

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

HOBBBS OCD
OCD/HOBBBS

APR 24 2012

FORM APPROVED
OMB No 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

RECEIVED

SUBMIT IN TRIPLICATE - Other instructions on page 2.		7 If Unit of CA/Agreement, Name and/or No
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		8. Well Name and No. Brook Federal Lease
2 Name of Operator Mack Energy Corporation		9. API Well No. Multiple
3a Address P.O. Box 960 Artesia, NM 88210-0960	3b Phone No (include area code) (575) 748-1288	10. Field and Pool or Exploratory Area Maljamar; Yeso, West/Wolfcamp/Abo
4 Location of Well (Footage, Sec., T.R.M. or Survey Description) Sec. 30 T17S R32E		11. Country or Parish, State Lea, NM

12 CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Surface Commingle
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Off Lease Storage
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

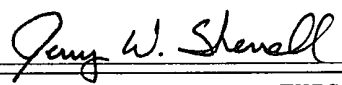
13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Mack Energy Corporation as operator respectfully requests approval to surface commingle and Off lease storage and measurement of production. It is requested that surface commingling of Maljamar-Yeso, West/Maljamar Abo/Baish Wolfcamp pools be approved for the following lease: Brook Federal(NMLC-060199B) Sec. 30, T17S, R32E

The tank battery is located in the NE/4 NE/4, Sec. 30 T17S R32E. Proper allocation for production will be measured using periodic well tests. Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Interests in all pools on this lease are common.

Mack Energy is currently producing the Brook Federal #1 in the Yeso and intend to complete the #4 in the Abo/Wolfcamp formation. At this time we are requesting approval to add the Abo/Wolfcamp to this production.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14 I hereby certify that the foregoing is true and correct Name (Printed/Typed) Jerry W. Sherrell		Title Production Clerk	
Signature 		Date 2/24/12	
THIS SPACE FOR FEDERAL OR STATE OFFICE USE			
Approved by /s/ JD Whitlock Jr		Title LPEI	Date 4/22/12
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 CFO	

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212. make it a crime for my person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

APR 25 2012

APPLICATION FOR SURFACE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

State of New Mexico – Santa Fe
Oil Conservation Division
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Bureau Of Land Management
620 E Greene Street
Carlsbad, NM 88220-6292

Commingling/Off Lease Storage proposal for Brook Federal leases:

Mack Energy Corporation is requesting approval for Central Tank Battery, Surface Commingle, Off Lease Measurement, Sales, & Storage from the following wells:

Federal Lease NMLC060199B

Well Name	Location	API #	Pool 44500	BOPD	Oil Gravity	Mcfpd	BTU
Brook Federal #1	Sec 30-T17S-32E	30-025-40244	Maljamar Yeso, West	42	36.3	66	1.5031

need correct BTU

Federal Lease NMLC060199B

Well Name	Location	API #	Pool 4480	BOPD	Oil Gravity	Mcfpd	BTU
Brook Federal #4	Sec 30-T17S-32E	30-025-40339	Baish; Wolfcamp	N/A	N/A	N/A	N/A

**#4* Note: Production numbers for Wolfcamp will be supplied upon completion.

A map is enclosed showing the Federal leases and well locations in Section 30, T17S, R32E. The working interest, royalty interest and overriding royalty interest owners are identical; parties have been notified.

Oil & Gas metering:

*** Oil, gas and water volumes from each well producing to this battery will be determined by using a test heater treater and test gas meter at the facility, periodic well tests will be performed through the testing equipment. Production will be allocated basis based on the most recent individual well test of oil, gas and water. Well tests for each well will be conducted at least once per month for a minimum of 24 hours each well. The oil and gas hydrocarbon production from the Brook Federal wells listed above will be commingled, measured and sold off lease using the well test method.

A central tank battery will be located at the Brook Federal #1 in the NENE of Section 30, T17S, R32E on Federal Lease NMLC-060199B in Lea County, New Mexico. A common gas sales meter 726977-00 associated with DCP is located in Section 25 T17S, 31E approximately 6000' west of the Brook Federal TB. These meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility.

Process and Flow Descriptions:

Please see attached diagram(s) for the current/future Brook Federal tank battery. The flow of produced fluids is shown in detail along with a description of each vessel.

The commingling of production is in the interest of conservation and waste and will result in the most effective economic means of producing the reserves in place from the affected wells and will not result in reduced royalty or improper measurement of production. The proposed commingling will reduce operating expenses as well as reduce the surface facility footprint.

