

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
Permit 36910

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

|  |                                |  |
|--|--------------------------------|--|
| 1. Operator Name and Address<br><b>MACK ENERGY CORP</b><br>PO Box 960<br>Artesia, NM 88211 |                                | 2. OGRID Number<br>13837<br><br>3. API Number<br><b>30-015-35128</b> |
| 4. Property Code<br>35967  | 5. Property Name<br>NINO STATE | 6. Well No.<br>001   |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| H        | 29      | 18S      | 23E   | H       | 1780      | N        | 660       | E        | EDDY   |

**8. Pool Information**

|                             |       |
|-----------------------------|-------|
| FOUR MILE DRAW; WOLFCAMP(G) | 97415 |
|-----------------------------|-------|

**Additional Well Information**

|   |                            |  |                         |   |
|---|----------------------------|--|-------------------------|---|
| 9. Work Type<br>New Well  | 10. Well Type<br>GAS       | 11. Cable/Rotary                                 | 12. Lease Type<br>State | 13. Ground Level Elevation<br>4031          |
| 14. Multiple<br>N   | 15. Proposed Depth<br>8200 | 16. Formation<br>Wolfcamp                        | 17. Contractor          | 18. Spud Date<br>9/1/2006                   |
| Depth to Ground water<br>460  |                            | Distance from nearest fresh water well<br>> 1000 |                         | Distance to nearest surface water<br>> 1000 |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 3000 _____ bbls Drilling Method:<br>Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/> |                            |  |                         |   |

**19. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5      | 13.375      | 48               | 450           | 450             | 0             |
| Int1 | 12.25     | 9.625       | 36               | 1400          | 1700            | 0             |
| Prod | 7.875     | 5.5         | 17               | 8200          | 1700            | 0             |

**Casing/Cement Program: Additional Comments**

Mack Energy proposes to drill a 17 1/2 hole to +-450', if hole problems occur an optional 13 3/8 casing string will be set at +-450'. If no problems we will reduce hole to 12 1/4 and drill to 1400', run 9 5/8 casing and cement. Drill a 7 7/8 hole to 8139', run 5 1/2 casing and cement. Note: On production string a fluid caliper will be run and will figure cement with 25% excess, attempt to circulate.

**Proposed Blowout Prevention Program**

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 2000             | 2000          |              |

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 ☒, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

|  |  |  |  |
|--|--|--|--|
| Printed Name:<br>Title:<br>Email Address:<br>Date: |  | <p style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></p> Approved By: <b>BRYAN G. ARANT</b><br><b>DISTRICT II GEOLOGIST</b><br>Approved Date: <b>AUG 31 2006</b> Expiration Date: <b>AUG 31 2007</b><br>Conditions of Approval Attached <input checked="" type="checkbox"/> |  |
|--|--|--|--|

NOTIFY OCD OF SPUD & TIME TO  
WITNESS CEMENTING OF  
SURFACE & INTERMEDIATE  
CASING

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

Form C-102  
 Permit 36910

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                           |                                      |   |
|---------------------------|--------------------------------------|---|
| 1. API Number             | 2. Pool Code<br>97415                | 3. Pool Name<br>FOUR MILE DRAW; WOLFCAMP(G) |
| 4. Property Code<br>35967 | 5. Property Name<br>NINO STATE       | 6. Well No.<br>001                          |
| 7. OGRID No.<br>13837     | 8. Operator Name<br>MACK ENERGY CORP | 9. Elevation<br>4031                        |

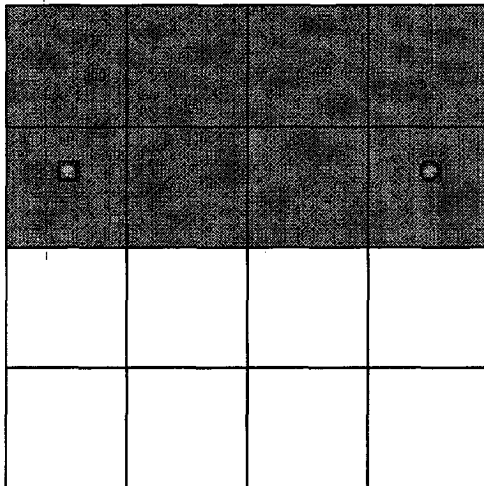
**10. Surface Location**

|               |               |                 |              |         |                   |               |                  |               |                |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>H | Section<br>29 | Township<br>18S | Range<br>23E | Lot Idn | Feet From<br>1780 | N/S Line<br>N | Feet From<br>660 | E/W Line<br>E | County<br>EDDY |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|----------------|

**11. Bottom Hole Location If Different From Surface**

|                               |               |                     |              |                        |                   |               |                  |               |                |
|-------------------------------|---------------|---------------------|--------------|------------------------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot<br>E                 | Section<br>29 | Township<br>18S     | Range<br>23E | Lot Idn                | Feet From<br>1780 | N/S Line<br>N | Feet From<br>660 | E/W Line<br>W | County<br>EDDY |
| 12. Dedicated Acres<br>320.00 |               | 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**

**OPERATOR CERTIFICATION**

*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(s) 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.*

E-Signed By:

Title:

Date:

**SURVEYOR CERTIFICATION**

*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.*

Surveyed By: Gary Eidson

Date of Survey: 7/31/2006

Certificate Number: 12641

## Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: NINO STATE #001

API:

| OCD Reviewer | Condition   |
|--------------|---|
| BArrant      | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| BArrant      | Will require a directional survey with the C-104  |
| BArrant      | Operator to notify OCD time of spud and time to witness the cementing to surface of all casing cstrings.  |

Drill only - Administrative approval required SO  
from Santa Fe. Please see comments.

B6X

## Permit Comments

**Operator:** MACK ENERGY CORP , 13837

**Well:** NINO STATE #001

**API:**

| Created By | Comment   | Comment Date |
|------------|---|--------------|
| JWSHERRELL | H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.   | 8/29/2006    |
| BArrant    | According to current records, there is another well producing from the same formation in the NW/4. Also, please submit a directional drill plan, distance to nearest public dwelling and Detailed C-102 that shows the producing area, project area, etc. Please refer to offset APD to the south for more information. BGA | 8/30/2006    |

## Arrant, Bryan, EMNRD

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**From:** Arrant, Bryan, EMNRD  
**Sent:** Thursday, August 31, 2006 2:29 PM  
**To:** 'Jerry Sherrell'  
**Cc:** Stogner, Michael, EMNRD  
**Subject:** Infill gas wells within a 320 acres/ Nino State # 1

Hi Jerry,

Please note that an operator is required to apply for a simultaneous dedication if it is the intent of the operator to drill for example 2 horizontal gas wells within a 320 unit.

Or if in your case there is another well that your company operates producing from the same formation with the same dedicated acres.

This is regarding your application (The Nino State # 1 located in Section 29, 18S-23E, 1780 FNL & 660' FEL, Eddy County New Mexico, API # 30-015-35128)

I misspoke when I noted that your company needed a NSP. Sorry!!!!

I'll change this in the well file.

Also, please note that the conditions of approval and comments made before this well is to be spudded.

I'll visit w/you later,

Bryan Arrant  
505-748-1283 ext. 103

8/31/2006