Form 3160-5 (June 2015)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

NMOCD Artesia

FORM APPROVED OMB NO. 1004-0137 Expires: January 3.1, 2018

٥.	Lease Senal No:	-
٠	NMNM066483	

SUNDRY Do not rise th	NMNM066483	NMNM066483 6. If Indian, Allottee or Tribe Name					
Do not use the abandoned we	6. If Indian, Allottee						
SUBMIT IN	7. If Unit or CA/Ag NMNM140362	7. If Unit or CA/Agreement, Name and/or No. NMNM140362.					
 Type of Well Gas Well ☐ Ot 	her			8. Well Name and N GRAND FORKS	8. Well Name and No. GRAND FORKS FEDERAL COM 2H		
Name of Operator MACK ENERGY CORPORAT	Contact: , FION E-Mail: jerrys@mad			9. API Well No. 30-005-64328	9. API Well No. 30-005-64328-00-S1		
3a. Address P.O. BOX 960 ARTESIA, NM 88211-0960		3b. Phone No. (include at Ph.: 505.748.1288 Fx: 505.746.9539	ea code)	10. Field and Pool o ROUND TANK	r Exploratory Area K-SAN ANDRES		
4. Location of Well (Footage, Sec., 7		B V son	11. County or Parish	i. State			
Sec 27 T15S R29E NENE 56 32.992577 N Lat, 104.010651	5FNL 900FEL W Lon			CHAVES COL			
12. CHECK THE AI	PPROPRIATE BOX(ES)	ΓΟ INDICATE NATU	RE OF N	OTICE, REPORT, OR OT	HER DATA		
TYPE OF SUBMISSION		Ť	YPE OF AC	TION			
☐ Notice of Intent	☐ Acidize	□ Deepen		Production (Start/Resume)	☐ Water Shut-Off		
Subsequent Report ■ Subsequent Report Subsequent Report	☐ Alter Casing	☐ Hydraulic Frac	turing 🔲	Reclamation	☐ Well Integrity		
	☐ Casing Repair	☐ New Construct	ion 🗖	Recomplete	Other		
☐ Final Abandonment Notice	☐ Change Plans 🕽	Plug and Aban	don 🗖	Temporarily Abandon			
Describe Proposed or Completed Ope If the proposal is to deepen directions	☐ Convert to Injection	☐ Plug Back	S	Water Disposal	•		
2. Amount of water produced from all formations in barrels per day. 840. 3. Attach a current water analysis of produced water from all zones showing at least tds, ph, and concentrations of chlorides and sulfates. 4. How water is stored on lease. Fiberglass tank. 5. How water is moved to disposal facility. Pipeline. 6. Identify the Disposal Facility by: A Facility operators name. Mack Energy Corporation. B. Name of Facility or well name and number. Round Tank SWD #1 C. Type of facility or well (WDW) (WIW) etc. WDW. D. Location. NESW Sec. 19 T15S R29E. 7. Attach a copy of the state issued permit for the Disposal Facility. DISTRICTIARTESIAO.C.D.							
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14 I hereby certify that the foregoing is Common Name (Printed/Typed) Signature (Electronic St	Electronic Submission #49 For MACK ENER nitted to AFMSS for process IERRELL	GY CORPORATION, SE ing by JENNIFER SAN Title P	ent to the RECHEZ on 12 RODUCTION CEPTED I	acus all			
		Pate 12	2/05/2019 ATE OFF	KOE VISË			
Approved By Inditions of approval, if any, are attached ertify that the applicant holds legal or equivalent would entitle the applicant to conduct	Approval of this notice does no	Title BURE	MOELA	ND MANAGEMENT FIELD OFFICE	Date		
itle 18 U/S.C. Section 1001 and Title 43 U States any false, fictitious or fraudulent st	J.S.C. Section 1212, make it a cratements or representations as to	ime for any person knowing any matter within its juriso	ly and willfu	lly to make to any department or	agency of the United		
Instructions on page 2) ** BLM REVIS	SED ** BLM REVISED	** BLM REVISED **	BLM RE	VISED ** BLM REVISE	D **		

Revisions to Operator-Submitted EC Data for Sundry Notice #494641

Operator Submitted

Sundry Type:

DISPOSE

SR

Lease:

NMNM0284972

Agreement:

Operator:

MACK ENERGY CORPORATION PO BOX 960 ARTESIA, NM 88211-0960 Ph: 575-748-1288

Admin Contact:

JERRY SHERRELL PRODUCTION CLERK E-Mail: jerrys@mec.com

Ph: 575-748-1288

Tech Contact:

JERRY SHERRELL PRODUCTION CLERK E-Mail: jerrys@mec.com

Ph: 575-748-1288

Location:

State: County:

CHAVES

Field/Pool:

ROUND TANK SAN ANDRES

Well/Facility:

GRAND FORKS FEDERAL COM 2H Sec 27 T15S R29E Mer NMP NENE 565FNL 900FEL. 32.992577 N Lat, 104.010651 W Lon

BLM Revised (AFMSS)

DISPOSE

SR

NMNM066483

NMNM140362 (NMNM140362)

MACK ENERGY CORPORATION P.O. BOX 960 ARTESIA, NM 88211-0960 Ph: 505-748-1288

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NM CHAVES

ROUND TANK-SAN ANDRES

GRAND FORKS FEDERAL COM 2H Sec 27 T15S R29E NENE 565FNL 900FEL 32.992577 N Lat, 104.010651 W Lon



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson

Joanna Prukop Cabinet Secretary Reese Fullerton Deputy Cabinet Secretary

Mark Fesmire Division Director Oil Conservation Division

Administrative Order SWD-1163



March 9, 2009

Jerry W. Sherrell Mack Energy Corp PO Box 960 Artesia, NM 88211-0960

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Rule 26.8B., Mack Energy Corp seeks an administrative order to utilize its Roundtank SWD Well No. 1 (API 30-005-64095) located 1980 feet from the South line and 1980 feet from the West line, Unit K of Section 19, Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

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

IT IS THEREFORE ORDERED THAT:

The applicant Mack Energy Corp, is hereby authorized to utilize its Roundtank SWD Well No. 1 (API 30-005-64095) located 1980 feet from the South line and 1980 feet from the West line, Unit K of Section 19, Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico, for disposal of produced water into the Devonian formation from approximately 10500 feet to 11200 feet through 2-7/8 inch or smaller diameter, plastic-lined tubing set within 100 feet of the disposal interval.

As preparation and prior to commencing disposal, the operator shall perform the following work on the subject well:

1) Unless hole-conditions prevent this, run openhole resistivity and porosity logs from total depth to surface and supply copies of these electric logs to the Division (send to Hobbs district for scanning).

2) Send a copy of a mudlog with plots of lithology, drilltimes, and any hydrocarbon



shows through this Devonian interval - OR

If a mudlog is NOT available, perforate and swab test the new perforations for hydrocarbon potential and catch a water sample for analysis. The Division's district office shall be noticed prior to this test and given the opportunity to witness the swab test. The results of the swab test and water analysis shall be sent to the Division attached to a sundry notice.

IT IS FURTHER ORDERED THAT:

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

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

The wellhead injection pressure on the well shall be limited to no more than 2100 psi. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

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

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

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

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

cause. One year after disposal into the well has ceased, the authority to dispose will terminate ipso facto.

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

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

MARK E. FESMIRE, P.E.

Director

MEF/wvjj

cc: Oil Conservation Division - Artesia

State Land Office - Oil, Gas, and Minerals Division