

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 Brazos 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 and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

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

| | | |
|---|---|--|
| ¹ Operator Name and Address Mack Energy Corporation P.O. Box 960 Artesia, NM 88210 | | ² OGRID Number 013837 |
| | | ³ API Number 30-025-01415 |
| ⁴ Property Code 30725 | ⁵ Property Name State 35 | ⁶ Well No. #1 |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|-----------|------------|------------|---------|------------|--------------|------------|-------------|------------|
| M | 35 | 17S | 33E | | 760 | South | 330 | West | Lea |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | | | | | | | | | |

9. Pool Information

| Pool Name | Pool Code |
|--------------------------------------|--------------|
| Maljamar; Grayburg San Andres | 43329 |

Additional Well Information

| | | | | |
|--|---|---|--|---|
| ¹¹ Work Type Plug Back/Re-Entry | ¹² Well Type Oil | ¹³ Cable/Rotary Rotary | ¹⁴ Lease Type State | ¹⁵ Ground Level Elevation 4131' GR |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 8520 | ¹⁸ Formation Grayburg San Andres | ¹⁹ Contractor | ²⁰ Spud Date 10/30/2022 |
| 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 |
|--------------|---------------|----------------|-----------------------|---------------|-----------------|-------------------------|
| Surface | 15" | 11 3/4" | 42 | 359' | 275 | Surface/Existing |
| Intermediate | 11" | 8 5/8" | 24 & 32# | 3084' | 500 | 475'/ Existing |
| Production | 7 7/8" | 5 1/2" | 17 & 15.5# | 8795' | 845 | 3680'/Existing |

Casing/Cement Program: Additional Comments

Re-Enter abandon the current Abo Zone and perforate/produce San Andres (4700-5100'). Acidize w/ 4,000gals, Frac w/200,000# Sand & 4,000bbls Fresh water. RIH w/ tubing, pump and put on production

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 that I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: <i>Deana Weaver</i> | | OIL CONSERVATION DIVISION | |
| Printed name: Deana Weaver | | Approved By: <i>P. Kautz</i> | |
| Title: Regulatory Technician II | | Title: | |
| E-mail Address: dweaver@mec.com | | Approved Date: 10/21/2022 | Expiration Date: 10/21/2024 |
| Date: 10/12/2022 | Phone: 575-748-1288 | Conditions of Approval Attached | |

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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 30-025-01415 | ² Pool Code 43329 | ³ Pool Name Maljamar; Grayburg San Andres |
| ⁴ Property Code 30725 | ⁵ Property Name State 35 | ⁶ Well Number 1 |
| ⁷ OGRID No. 013837 | ⁸ Operator Name Mack Energy Corporation | ⁹ Elevation 4131' GR |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 35 | 17S | 33E | | 760 | South | 330 | West | Lea |

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.

| | | | | |
|---------------|--|--|--|---|
| ¹⁶ | | | | ¹⁷ 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 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> |
| | | | | <div>Deana Weaver 10/21/2022</div> <div>Signature Date</div> <div>Deana Weaver</div> <div>Printed Name</div> <div>dweaver@mec.com</div> <div>E-mail Address</div> |
| | | | | ¹⁸ 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> |
| | | | | <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor:</div> <div>Certificate Number</div> |

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description **Effective May 25, 2021**

I. Operator: Mack Energy Corporation **OGRID:** 013837 **Date:** 10 / 12 / 2022

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name | API | ULSTR | Footages | Anticipated Oil BBL/D | Anticipated Gas MCF/D | Anticipated Produced Water BBL/D |
|-------------|-----|--------------------|-----------------|-----------------------|-----------------------|----------------------------------|
| State 35 #1 | | M Sec 35 T17S R33E | 760 FSL 330 FWL | 100 | 100 | 1,000 |
| | | | | | | |

IV. Central Delivery Point Name: DCP Midstream Linam Ranch Processing Plant / Durango Midstream [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

| Well Name | API | Spud Date | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|-------------|-----|------------|-----------------|------------------------------|------------------------|-----------------------|
| State 35 #1 | | 10/30/2022 | 11/1/2022 | 11/10/2022 | 11/10/2022 | 11/10/2022 |
| | | | | | | |

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

| Well | API | Anticipated Average Natural Gas Rate MCF/D | Anticipated Volume of Natural Gas for the First Year MCF |
|------|-----|--|--|
| | | | |
| | | | |

