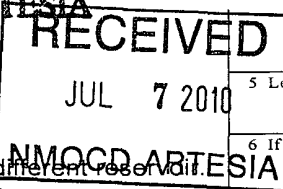


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-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 <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	7 If Unit or CA, Agreement Designation NMNM-124710
2 Name of Operator Mack Energy Corporation	8 Well Name and No Ditka Federal Com #1
3 Address and Telephone No P.O. Box 960 Artesia, NM 88211-0960 (575) 748-1288	9 API Well No 30-015-37384
4 Location of Well (Footage, Sec, T, R, M or Survey Description) 1375 FNL & 330 FWL, Sec. 25 T16S R28E	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	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other Onshore Order 7	<input type="checkbox"/> Dispose Water

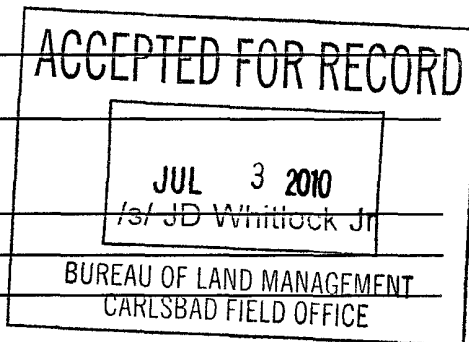
(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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	507
A water analysis of produced water from each zone showing at lease the total dissolved solids, ph, and concentration of chlorides and sulfates.	Attached
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 suffice.	COG Operating LLC Aid State 14 #1 SW/4 SE/4 Sec 14-T17S-R28E
Disposal Permit	SWD-757

Accepted for record NMOC DPT 7/8/10

SEE ATTACHED FOR CONDITIONS OF APPROVAL



14 I hereby certify that the foregoing is true and correct

Signed Jerry W. Sherrill Title Production Clerk Date 6/14/10

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any



Catalyst Oilfield Services
11999 E Hwy 158
Gardendale, TX 79758
(432) 563-0727
Fax: (432) 224-1038

Water Analysis Report

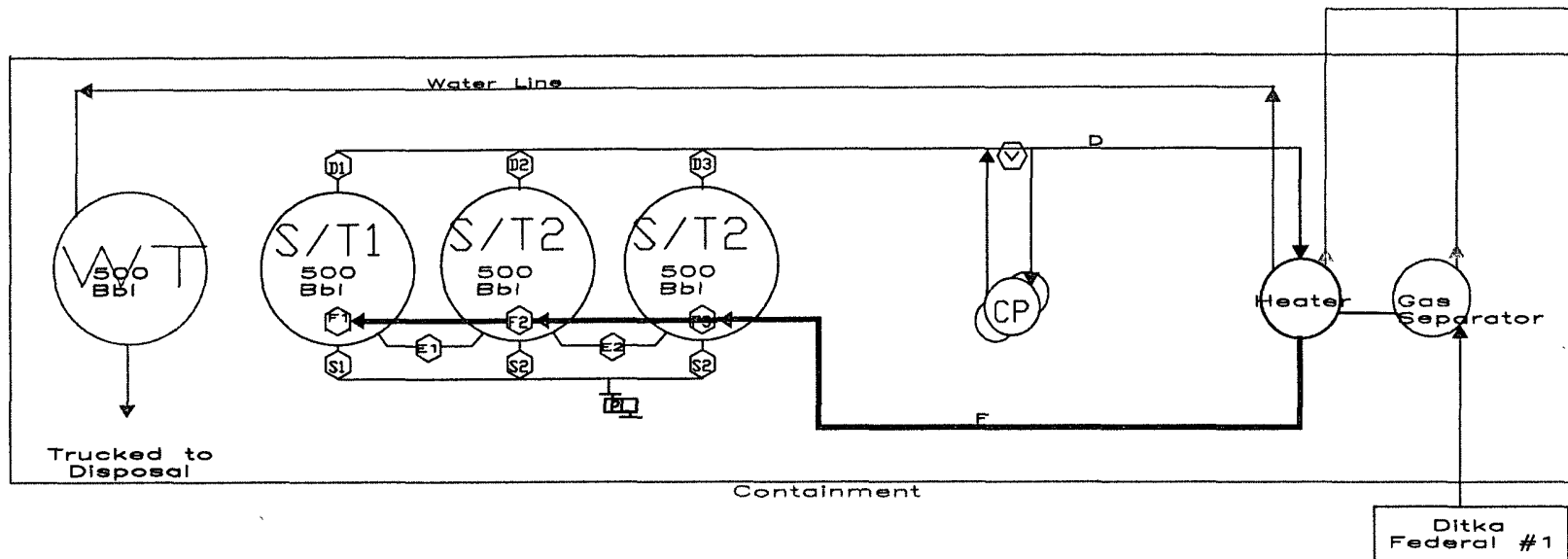
Customer: Mack Energy Corporation Sample #: 1648
Area: Artesia Analysis ID #: 3850
Lease: [REDACTED]
Location: [REDACTED] 0
Sample Point: Wellhead

