Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD

FORM APPROVED OMB NO. 1004-0137 Expires: January 31, 2018

SUNDRY NOTICES AND REPORTS ON WELLS A

5. Lease Serial No. NMNM0558263A

On not you this	o form for proposale to d	rill or to re-		• •	14///14///055024	307	
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.					6. If Indian, Allottee or Tribe Name		
SUBMIT IN TRIPLICATE - Other instructions on page 2					7. If Unit or CA/Agreement, Name and/or No. NMNM106843		
1. Type of Well ☐ Gas Well ☐ Other					8. Well Name and No. NOSLER 12 FED EG 6H		
Name of Operator Contact: JERRY W SHERRELL MACK ENERGY CORPORATION E-Mail: jerrys@mec.com					9. API Well No. 30-015-43421		
3a. Address PO BOX 960 ARTESIA, NM 88211-0960 3b. Phone No Ph: 575-74			include area code) -1288		10. Field and Pool or Exploratory Area PENASCO DRAW;PERMO PENN		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)					11. County or Parish, State		
Sec 11 T17S R31E Mer NMP NENE 1800FNL 300FEL					EDDY COUNTY, NM		
12. CHECK THE AF	PROPRIATE BOX(ES) T	O INDICAT	E NATURE O	F NOTICE,	, REPORT, OR O	THER DATA	
TYPE OF SUBMISSION	TYPE OF ACTION					· · · · · · · · · · · · · · · · · · ·	
Notice of Intent	☐ Acidize	☐ Deepe		☐ Produc	tion (Start/Resume)	■ Water Shut-Off	
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing		□ Reclam	ation	☐ Well Integrity	
	Casing Repair New Construction			□ Recom	<u>-</u> >	Other Venting and/or Flari	
☐ Final Abandonment Notice	-		· - ·		arily Abandon ng		
13. Describe Proposed or Completed Ope	Convert to Injection			☐ Water I			
If the proposal is to deepen directions Attach the Bond under which the wor following completion of the involved testing has been completed. Final Ab determined that the site is ready for fi Mack Energy is requesting per December 2017. We will only be metered and reported as per	k will be performed or provide the operations. If the operation result and onment Notices must be filed nal inspection. The second of the Noslate of the No	le Bond No. on the list in a multiple only after all refer 12 Fed ba	ile with BLM/BIA completion or reco quirements, includ	Required submpletion in a ing reclamation in a ber through	obsequent reports must new interval, a Form 3 on, have been complete will OIL (be filed within 30 days 160-4 must be filed once	
We have previously received a diagram showing the flare local	approval to install a flare at ation is on file.	this location	and an updated	d battery	MA	R 0 5 2018	
The Nosler 12 fed battery is located adjacent to the Nosler 12 Fed EG 6H well at: T17S R31E, Sec. 11, Unit H, NENE 1800' FNL, 300' FEL Lease: NMLC-029415A SEE ATTACHED FOR CONDITIONS OF APPROVAL							
14. I hereby certify that the foregoing is	true and correct. Electronic Submission #38 For MACK ENERG	9625 verified	by the BLM Wel	I Information	n System	,	
	Committed to AFMSS for p	processing by	PRISCILLA PE	REZ on 19/2	6/2017 ()		
Name (Printed/Typed) JERRY W	SHERRELL		Title PRODU	CTIONCE	BK) WE	} 	
Signature (Electronic S	Submission)		Date 09 25/2		1		
	THIS SPACE FOR	RFEDERAL	OR STATE	OFFICE U	SEB / 2018	B IA NOVI	
Approved By			Title	BURKA	ON DE CONTRACTOR	ENEAT Date	
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	T CAI	KESEKO FILLA OFF		
Title 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a creatatements or representations as to	ime for any personany matter with	on knowingly and	willfully to m	ake to any department	or agency of the United	

Additional data for EC transaction #389625 that would not fit on the form

32. Additional remarks, continued

The following are currently associated with this battery: Nosler 12 Fed DB 4H #30-015-43422 Nosler 12 Fed EG 6H #30-015-43421 Nosler 12 Fed LJ 7H #30-015-43907 Nosler 12 Fed MO 8H #30-015-44276

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

Condition of Approval to Flare Gas

- 1. Subject to like approval from NMOCD
- 2. Flared volumes are considered "avoidably lost" and will require payment of royalties. Volumes shall be reported on OGOR "B" reports as disposition code "08
- 3. Approval not to exceed 90 days, if flaring is still required past 90 days submit new request for approval.
- 4. Submit Subsequent Report with actual volumes of gas flared for each month gas is flared on a sundry form 3160-5.
- 5. "Avoidably lost" flare volumes shall be metered due to their royalty bearing status. Install gas meter on vent/flare line to measure gas prior to venting/flaring operations if it is not equipped as such at this time.
- 6. This approval does not authorize any additional surface disturbance.

43CFR §3162.7-1 Disposition of production.

- (a) The operator shall put into marketable condition, if economically feasible, all oil, other hydrocarbons, gas, and sulphur produced from the leased land.
- (d) The operator shall conduct operations in such a manner as to prevent avoidable loss of oil and gas. A operator shall be liable for royalty payments on oil or gas lost or wasted from a lease site, or allocated to a lease site, when such loss or waste is due to negligence on the part of the operator of such lease, or due to the failure of the operator to comply with any regulation, order or citation issued pursuant to this part.