X. Natural Gas Gathering System (NGGS):

| Operator | System | ULSTR of Tie-in | Anticipated Gathering Start Date | Available Maximum Daily Capacity of System Segment Tie-in |
|----------|--------|-----------------|----------------------------------|---|
| | | | | |
| | | | | |

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

| | |
|--|--------------------------|
| Signature: | <i>Deana Weaver</i> |
| Printed Name: | Deana Weaver |
| Title: | Regulatory Technician II |
| E-mail Address: | dweaver@mec.com |
| Date: | 10/12/2022 |
| Phone: | 575-748-1288 |
| OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form) | |
| Approved By: | |
| Title: | |
| Approval Date: | |
| Conditions of Approval: | |

VI. Separation Equipment:

Mack Energy Corporation(MEC) production facilities include separation equipment designed to efficiently separate gas from liquid phases to optimize gas capture based on projected and estimated volumes from the targeted pool of our completion project. MEC will utilize flowback separation equipment and production separation equipment designed and built to industry specifications after the completion to optimize gas capture and send gas to sales or flare based on analytical composition. MEC operates facilities that are typically multi-well facilities. Production separation equipment is upgraded prior to new wells being completed, if determined to be undersized or inadequate. This equipment is already on-site and tied into our sales gas lines prior to the new drill operations.

VII. Operational Practices:

1. Subsection (A) Venting and Flaring of Natural Gas. MEC understands the requirements of NMAC 19.15.27.8 which outlines that the venting and flaring of natural gas during drilling, completion or production operations that constitutes waste as defined in 19.15.2 are prohibited.
2. Subsection (B) Venting and Flaring during drilling operations. This gas capture plan isn't for a well being drilled.
3. Subsection (C) Venting and flaring during completion or recompletion. Flowlines will be routed for flowback fluids into a completion or storage tank and if feasible under well conditions, flare rather than vent and commence operation of a separator as soon as it is technically feasible for a separator to function.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
4. Subsection (D) Venting and flaring during production operations
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.
 - Monitor manual liquid unloading for wells on-site or in close proximity (<30 minutes' drive time), take reasonable actions to achieve a stabilized rate and pressure at the earliest practical time, and take reasonable actions to minimize venting to the maximum extent practicable.
 - MEC will not vent or flare except during the approved activities listed in NMAC 19.15.27.8 (D) 14.
5. Subsection (E) Performance standards
 - All tanks and separation equipment are designed for maximum throughput and pressure to minimize waste.
 - If a flare is utilized during production operations it will have a continuous pilot and is located more than 100 feet from any known well or storage tanks.
 - At any point in the well life (completion, production, inactive) an audio, visual and olfactory inspection be performed at prescribed intervals (weekly or monthly) pursuant to Subsection D of 19.15.27.8 NMAC, to confirm that all production equipment is operating properly and there are no leaks or releases.

6. Subsection (F) Measurement or estimation of vented and flared natural gas
 - Measurement equipment is installed to measure the volume of natural gas flared from process piping.
 - When measurement isn't practicable, estimation of vented and flared natural gas will be completed as noted in 19.15.27.8 (F) 5-6.

VIII. Best Management Practices:

1. MEC has adequate storage and takeaway capacity for wells it chooses to complete as the flowlines at the sites are already in place and tied into a gathering system.
2. MEC will flare rather than vent vessel blowdown gas when technically feasible during active and/or planned maintenance to equipment on-site.
3. MEC combusts natural gas that would otherwise be vented or flared, when technically feasible.
4. MEC will shut in wells in the event of a takeaway disruption, emergency situation, or other operations where venting or flaring may occur due to equipment failures.
5. MEC has a gas gathering system in place(CTB-887)a with multiple purchaser's to limit venting or flaring, due to purchaser shut downs.

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.

