

30-025-40244

HOBBS OCD

SURFACE USE AND OPERATING PLAN

AUG 22 2011

1. Existing Access Roads

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- A. All roads to the location are shown in Exhibit #6. The existing lease roads are illustrated and are adequate for travel during drilling and production operations. Upgrading existing roads prior to drilling well will be done where necessary.
- B. **Directions to Location:** From the intersection of Co Rd #126 (Maljamar Rd) & State Hwy #529, go West-Northwest on state highway #529 approx. 2.6 miles. Go North approx. 0.85 miles. Go East approx. 0.4 miles. The location is approx. 160 feet south.
- C. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

AUG 24 2011

1. Proposed Access Road:

Exhibit #6 shows the 0' of new access road to be constructed. Proposed upgrade of existing road will be done along staked centerline survey. Necessary maintenance will be done to insure traffic stays within proposed ROW. The road will be constructed as follows:

- A. The Maximum width of the running surface will be 14'. The road will be crowned and ditched and constructed of 6" rolled and compacted caliche. Ditches will be at 3:1 slope and 3 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns.
- B. The average grade will be less than 1%.
- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low water crossings or fence cuts are necessary.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit.
- F. The proposed access road as shown in Exhibit #6 has been centerline flagged by John West Engineering, Hobbs, New Mexico.

2. Location of Existing Wells:

Exhibit #6 shows all existing wells within a one-mile radius of this well.

3. Location of Existing and/or Proposed Facilities:

- A. Mack Energy Corporation does not operate a production facility on this lease.
- B. If the well is productive, contemplated facilities will be as follows:
 - 1) Maljamar Yeso Completion: Will be sent to the Brooks Federal TB located at the #1 well. The Facility is shown in Exhibit #13.
 - 2) The tank battery and facilities including all flow lines and piping will be installed according to API specifications.
 - 3) Any additional caliche will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.
 - 4) It will be necessary to run electric power if this well is productive. Power will be run by CVE and they will send in a separate plan for power.
- C. Proposed flow lines, will stay on location, TB at the #1 well.

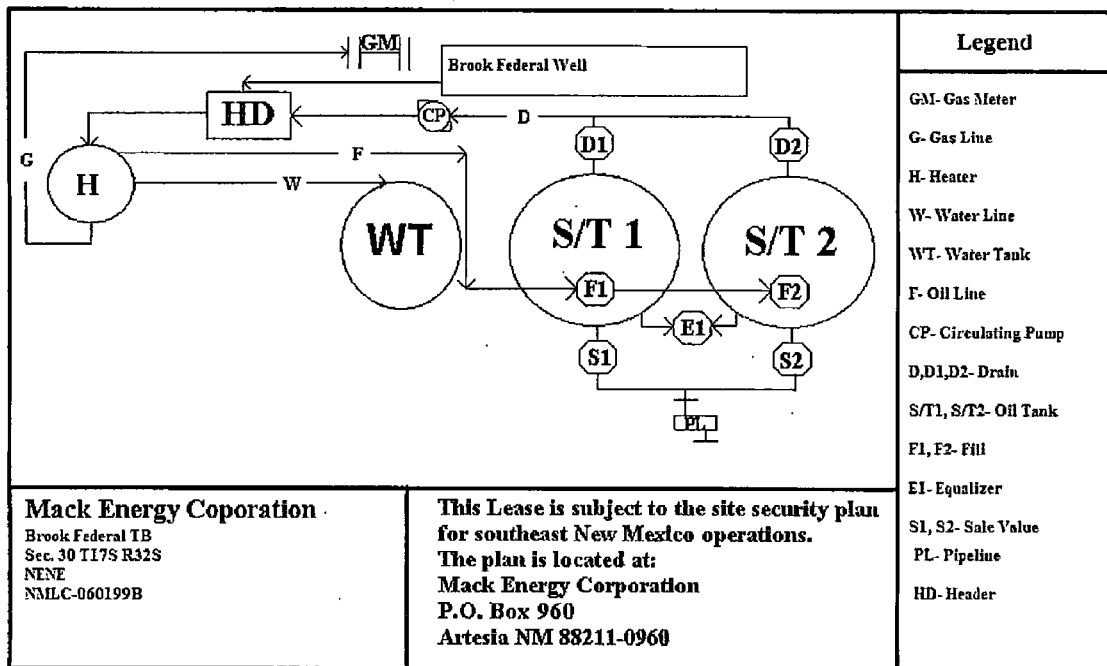


Exhibit #13

4. Location and Type of Water Supply:

The well will be drilled with combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to location by transport truck over the existing and proposed access roads shown in Exhibit #6. If a commercial fresh water source is nearby, fasline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

5. Source of Construction Materials:

All caliche required for construction of the drill pad and proposed new access road (approximately 2500 cubic yards) will be obtained from a BLM approved caliche pit.

