

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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 Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101
August 1, 2011
Permit 182138

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

1. Operator Name and Address MACK ENERGY CORP PO Box 960 Artesia, NM 88211		2. OGRID Number 13837
4. Property Code 40114		3. API Number 30-015-42107
5. Property Name CHIP STATE		6. Well No. 002

7. Surface Location

UL - Lot G	Section 32	Township 23S	Range 23E	Lot Idn	Feet From 1980	N/S Line N	Feet From 2015	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot G	Section 32	Township 23S	Range 23E	Lot Idn G	Feet From 1980	N/S Line N	Feet From 2015	E/W Line E	County Eddy
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9. Pool Information

PADDOCK	49210
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 4332
16. Multiple N	17. Proposed Depth 2900	18. Formation Paddock	19. Contractor	20. Spud Date 3/4/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	440	450	0
Prod	8.75	7	26	2900	400	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 14 3/4" hole to 440', run 9 5/8" casing and cement. Drill a 8 3/4" hole to 2,900', run 7" casing and cement. Put well on production.
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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: Printed Name: Electronically filed by Jerry Sherrell Title: Production Clerk Email Address: jerrys@mec.com Date: 2/25/2014	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 2/26/2014 Expiration Date: 2/26/2016 Conditions of Approval Attached
Phone: 505-748-1288	

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Form C-102
August 1, 2011
Permit 182138

OPERATOR CERTIFICATION	
<i>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.</i>	
E-Signed By:	Jerry Sherrell
Title:	Production Clerk
Date:	2/25/2014

SURVEYOR CERTIFICATION	
<i>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.</i>	
Surveyed By:	Filimon Jaramillo
Date of Survey:	1/31/2014
Certificate Number:	12797

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Form APD Comments
Permit 182138

PERMIT COMMENTS

Operator Name and Address: MACK ENERGY CORP [13837] PO Box 960 Artesia, NM 88211		API Number: 30-015-42107
		Well: CHIP STATE #002
Created By	Comment	Comment Date
DWEAVER	H2S Concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	2/25/2014
CSHAPARD	Land s/s	2/26/2014

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Form APD Conditions
Permit 182138

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MACK ENERGY CORP [13837] PO Box 960 Artesia, NM 88211		API Number: 30-015-42107
		Well: CHIP STATE #002

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string