30-025-01415

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

19615

7. Lease Name or Unit Agreement Name

STATE 35

8. Well No.

1

9. Pool name or Wildcat

CORBIN ABO

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:

OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER ☐

b. Type of Completion:

NEW WELL ☐ WORK OVER ☐ DEEPEN ☒ PLUG BACK ☐ DIFF RESVR ☐ OTHER ☐

2. Name of Operator

QUESTAR EXPLORATION + PRODUCTION COMPANY

3. Address of Operator

1331 17TH STREET, Suite 300, Denver, CO 80202

4. Well Location

Unit Letter M: 760 Feet From The S Line and 330 Feet From The W Line

Section 35 Township 17S Range 33E NMPM LEA County

10. Date Spudded

4-1-62

11. Date T.D. Reached

5-19-62

12. Date Compl. (Ready to Prod.)

6-19-99 (this completion)

13. Elevations (DF & RKB, RT, GR, etc.)

4131.30' GR

14. Elev. Casinghead

4129.55'

15. Total Depth

8812'

16. Plug Back T.D.

8690' CIBP

17. If Multiple Compl. How Many Zones?

18. Intervals Drilled By Rotary Tools

Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name

UPPER ABO

20. Was Directional Survey Made

21. Type Electric and Other Logs Run

22. Was Well Cored

CASING RECORD (Report all strings set in well)

| CASING SIZE | WEIGHT LB/FT. | DEPTH SET | HOLE SIZE | CEMENTING RECORD | AMOUNT PULLED |
|-------------|---------------|-----------|-----------|------------------|---------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

24. LINER RECORD

| SIZE | TOP | BOTTOM | SACKS CEMENT | SCREEN | 25. TUBING RECORD |
|------|-----|--------|--------------|--------|---------------------------|
| | | | | | SIZE DEPTH SET PACKER SET |
| | | | | | 2 3/8" 6834' |

26. Perforation record (interval, size, and number)

8651' - 8653' 8671' - 8677'
8658' - 8660' 8686' - 8690'
8664' - 8666'

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED
8651 - 8690 2000 GAL 15% NaFeHCl
W/39' RCL Ballsealers

28. PRODUCTION

| | | | | | | | |
|----------------------------------|--------------------|--|------------------------|-----------------|-------------------|---|------------------------|
| Date First Production 6-20-99 | | Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping | | | | Well Status (Prod. or Shut-in) Producing | |
| Date of Test 6-25-99 | Hours Tested 24 | Choke Size | Prod'n For Test Period | Oil - Bbl 30 | Gas - MCF 10 | Water - Bbl 60 | Gas - Oil Ratio 333 |
| Flow Tubing Press. | Casing Pressure | Calculated 24-Hour Rate | Oil - Bbl 30 | Gas - MCF 10 | Water - Bbl 60 | Oil Gravity - API - (Corr.) | |

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

Test Witnessed By

LEON EARLES

30. List Attachments

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Printed Name

D.R. Beccue

Title DIST. OPERATIONS

Date 8/6/99

Superintendent

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

Southeastern New Mexico

T. Canyon _____
T. Strawn _____
T. Atoka _____
T. Miss _____
T. Devonian _____
T. Silurian _____
T. Montoya _____
T. Simpson _____
T. McKee _____
T. Ellenburger _____
T. Gr. Wash _____
T. Delaware Sand _____
T. Bone Springs _____
T. _____
T. _____
T. _____
T. _____

Northwestern New Mexico

T. Ojo Alamo _____
T. Kirtland-Fruitland _____
T. Pictured Cliffs _____
T. Cliff House _____
T. Menefee _____
T. Point Lookout _____
T. Mancos _____
T. Gallup _____
Base Greenhorn _____
T. Dakota _____
T. Morrison _____
T. Todilto _____
T. Entrada _____
T. Wingate _____
T. Chinle _____
T. Permian _____
T. Penn "A" _____

T. Penn. "B" _____
T. Penn. "C" _____
T. Penn. "D" _____
T. Leadville _____
T. Madison _____
T. Elbert _____
T. McCracken _____
T. Ignacio Otzte _____
T. Granite _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____
T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from.....to.....
No. 2, from.....to.....
No. 3, from.....to.....
No. 4, from.....to.....

IMPORTANT WATER SANDS

..... NO. 4, RICHMOND
IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

Include data on rate of water inflow and elevation to which water rose in hole. _____ feet
 No. 1, from _____ to _____ feet
 No. 2, from _____ to _____ feet
 No. 3, from _____ to _____ feet

HYDROLOGY RECORD (Attach additional sheet if necessary)

