New Mexico Oil Conservation Division, District I 1625 N. French Drive Column United States Hobbs, NM 88240

Form 3160-5 (June 1990)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MAR 29 2011

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

5. Lease Designation and Serial No.

NMNM-120891 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 or CA, Agreement Designation SUBMIT IN TRIPLICATE I Type of Well Oil Well 8. Well Name and No. 2. Name of Operator Monopoly Federal TB Mack Energy Corporation 9. API Well No. 3. Address and Telephone No. 8D-005 P.O. Box 960 Artesia, NM 88211-0960 (575) 748-1288 4. Location of Well (Footage, Sec., T. R., M. or Survey Description) Wildcat; San Andres 11. County or Parish, State NW/4 SE/4, Sec. 6 T13S R29E Chaves, NM 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 Wildcat; San Andres Amount of water produced from each formation in barrels per 4 A water analysis of produced water from each zone showing at lease the total dissolved solids, ph, and concentration of chlorides and sulfates. Requested How water is stored on lease Fiberglass Tank How water is moved t disposal facility Trucked 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 Production Clerk 11/11/10 Date **PETROLEUM ENGINEER** MAR 2*3*2011

Of smakes 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 finance within its judge discount of the United States and False, fictitious or fraudulent statements

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.
- 5. 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.