

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Mack Energy Corporation P.O. Box 960 Artesia, NM 88211-0960		OGRID Number 013837
Property Code 40114		API Number 30-015-22723
Property Name Chip State		Well No. 1
Proposed Pool 1 WILDCAT; YBSO Paddock		Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	32	23S	23E		1910	North	1977	East	Eddy

8 Proposed 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

Additional Well Information

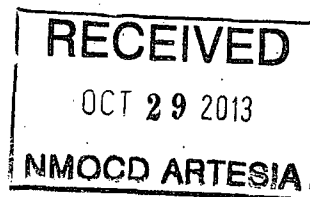
Work Type Code E	Well Type Code O	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 4332
Multiple No	Proposed Depth 3000'	Formation Paddock	Contractor	Spud Date 9/15/2013
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/>		Pit Volume: _____ bbls		Drilling Method - Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>
Closed-Loop System <input checked="" type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	40	440	340sx	Surface-In place
12 1/4	8 5/8	24, 28	2750	1450sx	Surface-In place

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

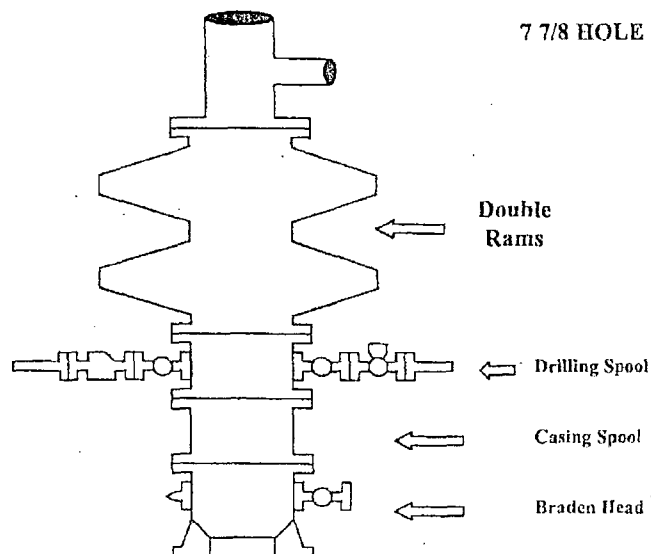
Mack Energy corporation proposes to Re-enter the Chip State #1 to a depth of 2750'. Test casing and complete the Paddock formation. Put well on production.



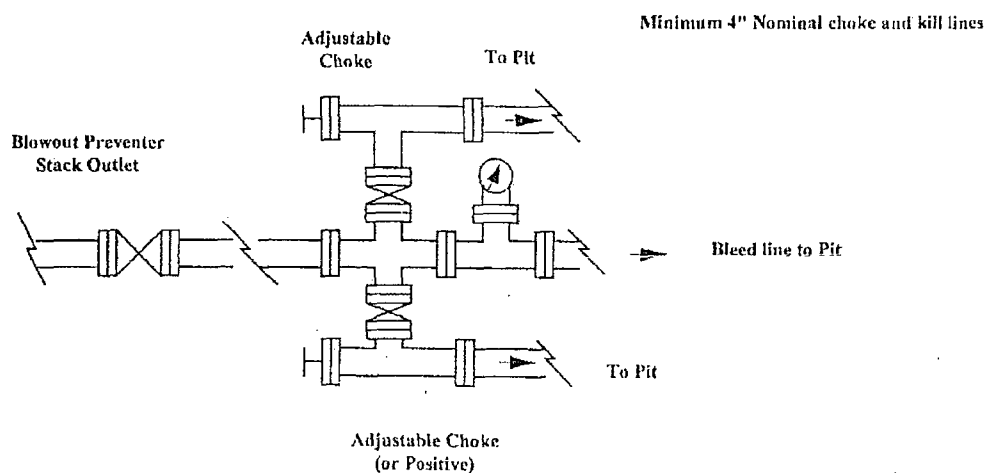
I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan. <input type="checkbox"/>		OIL CONSERVATION DIVISION	
Signature: Jerry W. Sherrell		Approved by: J. C. Shepard	
Printed name: Jerry W. Sherrell		Title: "Geologist"	
Title: Production Clerk		Approval Date: 10/29/2013	
E-mail Address: jerrys@mec.com		Expiration Date: 10/29/2015	
Date: 10/28/13	Phone: (575)748-1288	Conditions of Approval Attached <input type="checkbox"/>	