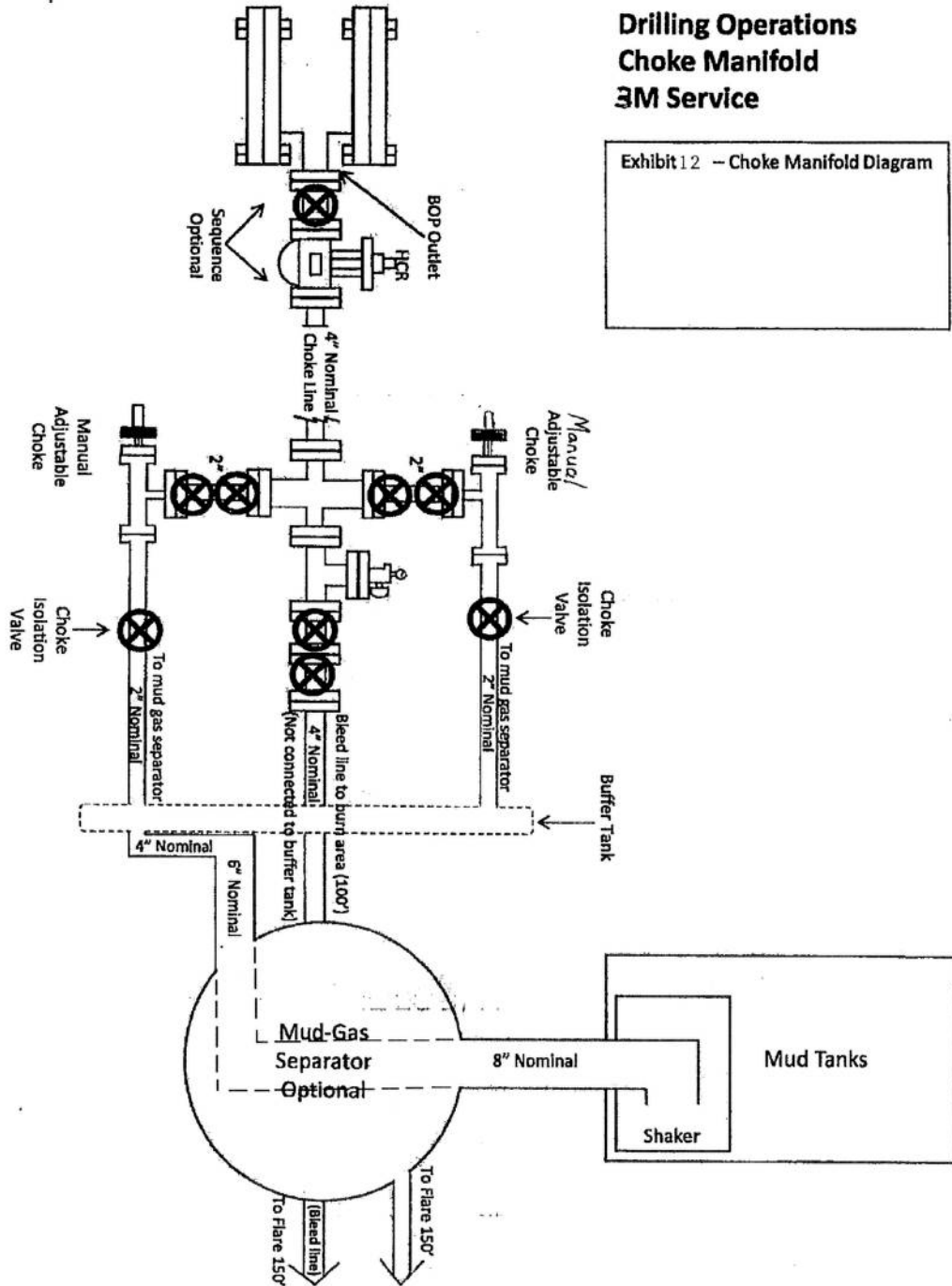
LITHOLOGY RECORD (Attach additional sheet if necessary)

