New Mexico

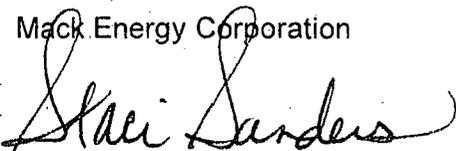
Mack Energy Corporation respectfully requests approval to surface commingle production from our Victoria Federal Lease and the Calgary Federal Lease. Once the Victoria Federal #1 well is drilled it will produce from the San Andres formation. The Calgary Federal #3 well also produces from the San Andres formation. Production from both leases will be commingled at the Calgary Federal tank battery located in the NE/4 NE/4 of Sec. 25, T15S, R28E. Allocation for the oil and gas will be done using periodic well tests.

Both leases have identical working and revenue interests

Please do not hesitate to contact me should you require any further information.

Sincerely,

Mack Energy Corporation



Staci Sanders  
Land Department

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

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

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