Mack Energy Corporation

Exhibit #1-A BOPE Schematic



Choke Manifold Requirement (3000 psi WP)
No Annular Required



SCANNED

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-0720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87502
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-22723	² Pool Code 97867	³ Pool Name WILDCAT: Y850 Paddock
⁴ Property Code 40114	⁵ Property Name CHIP STATE	⁶ Well Number 1
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	⁹ Elevation 4332.5

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	32	23 S	23 E		1910	NORTH	1977	EAST	EDDY

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

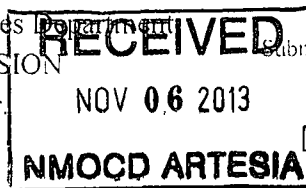
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p>DNF</p> <p>N/4 CORNER SEC. 32 LAT. = 32.2674488°N LONG. = 104.6218902°W NMSP EAST (FT) N = 461135.51 E = 410809.35</p> <p>NE CORNER SEC. 32 LAT. = 32.2674455°N LONG. = 104.6133483°W NMSP EAST (FT) N = 461127.32 E = 413449.60</p> <p>CHIP STATE #1 ELEV. = 4332.5' LAT. = 32.2621981°N (NAD27) LONG. = 104.6197439°W NMSP EAST (FT) N = 459223.68 E = 411467.66</p> <p>1910'</p> <p>1977'</p> <p>SURFACE LOCATION</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN DECIMAL DEGREE FORMAT.</p> <p>SW CORNER SEC. 32 LAT. = 32.2521826°N LONG. = 104.6304036°W NMSP EAST (FT) N = 455589.27 E = 408162.56</p> <p>S/4 CORNER SEC. 32 LAT. = 32.2522681°N LONG. = 104.6218826°W NMSP EAST (FT) N = 455613.17 E = 410796.87</p> <p>SE CORNER SEC. 32 LAT. = 32.2522120°N LONG. = 104.6133549°W NMSP EAST (FT) N = 455585.78 E = 413433.12</p> <p>589°49'25"E 2640.98 FT</p> <p>589°28'43"W 2635.13 FT</p> <p>589°24'21"W 2637.11 FT</p> <p>500' 10.06" W 2771.66 FT</p> <p>500' 10.06" W 2771.66 FT</p>		<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained 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 a 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> 8-5-2013 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p> <p>jerrys@mec.com E-mail Address</p> <p>¹⁸ 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>AUGUST 23, 2013 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number FIDELION E. JARAMILLO, PLS 12797 SURVEY NO. 2176</p>
--	--	---

SCANNED

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Bruzos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name CHIP STATE	
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	
		⁶ Well Number 1
		⁹ Elevation 4332.5

