Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

N.M. OIL CO. SERVA 811 S. IRST S. ARTLESIA, N.J. 22.10

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

5 Lease Designation and Serial No.

6 If Indian, Allottee or Tribe Name

NMNM-121943

SUNDRY NOTICES AND REPORTS ON WELLS

orm for proposals to drill or to deepen or reentry to a different reservoir

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 7 If Unit of CA, Agreement Designation . RECEIVED SUBMIT IN TRIPLICATE I Type of Well MAY **0 2** 2012 Well Name and No 2 Name of Operator Everest Federal #1 NMOCD ARTESIA 9 API Well No Mack Energy Corporation 3 Address and Telephone No 30-005-64118 P.O. Box 960 Artesia, NM 88211-0960 (575) 748-1288 10 Field and Pool, or Exploratory Area 4 Location of Well (Footage, Sec., T. R., M. or Survey Description) Many Gates Morrow 11 County or Parish, State SE/4 SE/4, Sec. 25 T9S R29E Chaves, NM 12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA TYPE OF SUBMISSION TYPE OF ACTION Notice of Intent Abandonment Change of Plans Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Casing Repair Water Shut-Off Final Abandonment Notice Altering Casing Conversion to Injection **Onshore Order 7** 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 Many Gates Morrow. Amount of water produced from each formation in barrels per 1/2 day-A water analysis of produced water from each zone showing at lease the total dissolved solids, ph, and concentration of chlorides and sulfates. In process How water is stored on lease Fiberglass Tank How water is moved t disposal facility Trucked to Disposal Operator's name, well name and location, by 1/4 1/4, section **Mack Energy Corporation** township, and range, of the disposal facility. If the disposal Peery SWD #4 facility is an approved disposal system, the operator's name and the name of the disposal system should suffice. NE/4 NE/4 Sec 29-T15S-R30E SWD-581-A Disposal Permit 14 I hereby certify that the foregoing is true and correct Production Clerk 1/23/12 Title PETROLEUM ENGINEER APR 27 2012 Title Conditions of approval, if any

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BUREAU OF LAND MANAGEMENT Roswell Field Office 2909 West Second Street Roswell, New Mexico 88201 575-627-0272

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.
- Any on-lease open top storage tanks shall be covered with a wire screen to prevent entry by birds and other wildlife.
- 6. This approval should not constitute the granting of any right-of-way or construction rights not granted by the lease instrument.
- 7. 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 for wells in Chaves or Roosevelt County if you have not already done so.