District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 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** 

1. Operator Name and Address

PO Box 960

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

MACK ENERGY CORP

Artesia, NM 88211

# 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

2. OGRID Number

3. API Number

13837

30-015-42107

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

	4. Property Code 5. Property Name									6.	Well No.			
40114				CHIP STATE							002	<u> </u>		
					7	. Surfac	e Location							
UL - Lot	Section	Township					N/S Line	Fee	t From	E/W L		County		
G	G 32 23S		23E			1980	N		2015		E		Eddy	
					8. Propo	sed Bot	tom Hole Loca	tion						
UL - Lot	Section	Township		Range	Lot Idn		eet From	N/S Line	Fee	et From	E/W	Line	County	
G	32	2:	3S	23E		G	1980	N		2015		E		Eddy
					9	. Pool I	nformation							
PADDOCK								49210						
11. Work Type		12. Well T			13. Cable/Rotar		ell Information	4. Lease Type		45 C	Level Eleva			
	Well	12. Well 1	OIL		15. Cable/Rotal	У	, ,	State			4332	ation		
16. Multiple		17. Propos	sed Depth		18. Formation		19	9. Contractor		20. Spud [	ate			
N	11.00		2900		Pad	dock		2000 (0.01)(0.01)			3/4/2014			
Depth to Groun	d water				Distance from n	earest fre	sh water well			Distance to	nearest surfa	ace water		
We will be u	sing a closed-loc	p system in li	ieu of line	ed pits										
								Company of the Company						
					21. Proposed	d Casino	and Cement F	rogram		21. Proposed Casing and Cement Program ing Size Casing Weight/ft Setting Depth Sacks of Cement				
Туре	Hole Size	Casin	g Size		21. Proposed Casing Weight/ft	Casing				Sads of Ceme	ent		Estimated	гос
Surf	14.75	9.0	325		Casing Weight/ft 36	l Casing	Setting 44	Depth 10		450	ent		0	гос
		9.0			Casing Weight/ft	l Casing	Setting	Depth 10	8		ent			гос
Surf	14.75	9.0	325		36 26	1,000	Setting 44	Depth 40 00		450	ent		0	гос
Surf Prod	14.75	9.6	625 7	C	asing Weight/ft 36 26 asing/Cement	Progra	Setting 44 29 m: Additional C	Depth 40 00 Comments		450 400		duction.	0	тос
Surf Prod	14.75 8.75	9.6	625 7	C	asing Weight/ft 36 26 asing/Cement g and cement.	Progra	Setting 44 29 m: Additional C 3 3/4" hole to 2,9	Depth 40 00 Comments 900', run 7" casi		450 400		duction.	0	тос
Surf Prod	14.75 8.75 proposes to drill a	9.6	625 7	C un 9 5/8" casin	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed	Progra	Setting 44 29 m: Additional C	Depth 40 00 Comments 900', run 7" casi	ng and d	450 400			0	тос
Surf Prod	14.75 8.75 proposes to drill a	9.6	625 7	C un 9 5/8" casin	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed wking Pressure	Progra	Setting 44 29 m: Additional C 3 3/4" hole to 2,9	Depth 10 00 Comments 900', run 7" casi Program Test Pr	ng and d	450 400			0	тос
Surf Prod	14.75 8.75 proposes to drill a	9.6	625 7	C un 9 5/8" casin	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed	Progra	Setting 44 29 m: Additional C 3 3/4" hole to 2,9	Depth 40 00 Comments 900', run 7" casi	ng and d	450 400			0	TOC
Surf Prod Mack Energy	14.75 8.75 proposes to drill a Type Double Ram	9.t	525 7 to 440', ru	Cun 9 5/8" casin	casing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed wrking Pressure 3000	t Progra Drill a 8 I Blowo	Setting 44 29 m: Additional C 3 3/4" hole to 2,9	Depth 10 00 Comments 900', run 7" casi Program Test Pr	ng and c	450 400 ement. Put	well on pro	Man	0	тос
Surf Prod Mack Energy	14.75 8.75 proposes to drill a Type Double Ram	9.t	525 7 to 440', ru	Cun 9 5/8" casin	casing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed wrking Pressure 3000	t Progra Drill a 8 I Blowo	Setting 44 29 m: Additional C 3 3/4" hole to 2,9	Depth 10 00 Comments 900', run 7" casi Program Test Pr	ng and c	450 400	well on pro	Man	0	тос
Surf Prod  Mack Energy  23. I hereby co	14.75 8.75 proposes to drill a Type Double Ram ertify that the informed belief. fy I have complie	9.1 a 14 3/4" hole to	625 7 to 440', ru	Cun 9 5/8" casin wo	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed whing Pressure 3000 ete to the best	t Progra Drill a 8 I Blowo of my	Setting 44 29 mm: Additional C 3 3/4" hole to 2,8 ut Prevention P	Depth 10 00 Comments 900', run 7" casi Program Test Pr	ng and c	450 400 ement. Put	well on pro	Man	0	тос
Surf Prod  Mack Energy  23. I hereby co	14.75 8.75 proposes to drill a Type Double Ram ertify that the informed belief. fy I have complie	9.1 a 14 3/4" hole to	625 7 to 440', ru	Cun 9 5/8" casin wo	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed whing Pressure 3000 ete to the best	t Progra Drill a 8 I Blowo of my	Setting 44 29 mm: Additional C 3 3/4" hole to 2,8 ut Prevention P	Depth 10 00 Comments 900', run 7" casi Program Test Pr	ng and c	450 400 ement. Put	well on pro	Man	0	тос