6. Methods of Handling Waste:

- A. Drill cuttings not retained for evaluation purposes will be disposed into the steel tanks and hauled to an approved facility.
- B. Drilling fluids will be contained in steel tanks using a closed loop system Exhibit #12.
- C. Water produced from the well during completion may be disposed into a steel tank. After the well is permanently placed on production, produced water will be collected in tanks (fiberglass) until pumped to an approved disposal system; produced oil will be collected in steel tanks until sold.
- D. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved landfill. All water and fluids will be disposed of into an approved facility. No toxic waste or hazardous chemicals will be produced by this operation.
- E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned up within 30 days. In the event of a dry hole only a dry hole marker will remain.
- F. Sewage and Gray Water will be place in container and hauled to a approved facility.

7. Ancillary Facilities:

No airstrip, campsite or other facilities will be built as a result of the operation on this well.

10. Surface Ownership:

The well site and lease is located entirely on Federal surface. We have notified the surface lessee of the impending operations. According to BLM the leasee is Olane Caswell, 1702 Gillham Dr. Brownfield, TX 79316 (806) 637-7004.

11. Other Information:

- A. The area around the well site is grassland and the topsoil is sandy. The vegetation is native scrub grass with sagebrush.
- B. There is no permanent or live water in the immediate area.
- C. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

12. Lessee's and Operator's Representative:

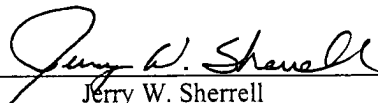
The Mack Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

Jerry W. Sherrell
Mack Energy Corporation
P.O. Box 960
Artesia, NM 88211-0960
Phone (575) 748-1288 (office)