Mack Energy Corporation currently has approved ROW for both Gas and SWD lines.

Signed: Jerry W. Sherrell
Printed Name: Jerry W. Sherrell
Title: Production Clerk
Date:

** Test meter NOT shown ON FAC. Diagram, Give Meter #*



Mack Energy Corporation
11344 Lovington Hwy
Artesia, NM 88210

Brook Federal TB
NENE Sec. 30 T17S R32E
Lease NMLC060199B

Water pumped to Disposal NM-127624

Production Phase		Sales Phase	
Tank 1	Tank 2	Tank 1	Tank 2
F-1 Open	F-1 Closed	F-1 Closed	F-1 open
F-2 Closed	F-2 Open	F-2 Open	F-2 Closed
E-1 Open	E-1 Open	E-1 Closed	E-1 Closed
D-1 Closed	D-1 Closed	D-1 Closed	D-1 Closed
D-2 Closed	D-2 Closed	D-2 Closed	D-2 Closed
S-1 Closed	S-1 Closed	S-1 Open	S-1 Closed
S-2 Closed	S-2 Closed	S-2 Closed	S-2 Open

Gas Meter located
in the NENE Sec. 25
T17S R31E
726977-00

Brook Federal #1

Truck Loading
Valve

500bbl
Water
Tank

500bbl
Oil Tank

500bbl
Oil Tank

S-2

F-2

D-2

E-1

S-1

F-1

D-1

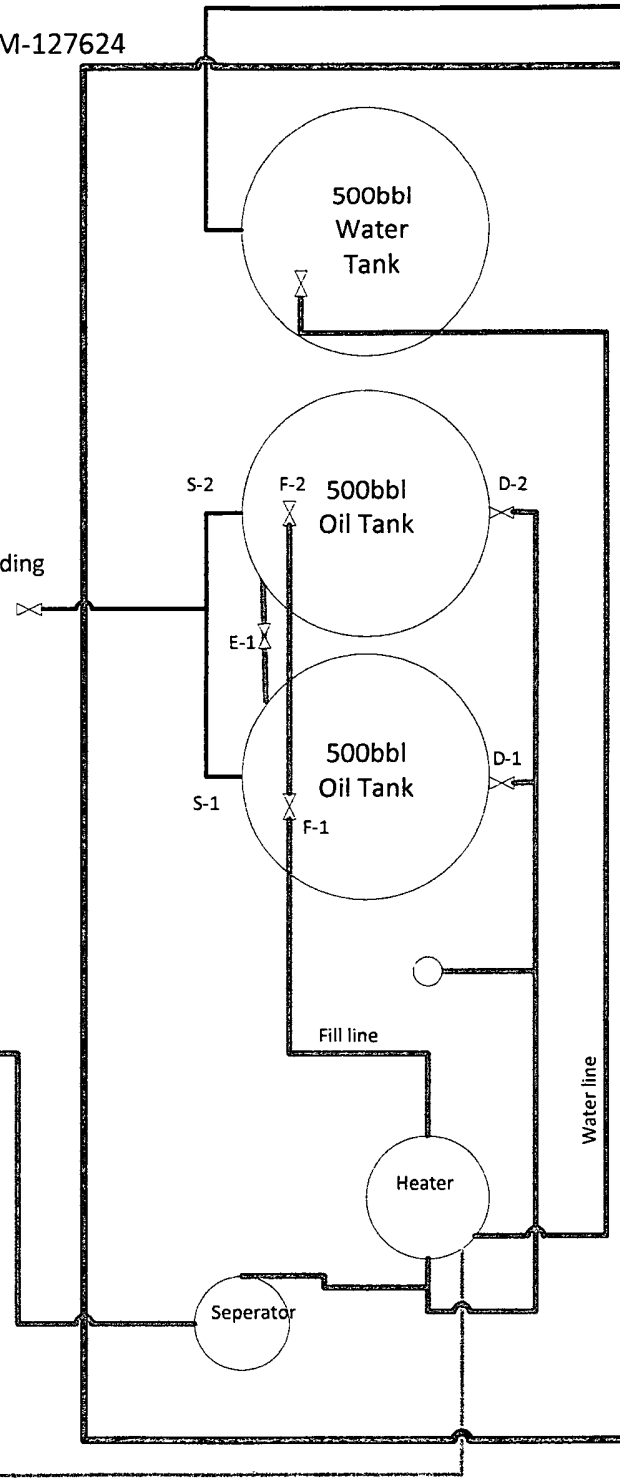
Fill line

Heater

Water line

Seperator

Gas line





Mack Energy Corporation
11344 Lovington Hwy
Artesia, NM 88210

Brook Federal TB
NENE Sec. 30 T17S R32E
Lease NMLC060199B

Water pumped to Disposal NM-127624

Production Phase		Sales Phase	
Tank 1	Tank 2	Tank 1	Tank 2
F-1 Open	F-1 Closed	F-1 Closed	F-1 open
F-2 Closed	F-2 Open	F-2 Open	F-2 Closed
E-1 Open	E-1 Open	E-1 Closed	E-1 Closed
D-1 Closed	D-1 Closed	D-1 Closed	D-1 Closed
D-2 Closed	D-2 Closed	D-2 Closed	D-2 Closed
S-1 Closed	S-1 Closed	S-1 Open	S-1 Closed
S-2 Closed	S-2 Closed	S-2 Closed	S-2 Open