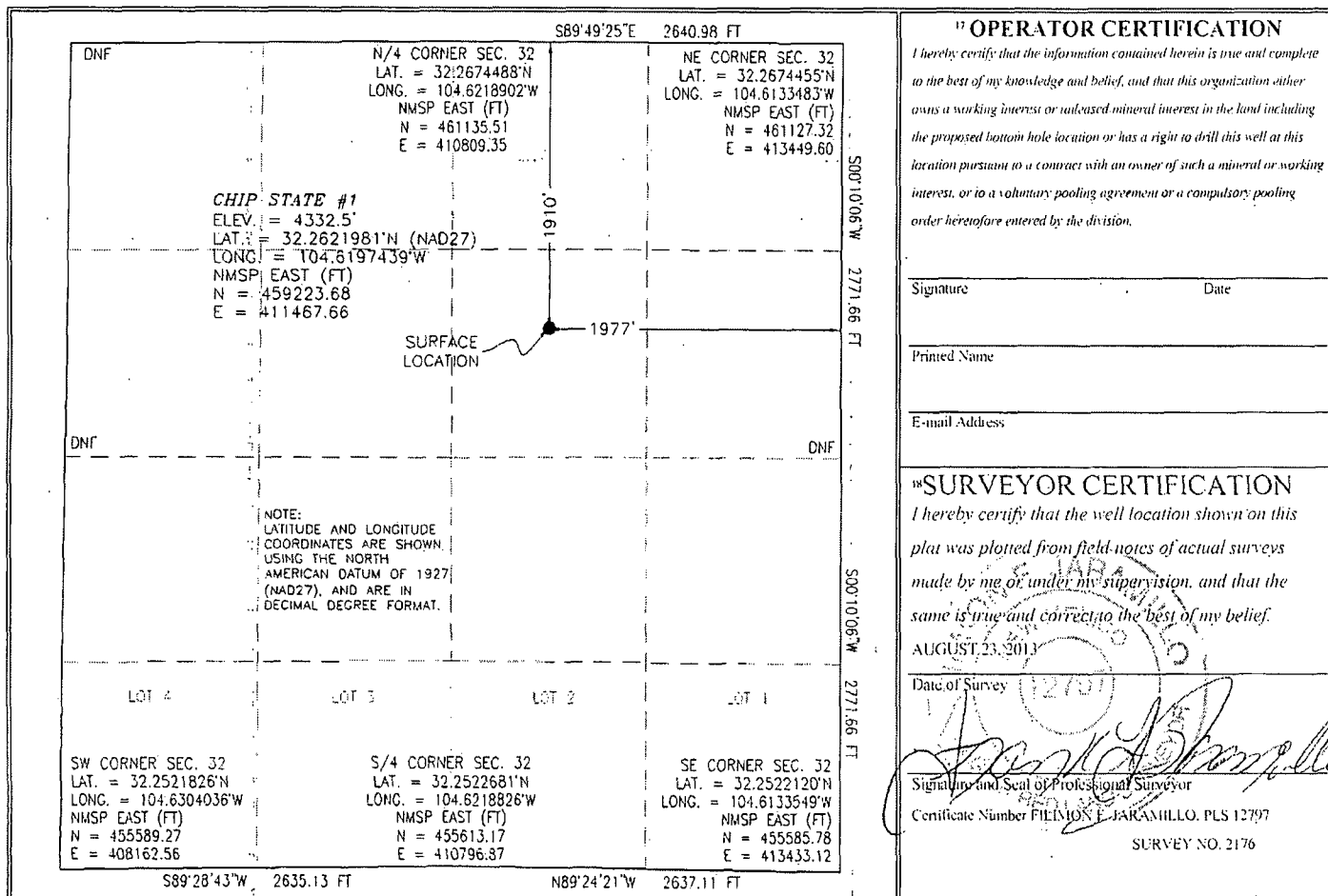
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	32	23 S	23 E		1910	NORTH	1977	EAST	EDDY

¹¹ 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
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

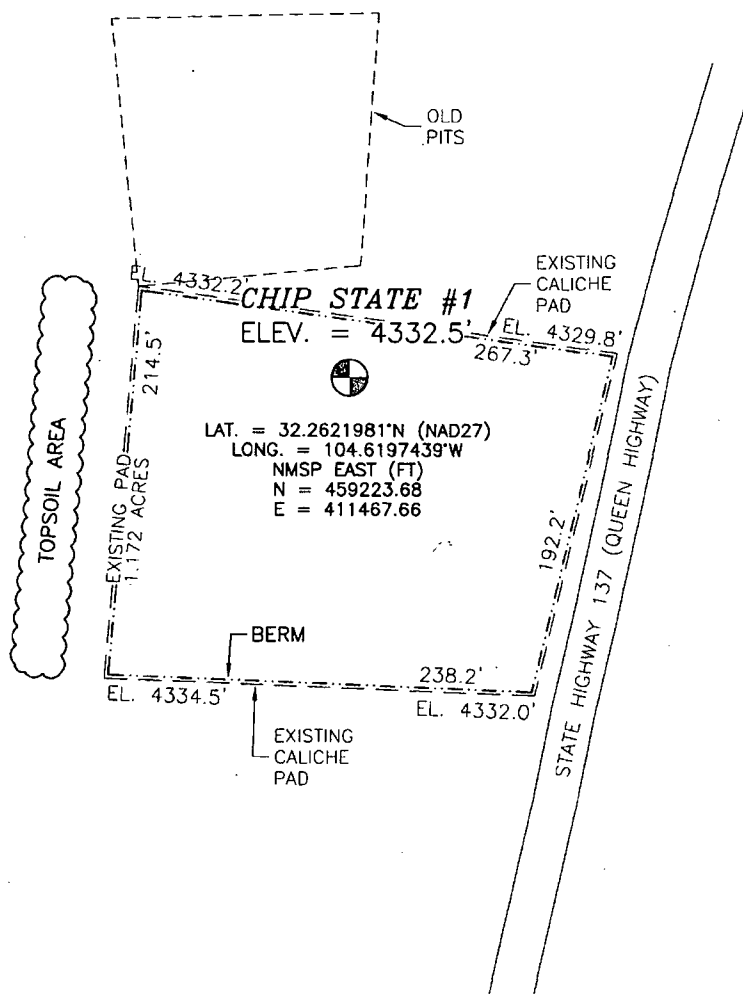
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