Surf Prod  Mack Energy  23. I hereby control of the	14.75 8.75 proposes to drill a Type Double Ram ertify that the informed belief. fy I have complie	9.1 a 14 3/4" hole to	625 7 to 440', ru	Cun 9 5/8" casin wo	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed whing Pressure 3000 ete to the best	t Progra Drill a 8 I Blowo of my	Setting 44 29 mm: Additional C 3 3/4" hole to 2,8 ut Prevention P	Depth 10 00 Comments 900', run 7" casi Program Test Pr	ng and c	450 400 ement. Put	well on pro	Man	0	тос
Surf Prod  Mack Energy  23. I hereby coknowledge ar further certi	14.75 8.75  proposes to drill a  Type  Double Ram  entify that the informat belief. fy I have complied.	9.1 a 14 3/4" hole of mation given a d with 19.15.1	625 7 to 440', ru bove is t	Cun 9 5/8" casin  warue and compl	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed whing Pressure 3000 ete to the best	t Progra Drill a 8 I Blowo of my	Setting 44 29 Im: Additional C 3 3/4" hole to 2,9 ut Prevention F	Depth 40 00 Comments 900', run 7" casi Program Test Pr 300	essure 00	450 400 ement. Put	well on pro	Man	0	тос
Surf Prod  Mack Energy  23. I hereby continued the certion of the	14.75 8.75  proposes to drill a  Type  Double Ram  entify that the inform of belief. fy I have complied.  Electronica	9.1 a 14 3/4" hole to mation given a d with 19.15.1	625 7 to 440', ru bove is t	Cun 9 5/8" casin  warue and compl	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed whing Pressure 3000 ete to the best	t Progra Drill a 8 I Blowo of my	Setting 44 29 mm: Additional C 3 3/4" hole to 2,9 ut Prevention F	Depth 40 00 Comments 900', run 7" casi Program Test Pr 300 Randy D	essure OIL CC	450 400 ement. Put	well on pro	Man	0	гос
Surf Prod  Mack Energy  23. I hereby cooking the certion of the ce	14.75 8.75  proposes to drill a  Type  Double Ram  entify that the inform of belief. fy I have complied.  Electronica  Production	nation given a d with 19.15.1	625 7 to 440', ru bove is t	Cun 9 5/8" casin  warue and compl	asing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed whing Pressure 3000 ete to the best	t Progra Drill a 8 I Blowo of my	Setting 44 29 mm: Additional C 3 3/4" hole to 2,9 ut Prevention F  Approved By: Title:	Depth 40 00 Comments 900', run 7" casi Program Test Pr 300 Randy D	ng and consumer of the consume	450 400 ement. Put	well on pro	Man N	0 0	TOC
Surf Prod Mack Energy 23. I hereby co	14.75 8.75  proposes to drill a  Type  Double Ram  entify that the inform of belief. fy I have complied.  Electronica	nation given a d with 19.15.1	625 7 to 440', ru bove is t 4.9 (A) N	Cun 9 5/8" casin  warue and compl	casing Weight/ft 36 26 asing/Cement g and cement. 22. Proposed whing Pressure 3000 ete to the best	t Progra Drill a 8 I Blowo of my	Setting 44 29 mm: Additional C 3/4" hole to 2,9 ut Prevention F  Approved By: Title: Approved Date	Depth 40 00 Comments 900', run 7" casi Program Test Pr 300 Randy D	essure 00  OIL CC	450 400 ement. Put	well on pro	Man N	0 0	TOC

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

Form C-102 August 1, 2011

Permit 182138

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42107	2. Pool Code 49210	3. Pool Name PADDOCK
4. Property Code 40114	5. Property Name CHIP STATE	6. Well No. 002
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 4332

#### 10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	32	238	23E		1980	N	2015	E	Eddy

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

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres	i		13. Joint or Infill	b	14. Consolidation C	ode		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: Jerry Sherrell Title: Production Clerk
Date: 2/25/2014
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: Filimon Jaramillo
Date of Survey: 1/31/2014
Certificate Number: 12797

Form APD Comments

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

Permit 182138

### **PERMIT COMMENTS**

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

Created By	Comment	Comment Date
DWEAVER	H2S Concertrations 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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State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Permit 182138

Form APD Conditions

### PERMIT CONDITIONS OF APPROVAL

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

OCD	Condition
Reviewer	
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