Released to Imaging: 10/21/2022 8:26:28 AM

Mack Energy Corporation
MANIFOLD SCHEMATIC
Exhibit #12

**Drilling Operations
Choke Manifold
3M Service**

Exhibit 12 - Choke Manifold Diagram



Mack Energy Corporation

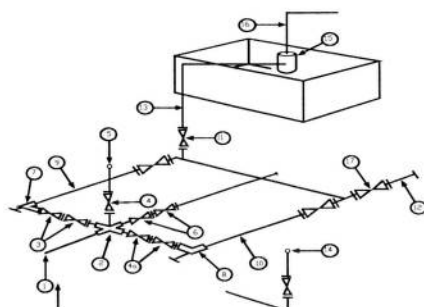
Exhibit #11

MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

3M will be used

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

* Location of separator optional

Below Substructure

Minimum requirements

| No. | | 3,000 MWP | | | 5,000 MWP | | | 10,000 MWP | | |
|-----|--|-----------|---------|--------|-----------|---------|--------|------------|---------|--------|
| | | I.D. | Nominal | Rating | I.D. | Nominal | Rating | I.D. | Nominal | Rating |
| 1 | Line from drilling Spool | | 3" | 3,000 | | 3" | 5,000 | | 3" | 10,000 |
| 2 | Cross 3" x 3" x 3" x 2" | | | 3,000 | | | 5,000 | | | |
| 2 | Cross 3" x 3" x 3" x 2" | | | | | | | | | 10,000 |
| 3 | Valve Gate Plug | 3 1/8 | | 3,000 | 3 1/8 | | 5,000 | 3 1/8 | | 10,000 |
| 4 | Valve Gate Plug | 1 13/16 | | 3,000 | 1 13/16 | | 5,000 | 1 13/16 | | 10,000 |
| 4a | Valves (1) | 2 1/16 | | 3,000 | 2 1/16 | | 5,000 | 2 1/16 | | 10,000 |
| 5 | Pressure Gauge | | | 3,000 | | | 5,000 | | | 10,000 |
| 6 | Valve Gate Plug | 3 1/8 | | 3,000 | 3 1/8 | | 5,000 | 3 1/8 | | 10,000 |
| 7 | Adjustable Choke (3) | 2" | | 3,000 | 2" | | 5,000 | 2" | | 10,000 |
| 8 | Adjustable Choke | 1" | | 3,000 | 1" | | 5,000 | 2" | | 10,000 |
| 9 | Line | | 3" | 3,000 | | 3" | 5,000 | | 3" | 10,000 |
| 10 | Line | | 2" | 3,000 | | 2" | 5,000 | | 2" | 10,000 |
| 11 | Valve Gate Plug | 3 1/8 | | 3,000 | 3 1/8 | | 5,000 | 3 1/8 | | 10,000 |
| 12 | Line | | 3" | 1,000 | | 3" | 1,000 | | 3" | 2,000 |
| 13 | Line | | 3" | 1,000 | | 3" | 1,000 | | 3" | 2,000 |
| 14 | Remote reading compound Standpipe pressure gauge | | | 3,000 | | | 5,000 | | | 10,000 |
| 15 | Gas Separator | | 2' x 5' | | | 2' x 5' | | | 2' x 5' | |
| 16 | Line | | 4" | 1,000 | | 4" | 1,000 | | 4" | 2,000 |
| 17 | Valve Gate Plug | 3 1/8 | | 3,000 | 3 1/8 | | 5,000 | 3 1/8 | | 10,000 |

- (1) Only one required in Class 3M
- (2) Gate valves only shall be used for Class 10 M
- (3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
3. All lines shall be securely anchored.
4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
5. alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
6. Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees

