

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTCarlsbad Field Office  
OCD HobbsFORM APPROVED  
OMB NO. 1004-0135  
Expires: July 31, 2010**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. Lease Serial No. NMLC060199B
2. Name of Operator MACK ENERGY CORPORATION		7. If Unit or CA/Agreement, Name and/or No.
3a. Address ARTESIA, NM 88211-0960		8. Well Name and No. BROOK FEDERAL 3
3b. Phone No. (include area code) Ph: 505-748-1288 Fx: 505-746-9539		9. API Well No. 30-025-40338-00-S2
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 30 T17S R32E NENE 785FNL 10FEL		10. Field and Pool, or Exploratory BAISH MALJAMAR
		11. County or Parish, and State LEA COUNTY, NM

**12. CHECK 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
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Onshore Order Variance
	<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 recomplate 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 shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall 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 requests permission to install a Vapor Combustor Unit (VCU) at the Brook Federal Tank Battery. This request is due to the fact that the cost of installing and operating equipment necessary to capture the gas exceed the value of the gas over the life of the facility. Mack Energy understands that the following conditions apply:

1. Mack Energy may be required to provide economic justification and provide volume verification to the Authorized Officer upon request.
2. Mack Energy will comply with NTL-4A requirements.
3. If volume being combusted is less than 50 MCF of gas per day, it is considered "unavoidably lost", therefore, no royalty obligation shall be accrued and will not be required to be reported.
  - a. "Unavoidably Lost" production shall mean (1) those gas vapors which are released (in this case combusted) from low pressure storage tanks.
4. Essentially all measured combusted volumes over 50 MCF will require payment of royalties and

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #321974 verified by the BLM Well Information System  
For MACK ENERGY CORPORATION, sent to the Hobbs  
Committed to AFMSS for processing by LINDA JIMENEZ on 11/13/2015 (16LJ0205SE)

Name (Printed/Typed) MATT BUCKLES

Title ENVIRONMENTAL

Signature (Electronic Submission)

Date 10/29/2015

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By <u>DUNCAN WHITLOCK</u>	Title <u>TECHNICAL LPET</u>	Date <u>01/25/2016</u>
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 Hobbs

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any 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.

**\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\***

FEB 18 2016

CJ

**Additional data for EC transaction #321974 that would not fit on the form**

**32. Additional remarks, continued**

volumes need to be reported on OGOR "B" reports as disposition code "08".

5. Per 43 CFR 3162.7-5(d)/Onshore Order No.3.III.I.1, site facility diagram must be submitted within 60 days of equipment installation.

6. This approval does not authorize any additional surface disturbance.

7. Subject to like approval from NMOCD.

Attached are the following:

Site security diagram of the current tank battery as well as the location of the VCU and the manifold line connecting the tanks to the VCU.  
specification sheet(s) for the VCU.