SITE MAP

NOTE: THE LATITUDE AND LONGITUDE COORDINATES ARE SHOWN
USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN
DECIMAL DEGREE FORMAT.



LAT. = 32.2621981°N (NAD27)
LONG. = 104.6197439°W
NMSP EAST (FT)
N = 459223.68
E = 411467.66

010 50 100 200

SCALE 1" = 100'

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CR 408 (DARK CANYON) AND STATE
HIGHWAY 137 (QUEEN) GO SOUTH ON STATE HIGHWAY 137 FOR
APPROX. 2.1 MILES. LOCATION IS APPROX. 140' WEST AT DRY HOLE
MARKER.

MACK ENERGY CORPORATION
CHIP STATE #1

LOCATED 1910 FT. FROM THE NORTH LINE
AND 1977 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 23 SOUTH,
RANGE 23 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

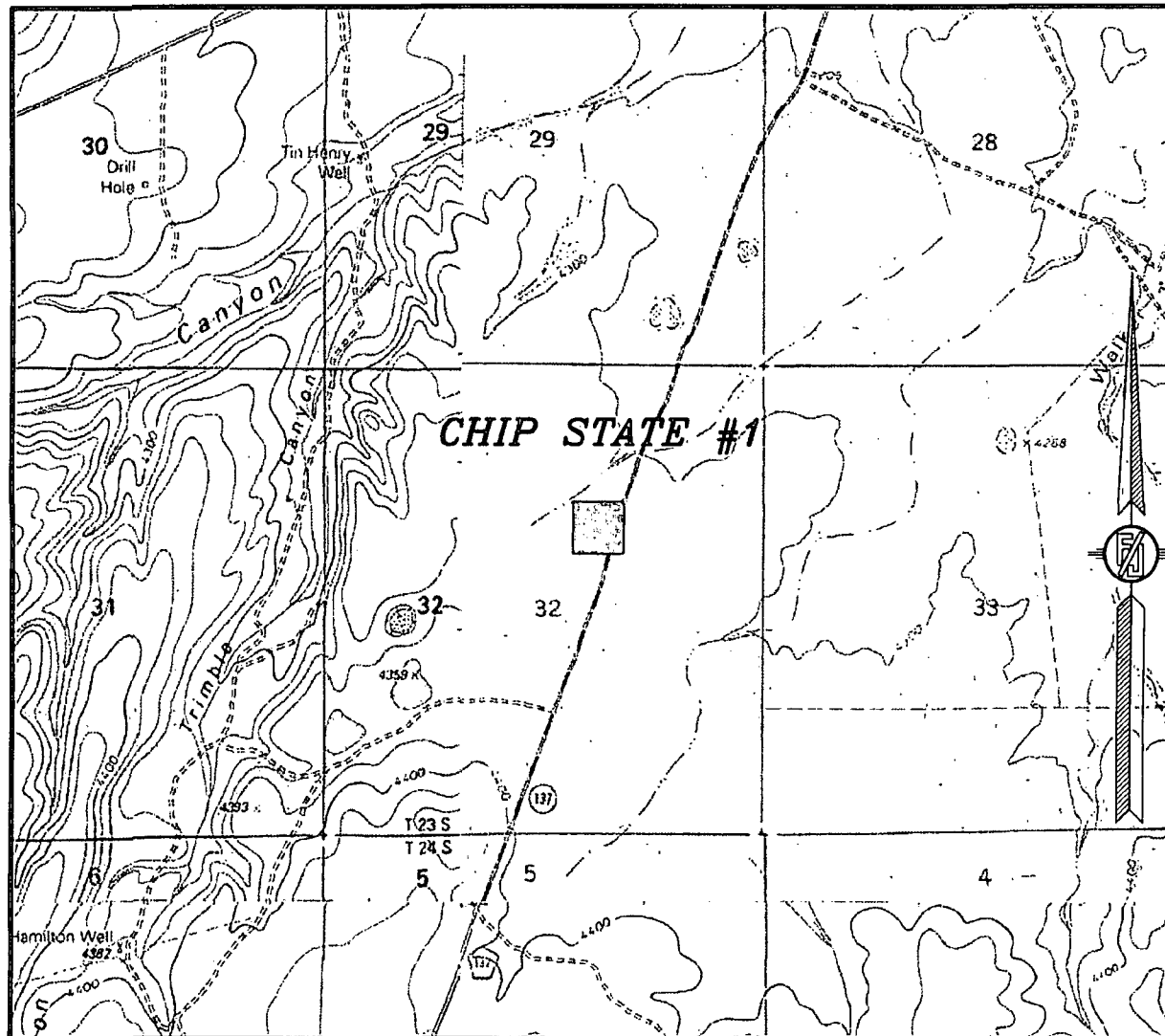
AUGUST 23, 2013

SURVEY NO. 2176

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SCANNED

SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 LOCATION VERIFICATION MAP



USGS QUAD MAP:
 BANDANNA POINT

NOT TO SCALE

MACK ENERGY CORPORATION
CHIP STATE #1
 LOCATED 1910 FT. FROM THE NORTH LINE
 AND 1977 FT. FROM THE EAST LINE OF
 SECTION 32, TOWNSHIP 23 SOUTH,
 RANGE 23 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