APD CERTIFICATION

I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Date: 5/27/2011

Signed: 
Jerry W. Sherrell

HOBBS OCD

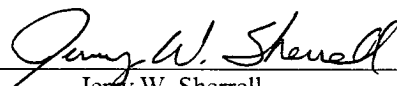
AUG 22 2011

APD CERTIFICATION

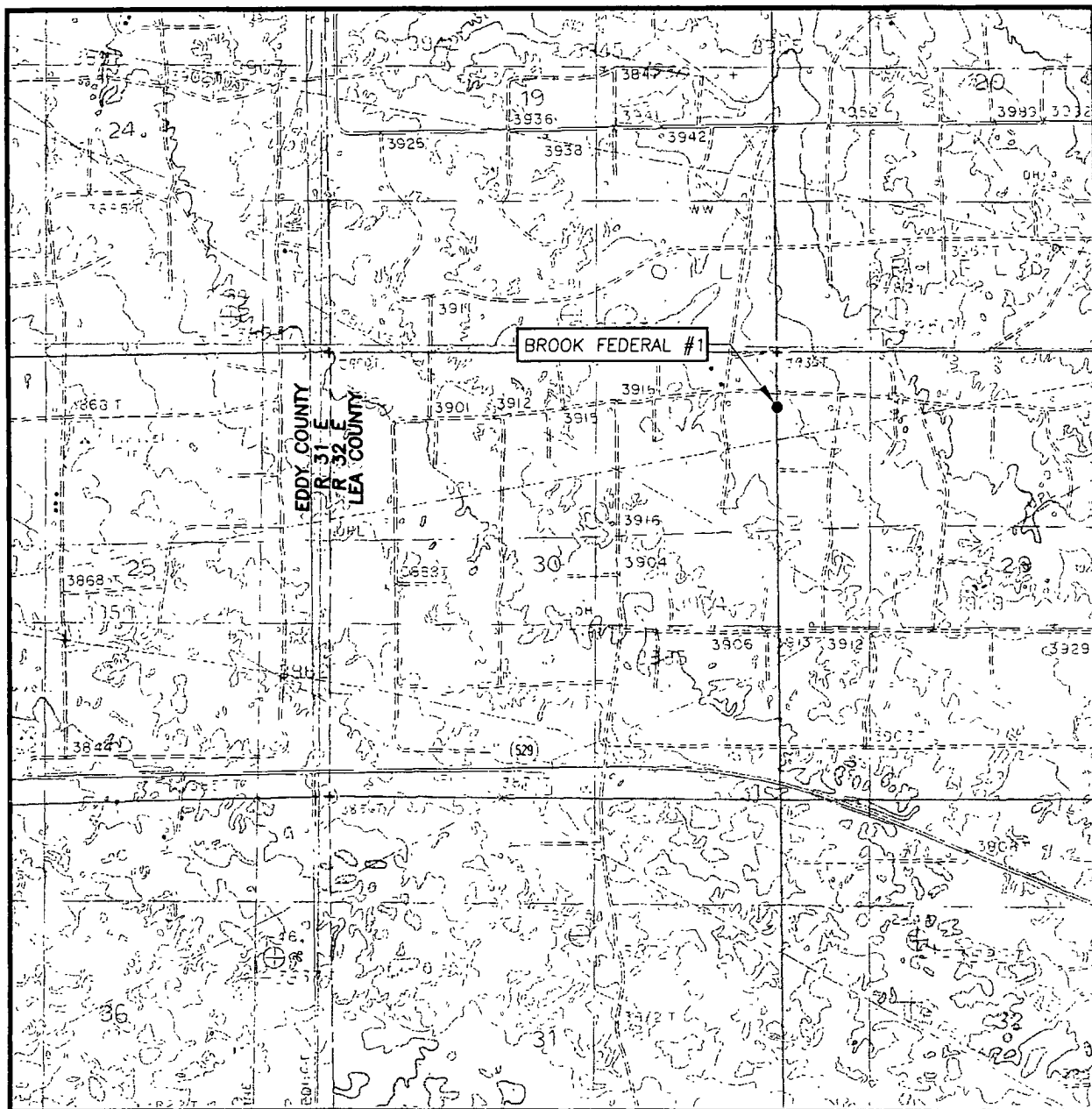
RECEIVED

I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed in conformity with this APD package and terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Date: 6/17/2011

Signed: 
Jerry W. Sherrell

LOCATION VERIFICATION MAP



SCALE. 1" = 2000'

CONTOUR INTERVAL
MALJAMAR, N.M. - 10'

SEC. 30 TWP. 17-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO


DESCRIPTION 635' FNL & 10' FEL

ELEVATION 3928'