		Anions		Cations	
		mg/l	meq/l	mg/l	meq/l
Sampling Date:	4/21/2010	Chloride:	47718.9	Sodium:	24040.0
Analysis Date:	4/30/2010	Bicarbonate:	477.0	Magnesium:	1737.0
Analyst:	Catalyst	Carbonate:		Calcium:	4173.0
TDS (mg/l or g/m3):	80828.1	Sulfate:	2400.0	Potassium:	227.8
Density (g/cm3):	1.056			Strontium:	54.4
Hydrogen Sulfide:	308			Barium:	0.0
Carbon Dioxide:	46			Iron:	0.0
Comments:				Manganese:	0.000
		pH at time of sampling:	7.8		
		pH at time of analysis:			
		pH used in Calculation:	7.8		
		Temperature @ lab conditions (F):	75	Conductivity (micro-ohms/cm):	101300
				Resistivity (ohm meter):	.0987

Values Calculated at the Given Conditions - Amounts of Scale in lb/1000 bbl

Temp		Calcite CaCO ₃		Gypsum CaSO ₄ *2H ₂ O		Anhydrite CaSO ₄		Celestite SrSO ₄		Barite BaSO ₄		
°F	Index	Amount	Index	Amount	Index	Amount	Index	Amount	Index	Amount		
80	1.67	64.74	0.07	177.38	0.03	70.89	-0.04	0.00	0.00	0.00		
100	1.64	70.24	0.03	77.36	0.06	127.85	-0.04	0.00	0.00	0.00		
120	1.62	75.74	0.00	4.21	0.11	229.81	-0.04	0.00	0.00	0.00		
140	1.62	81.24	-0.02	0.00	0.19	357.34	-0.03	0.00	0.00	0.00		
160	1.62	87.07	-0.02	0.00	0.28	492.64	-0.01	0.00	0.00	0.00		
180	1.65	92.57	-0.03	0.00	0.39	622.43	0.02	1.62	0.00	0.00		
200	1.68	98.07	-0.03	0.00	0.51	737.99	0.05	3.88	0.00	0.00		
220	1.74	102.93	-0.02	0.00	0.65	835.09	0.08	6.15	0.00	0.00		

SCANNED



Production Phase

Vikings Federal Battery			
S/T 1	S/T 2	S/T 3	
F1 Open	F1 Closed	F1-2 Closed	
D1 Open	D1 Closed	D1-2 Closed	
E1 Open	E1 Open	E2 Open	
S1 Closed	S1 Closed	S1-2 Closed	
F2 Closed	F2 Open	F3 Open	
D2 Closed	D2 Open	D3 Open	
S2 Closed	S2 Closed	S3 Closed	

Sales Phase

Vikings Federal Battery			
S/T 1	S/T 2	S/T 3	
F1 Closed	F1 Open	F1-2 Open	
D1 Closed	D1 Open	D1-2 Open	
E1 Closed	E1 Closed	E2 Closed	
S1 Open	S1 Closed	S1-2 Closed	
F2 Open	F2 Closed	F3 Closed	
D2 Open	D2 Closed	D3 Closed	
S2 Closed	S2 Open	S3 Open	

MACK
Energy Corporation



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Ditka
FederalCom
#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 980
Artesia NM 88211-0980

Mack Energy Corporation
Ditka Federal Tank Battery
SW/4 NW/4
Section 25 T16S R26E

— Ditka Federal Com Lease

Gas
Meter

**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