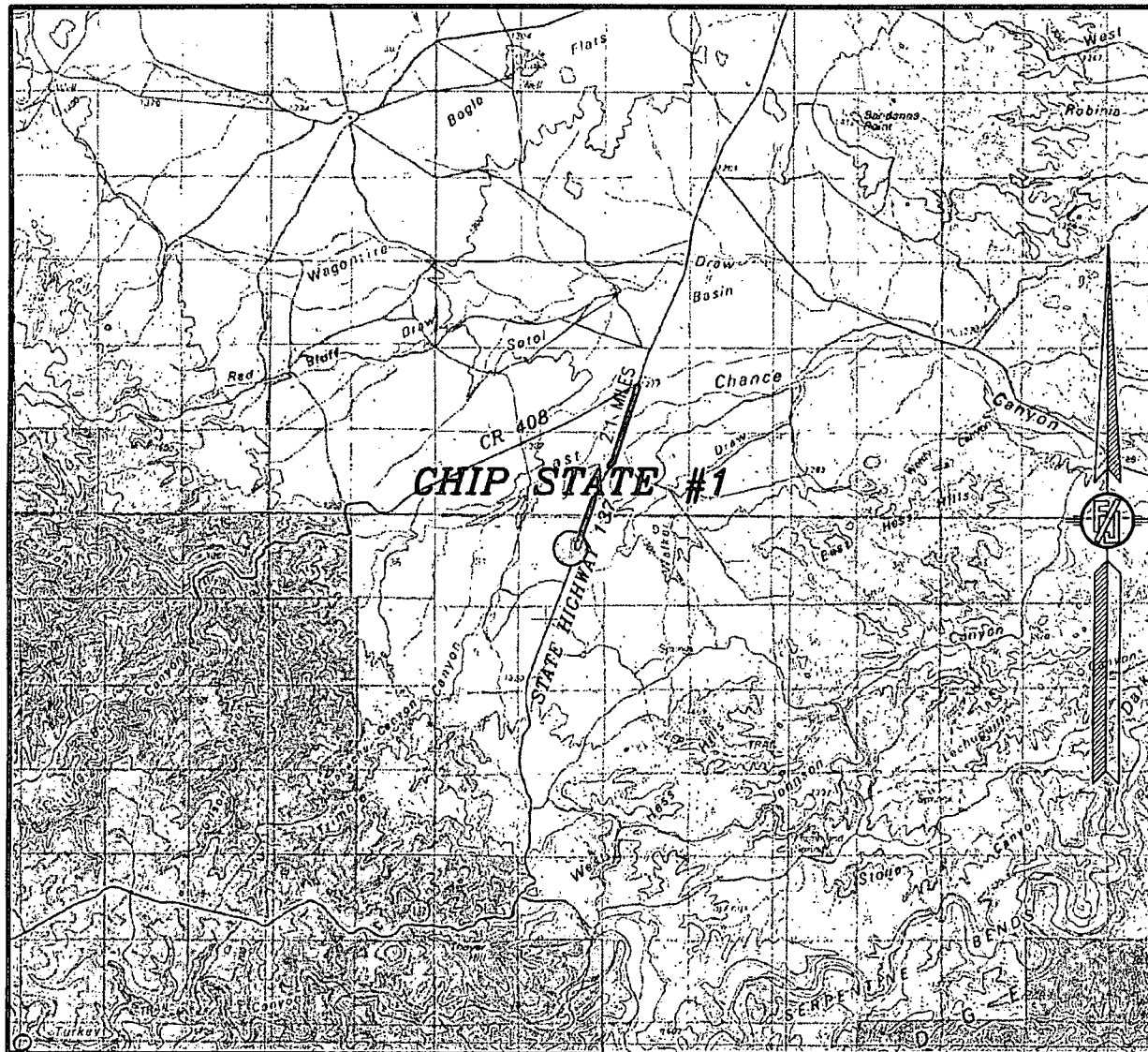
AUGUST 23, 2013

SURVEY NO. 2176

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SCANNED

SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO
 VICINITY MAP



NOT TO SCALE

MACK ENERGY CORPORATION
 CHIP STATE #1

LOCATED 1910 FT. FROM THE NORTH LINE
 AND 1977 FT. FROM THE EAST LINE OF
 SECTION 32, TOWNSHIP 23 SOUTH,
 RANGE 23 EAST, N.M.P.M.