OPERATOR COG OPERATING, LLC

LEASE BROOK FEDERAL

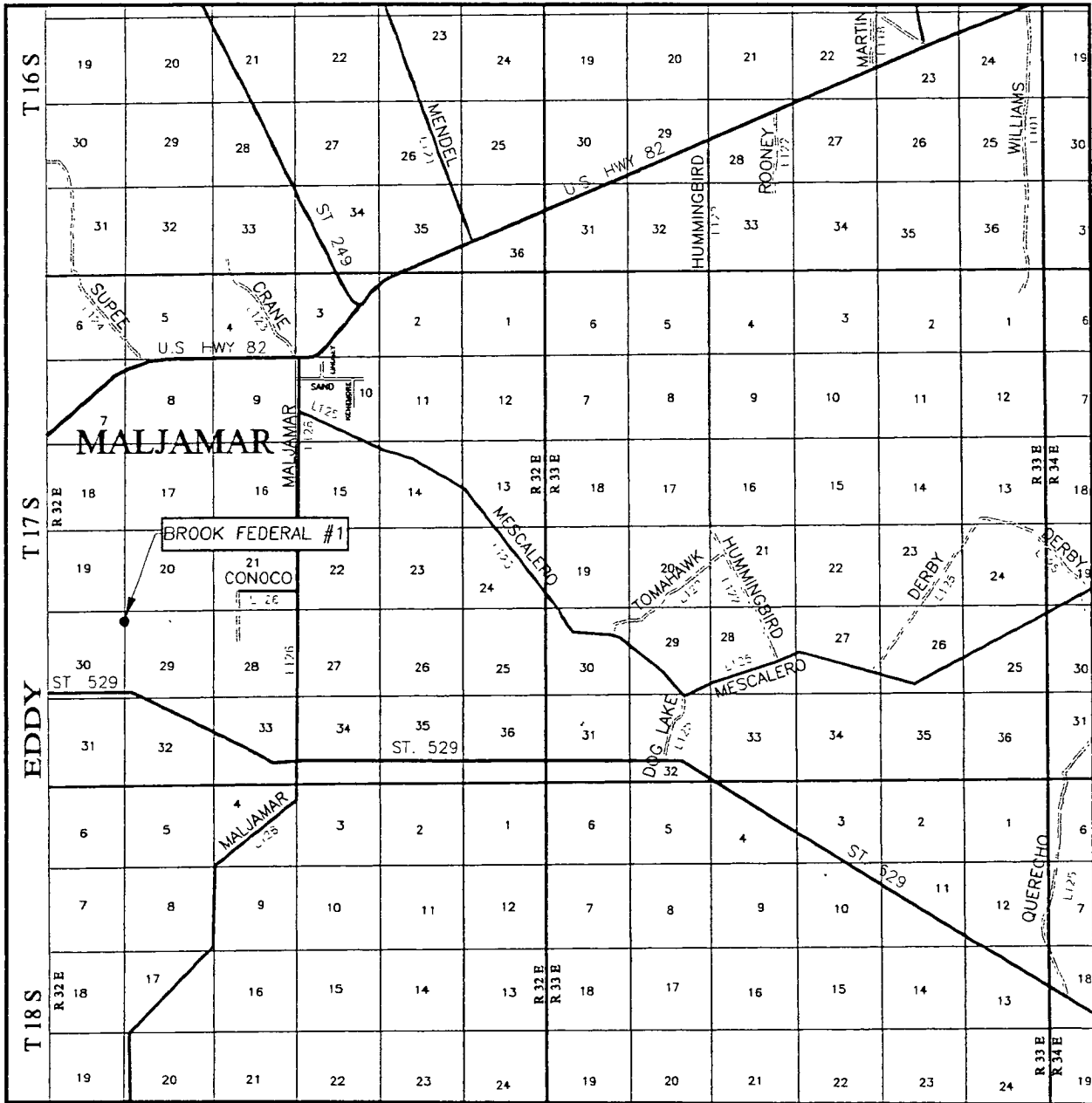
U.S.G.S TOPOGRAPHIC MAP
MALJAMAR, N.M.



PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

SCANNED

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 30 TWP. 17-S RGE. 32-E

SURVEY N.M.P.M

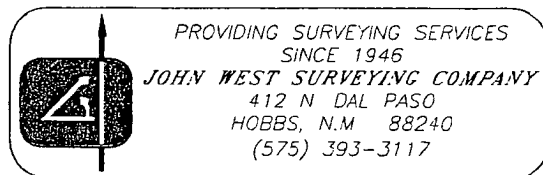
COUNTY LEA STATE NEW MEXICO

DESCRIPTION 635' FSL & 10' FEL

ELEVATION 3928'