Gas Meter located
in the NENE Sec. 25
T17S R31E
726977-00

Brook #4

Brook Federal #1



Gas line

Truck Loading
Valve



S-2

F-2

500bbl
Oil Tank

D-2

S-1

F-1

500bbl
Oil Tank

D-1

Fill line

Test
Heater

Heater

Header

Seperator

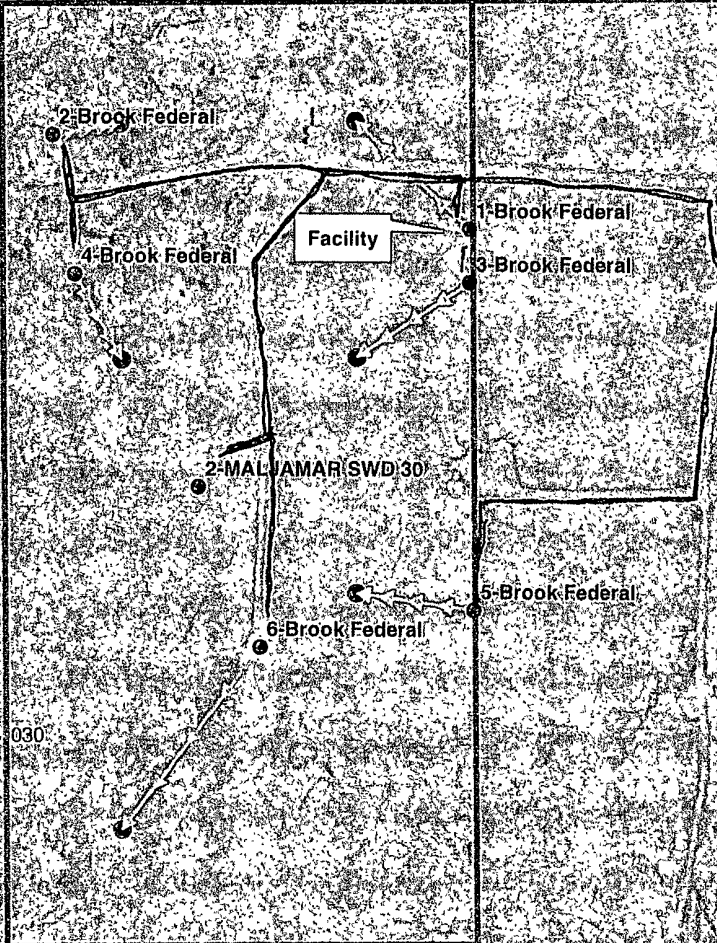
M Test
meter
H

Water line

019

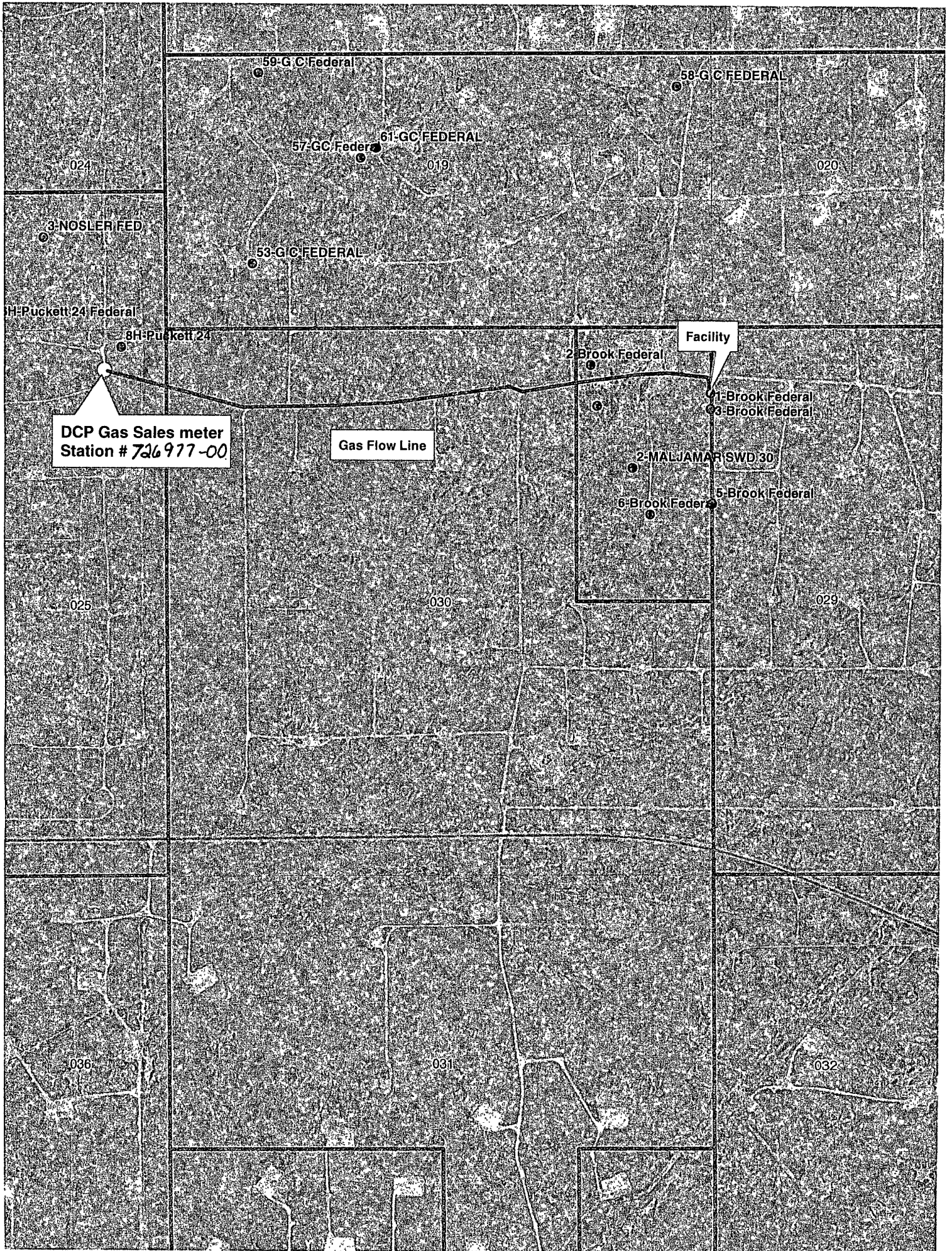
020

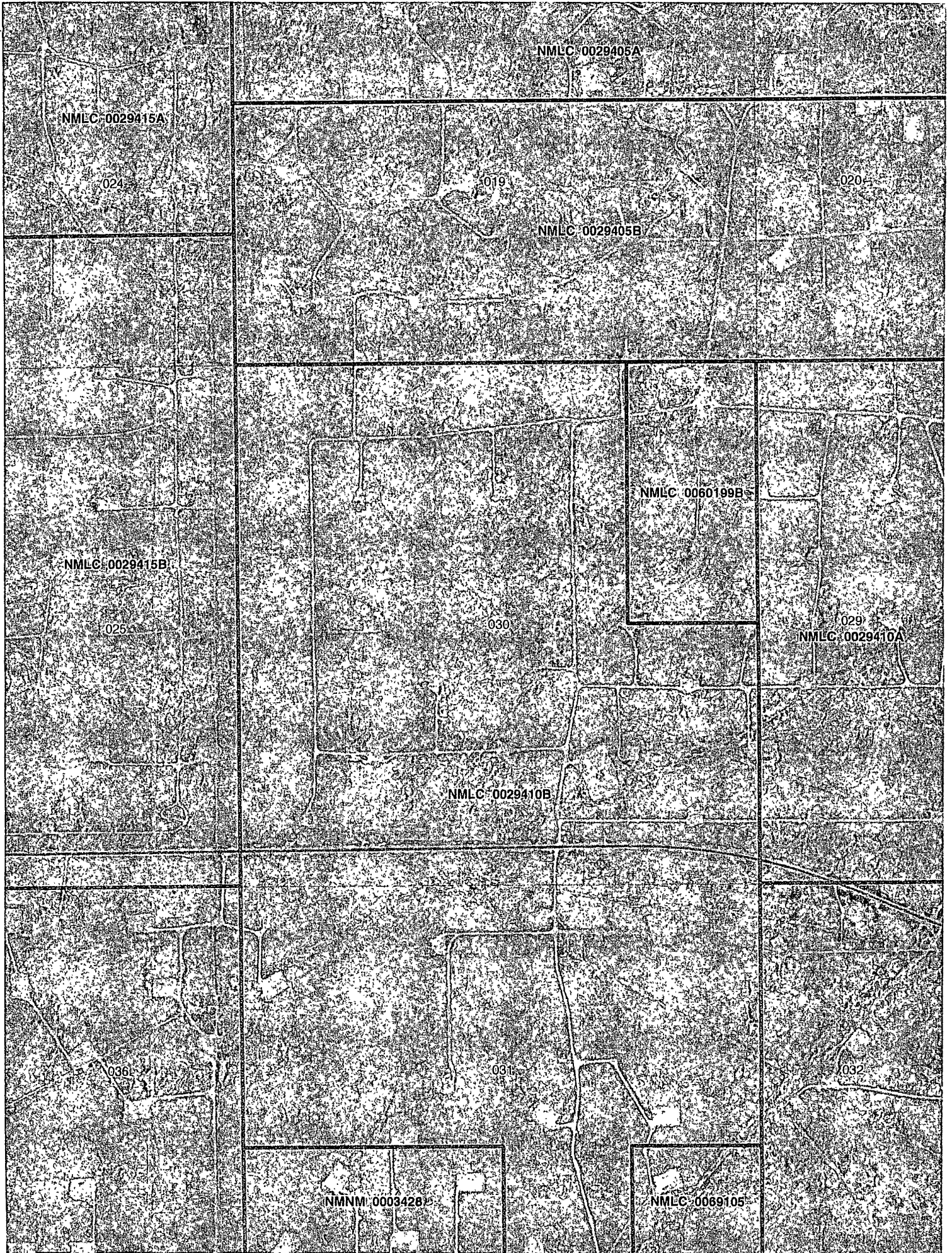
Flowlines



030

029





NMLC 0029405A

NMLC 0029415A

024

019

020

NMLC 0029405B

NMLC 0060199B

NMLC 0029415B

025

030

029
NMLC 0029410A

NMLC 0029410B

036

031

032

NMNM 0003428

NMLC 0069105

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-40244
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. Federal NMLC-060199B
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Brook Federal Lease
4. Well Location Unit Letter <u>A</u> <u>635</u> feet from the <u>North</u> line and <u>10</u> feet from the <u>East</u> line Section <u>30</u> Township <u>17S</u> Range <u>32</u> NMPM County <u>Lea</u>		8. Well Number <u>Multiple</u>
11. Elevation (Show whether DR, RKB, RT, GP etc.) 3928' GR		9. OGRID Number 013837
		10. Pool Name or Wildcat Maljamar-Yeso West/Wolfcamp/Abo

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIALWORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Surface Commingle ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation as operator respectfully requests administrative approval to surface commingle and measurement of production. It is requested that surface commingling of Maljamar-Yeso, West/Maljamar Abo/Baish Wolfcamp pools be approved for the following lease: Brook Federal(NMLC-060199B) Sec. 30, T17S, R32E

The tank battery is located in the NE/4 NE/4, Sec. 30 T17S R32E. Proper allocation for production will be measured using periodic well tests. Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Interests in all pools on this lease are common. *PC-1240*

Mack Energy is currently producing the Brook Federal #1 in the Yeso and intend to complete the #4 in the Abo/Wolfcamp formation. At this time we are requesting approval to add the Abo/Wolfcamp to this production.