 EDDY COUNTY, STATE OF NEW MEXICO

DIRECTIONS TO LOCATION
 FROM THE INTERSECTION OF CR 408 (DARK CANYON) AND STATE
 HIGHWAY 137 (QUEEN) GO SOUTH ON STATE HIGHWAY 137 FOR
 APPROX. 2.1 MILES. LOCATION IS APPROX. 140' WEST AT DRY HOLE
 MARKER.

AUGUST 23, 2013

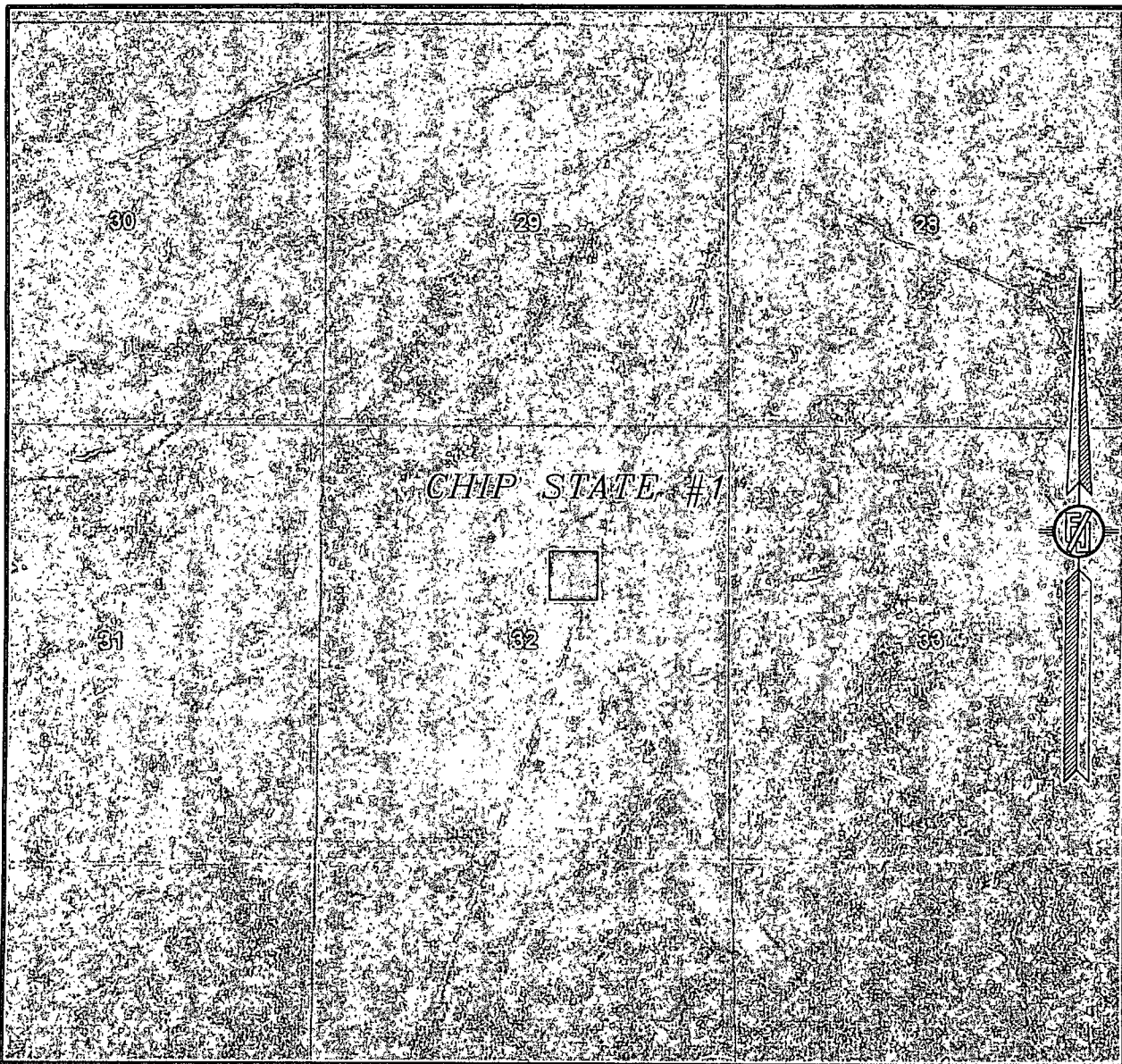
MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SURVEY NO. 2176