OPERATOR MACK ENERGY CORPORATION

LEASE BROOK FEDERAL



SCANNED

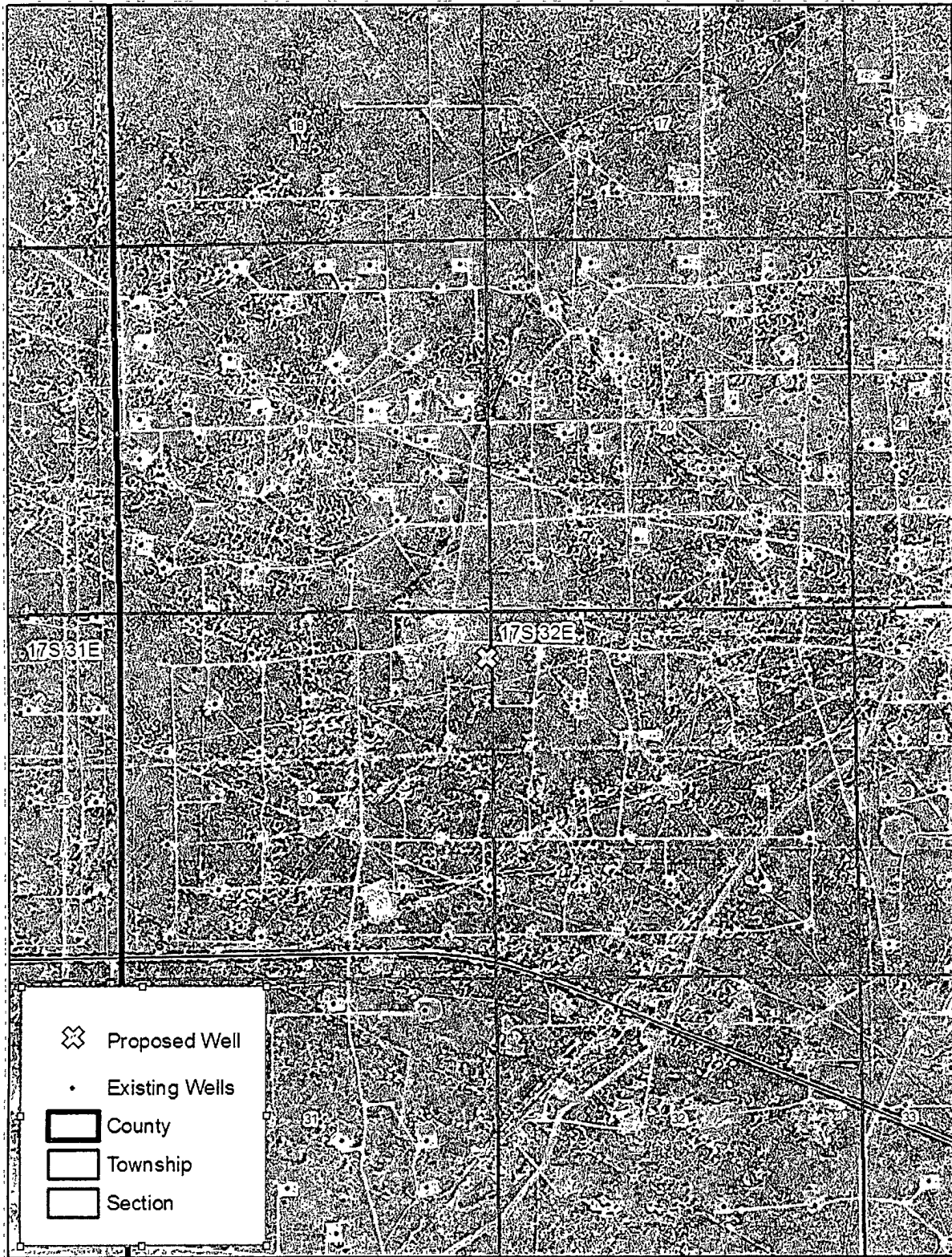
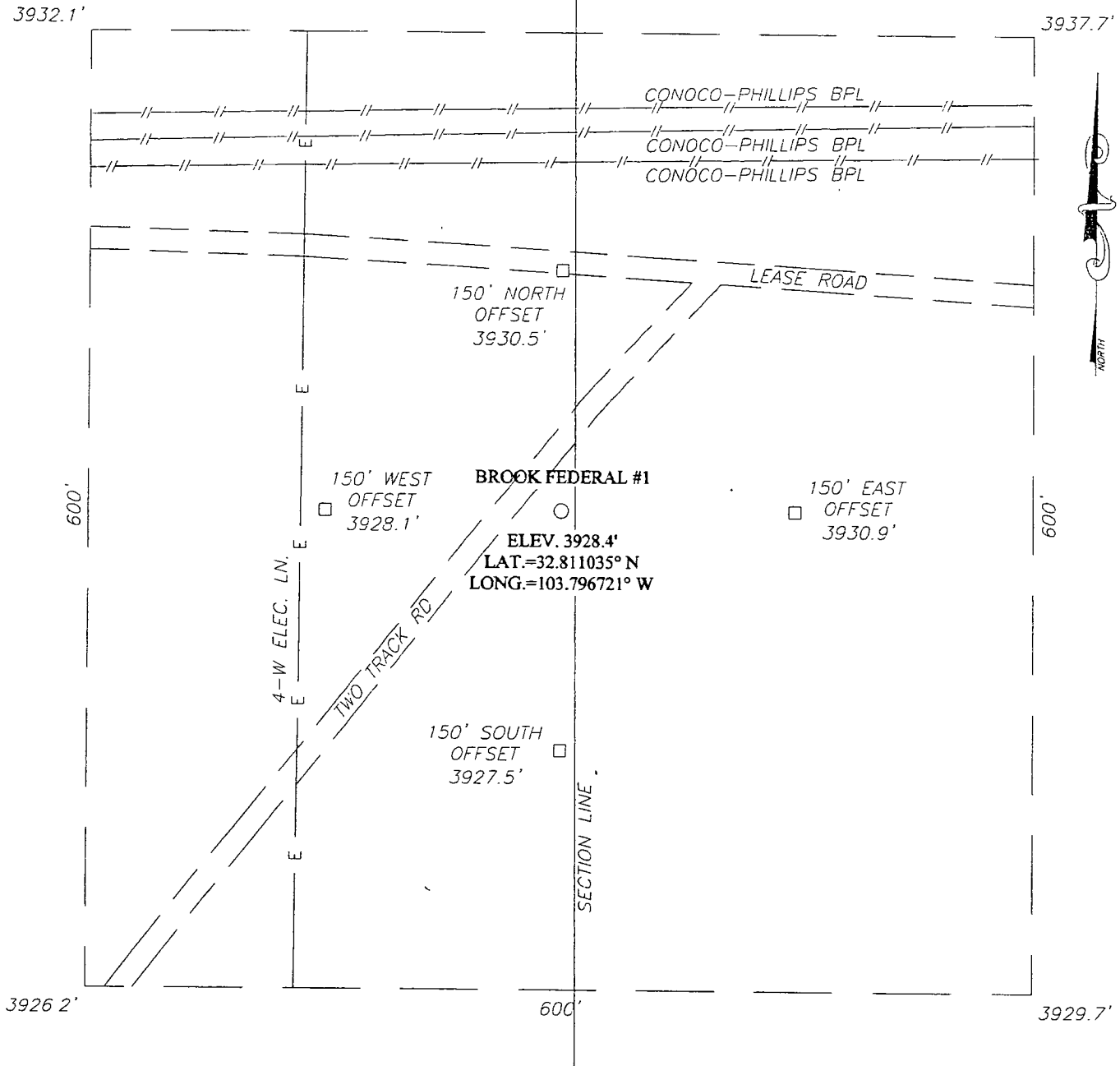