Reviewed by [Signature]
Recommend Approval 1/25/12

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 1/17/12

Type or print name Jerry W. Sherrell E-mail address: jerrys@mec.com PHONE: (575)748-1288

For State Use Only

* APPROVED BY: [Signature] TITLE Director DATE 1/25/12

Conditions of Approval (if any):

MEMO

DATE: January 16, 2012

TO: Bureau of Land Management
NMOCD

FROM: Travis K. Lanning

RE: BROOK FEDERAL #1 & 4
LC-060199-B
T17S, R32E
Section 30: E/2NE/4,
Lea County, New Mexico

RECEIVED OGD
2012 JAN 19 P 12:30

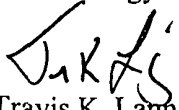
Mack Energy Corporation respectfully requests approval to surface commingle production in our Brook Federal Lease (LC-060199-B). The Brook Federal #1 produces from the Yeso Formation and the Brook Federal # 4 will produce from the Wolfcamp or Abo Formation. Production would be commingled at the Brook Federal #1 tank battery.

OK

Both wells will have identical working and revenue interests in the zones being commingled.

Please do not hesitate to contact me should you require any further information.

Sincerely,
Mack Energy Corporation


Travis K. Lanning
Land Manager

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40339	Pool Code 49940	Pool Name Pearsall; Abo
Property Code 38762	Property Name BROOK FEDERAL	Well Number 4
GRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3907'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	17-S	32-E		750	NORTH	1120	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	17-S	32-E		990	NORTH	990	EAST	LEA
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=659064.9 N X=663758.0 E</p> <p>LAT.=32.810723° N LONG.=103.800333° W</p> <p>BOTTOM HOLE LOCATION Y=658825.5 N X=663889.3 E</p> <p>DETAIL 3914.2' 3922.5' 600' 600' 3913.1' 3919.9'</p> <p>SECTION 30 SECTION 29</p>	<h3>OPERATOR CERTIFICATION</h3> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jerry W. Sherrell</i> 1-17-2012 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p> <hr/> <h3>SURVEYOR CERTIFICATION</h3> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 19, 2010</p> <p>Date Surveyed: NOV 19 2010 LA</p> <p>Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 11/30/2010</p> <p>Certificate No. 12641 RONALD J. EIDSON 3239</p>
--	--

SCANNED

State of New Mexico

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40339	Pool Code 4480	Pool Name Baish; Wolfcamp
Property Code 38762	Property Name BROOK FEDERAL	Well Number 4
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3907'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	17-S	32-E		750	NORTH	1120	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	17-S	32-E		990	NORTH	990	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

<p> GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=659064.9 N X=663758.0 E LAT. = 32.810723° N LONG = 103.800333° W BOTTOM HOLE LOCATION Y=658825.5 N X=663889.3 E </p>	<h4>OPERATOR CERTIFICATION</h4> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p> <u><i>Jerry W. Sherrell</i></u> 1-17-2012 Signature Date <u>Jerry W. Sherrell</u> Printed Name </p> <h4>SURVEYOR CERTIFICATION</h4> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p> NOVEMBER 19, 2010 Date Surveyed Signature & Seal of Professional Surveyor <u><i>Ronald J. Eidson</i></u> 10 11 1634 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239 </p>
---	---

SCANNED

AUG 22 2011

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Per Lease - 3 Copies

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40244	Pool Code 44500	Pool Name Maljamar Yeso West
Property Code 39762	Property Name BROOK FEDERAL	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3928'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	17-S	32-E		635	NORTH	10	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	17-S	32-E		330	NORTH	330	EAST	LEA
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=659184.0 N X=664867.1 E</p> <p>LAT.=32.811035° N LONG.=103.796721° W</p> <p>BOTTOM HOLE LOCATION Y=659487.7 N X=664545.5 E</p>		<p>DETAIL</p> <p>3932.1' 3937.7'</p> <p>600' 600'</p> <p>3926.2' 3929.7'</p> <p>SECTION 30 SECTION 29</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jerry W. Sherrell</i> 5/27/2011 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p>	
				<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>NOVEMBER 17, 2010</p> <p>Date Surveyed Signature & Seal of Professional Surveyor 3239</p> <p><i>Ronald J. Eidson</i> 11/20/2010 Professional Surveyor</p> <p>Certificate No. GARY EIDSON 12841 RONALD J. EIDSON 3239</p>	

SCANNED

SCANNED AUG 24 2011