SCANNEL

SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AERIAL PHOTO



NOT TO SCALE
AERIAL PHOTO:
GOOGLE EARTH
APRIL 2013

MACK ENERGY CORPORATION
CHIP STATE #1
LOCATED 1910 FT. FROM THE NORTH LINE
AND 1977 FT. FROM THE EAST LINE OF
SECTION 32, TOWNSHIP 23 SOUTH,
RANGE 23 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 23, 2013

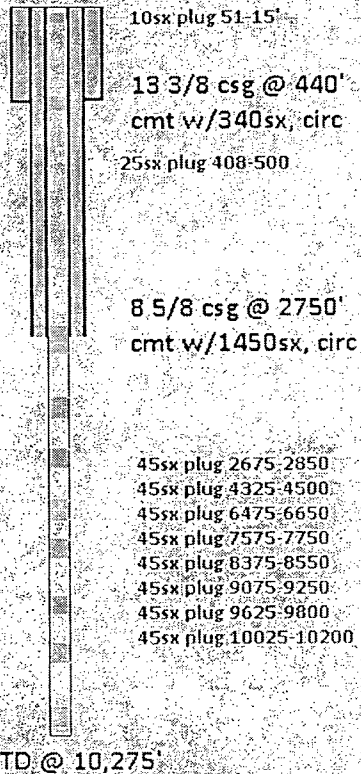
SURVEY NO. 2176

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

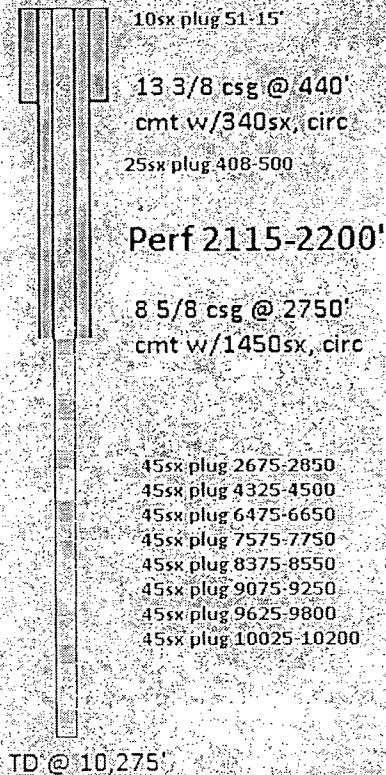
SCANNED

Mack Energy Corporation
Chip State #1 30-015-22723

Before



After



Drill out cmt
plugs to TD of
2750'

Tops
Grayburg
San Anselmo
Glorieta
Panack
Bone Spring

475'
705'
1990'
2115'
3022'