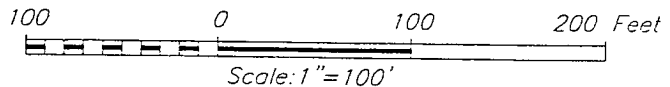
Exhibit #6

SECTION 30, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. #126
(MALJAMAR RD) AND ST. HWY. #529, GO
WEST-NORTHWEST ON ST. HWY. #529 APPROX. 2.6
MILES. GO NORTH APPROX. 0.85 MILES. GO EAST
APPROX. 0.4 MILES THE LOCATION STAKE IS
APPROX. 160 FEET SOUTH.



MACK ENERGY CORPORATION

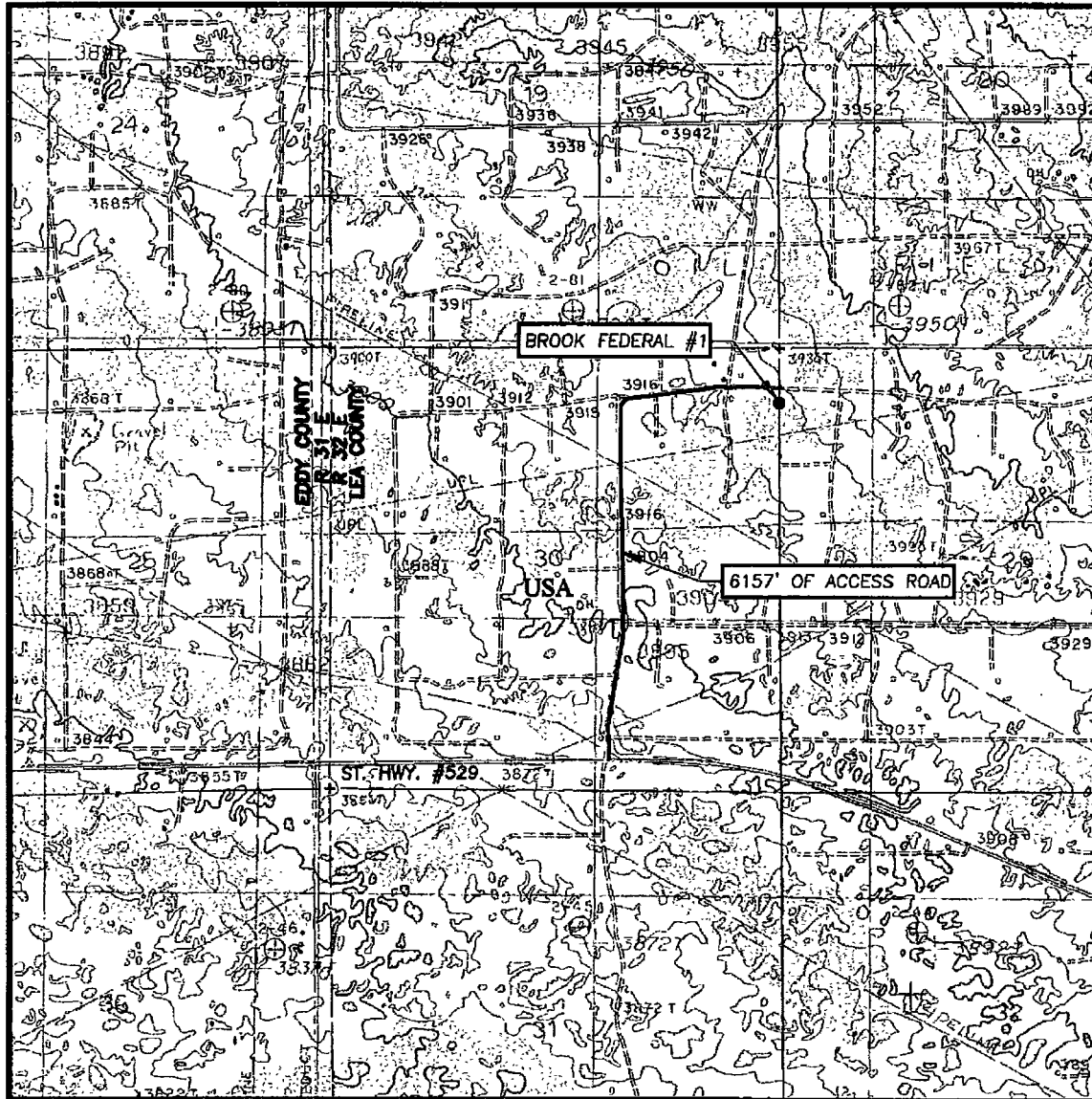
BROOK FEDERAL #1 WELL
LOCATED 635 FEET FROM THE NORTH LINE
AND 10 FEET FROM THE EAST LINE OF SECTION 30,
TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

Survey Date. 11/17/10	Sheet 1 of 1 Sheets
W O Number 10.11.1631	Dr By LA
Date: 11/29/10	10111631
	Scale: 1"=100'

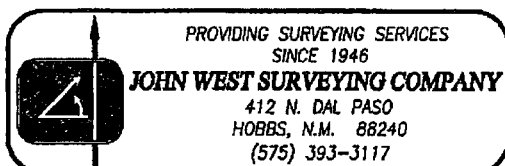
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SCANNED

SECTION 30, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.
LEA COUNTY NEW MEXICO



2000 0 2000 4000 FEET
Scale: 1"=2000'



MACK ENERGY CORPORATION

**SURVEY OF AN ACCESS ROAD TO THE
BROOK FEDERAL #1 WELL LOCATED IN
SECTION 30, TOWNSHIP 17 SOUTH,
RANGE 32 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO**

Survey Date: 11/17/11	Sheet 1 of 1 Sheets
W.O. Number: 11.13.1513	Drawn By: LA
Date: 7/19/11	Rev: 10111631
	11131513