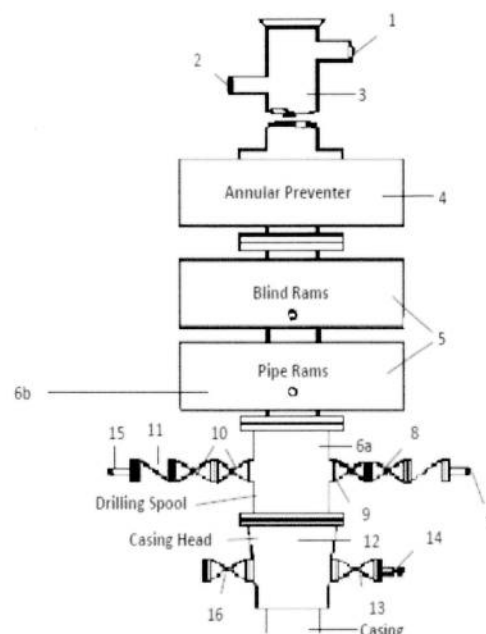
Mack Energy Corporation

Minimum Blowout Preventer Requirements

5000 psi Working Pressure
13 5/8 inch- 5 MWP
11 Inch - 5 MWP

Stack Requirements

| NO. | Items | Min. I.D. | Min. Nominal |
|-----|--|-----------|--------------|
| 1 | Flowline | | 2" |
| 2 | Fill up line | | 2" |
| 3 | Drilling nipple | | |
| 4 | Annular preventer | | |
| 5 | Two single or one dual hydraulically operated rams | | |
| 6a | Drilling spool with 2" min. kill line and 3" min choke line outlets | | 2" Choke |
| 6b | 2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above) | | |
| 7 | Valve Gate Plug | 3 1/8 | |
| 8 | Gate valve-power operated | 3 1/8 | |
| 9 | Line to choke manifold | | 3" |
| 10 | Valve Gate Plug | 2 1/16 | |
| 11 | Check valve | 2 1/16 | |
| 12 | Casing head | | |
| 13 | Valve Gate Plug | 1 13/16 | |
| 14 | Pressure gauge with needle valve | | |
| 15 | Kill line to rig mud pump manifold | | 2" |



OPTIONAL

| | | | |
|----|---------------|---------|--|
| 16 | Flanged Valve | 1 13/16 | |
|----|---------------|---------|--|

CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 2000 psi minimum.
2. Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers' position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

1. Bradenhead or casing head and side valves.
2. Wear bushing. If required.

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position
4. Chokes will be positioned so as not to hamper or delay changing of choke beans.

Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use.

5. All valves to be equipped with hand-wheels or handles ready for immediate use.
6. Choke lines must be suitably anchored.
7. Handwheels and extensions to be connected and ready for use.
8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
9. All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
10. Casinghead connections shall not be used except in case of emergency.
11. Does not use kill line for routine fill up operations.

Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM
 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

| | | |
|--|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | | WELL API NO. 30-025-01415 |
| 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> | | 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 2. Name of Operator Mack Energy Corporation | | 6. State Oil & Gas Lease No. K-0385 |
| 3. Address of Operator P.O. Box 960 Artesia, NM 88210 | | 7. Lease Name or Unit Agreement Name State 35 |
| 4. Well Location Unit Letter <u>M</u> : <u>760</u> feet from the <u>South</u> line and <u>330</u> feet from the <u>West</u> line Section <u>35</u> Township <u>17S</u> Range <u>33E</u> NMPM County <u>Lea</u> | | 8. Well Number 1 |
| 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4131' GR | | 9. OGRID Number 013837 |
| | | 10. Pool name or Wildcat Maljamar; Grayburg-San Andres |

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

| | |
|--|---|
| NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/> CLOSED-LOOP SYSTEM <input type="checkbox"/> OTHER: <input checked="" type="checkbox"/> Workover | SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> OTHER: <input type="checkbox"/> |
|--|---|

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation proposes to re-enter the State 35 #1, abandon the current Abo zone and perforate/ produce the San Andres.

Existing CIBP @ 8520' (Set in 2018)

1. Perforate 4700-5100' (San Andres)
2. Acidize w/ 4,000 gals
3. Frac w/ 200,000# Sand & 4,000bbls Fresh Water
4. Run tubing, pump and put on production.

Spud Date:

4/1/1962

Rig Release Date:

5/19/1962

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Deana Weaver TITLE Regulatory Tech II DATE 6/8/2022

Type or print name Deana Weaver E-mail address: dweaver@mec.com PHONE: 575-748-1288

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

| State 35 #1- After | | | | | | | | | |
|--|--------------------------------|--|--|--|--|--|--|--|--|
| Operator: Mack Energy Corporation Location: Sec. 35 T17S R33E 760 FSL 330 FWL API # 30-025-01415 Lea County Objective: San Andres GL Elevation: 4131' Spud Date: 4/1/1962 | | | | | | | | | |
| Depth | Hole Size & Cement | | | | | | | Casing Detail | |
| | | | | | | | | | |
| 359' | 15" hole | | | | | | | 11 3/4" H-40 42# 0-359' 275sx Cmt Circ to surface | |
| 3084' | 11" hole 475' Calc | | | | | | | 8 5/8" J-55 32 & 24# 0-3084' 500sx Cmt Calc @ 475' | |
| | | | | | | | | | |
| 8795' | 7 7/8" hole TOC @ 3680' | | | | | | | 5 1/2" J-55 17 & 15.5# 0-8795' 845sx Cmt TOC @ 3680' | |
| | 5 1/2" DVT @ 4373' 91sx Cmt | | | | | | | 2 7/8" Tubing & Pump 0-4600' Perf @ 4700-5100' CIBP @ 8520' Perfs @ 8795-8812' Perfs @ 8651-8690' Perfs @ 8616-8731' | |
| XXXXX XXXXX XXXXX TD- 8,812' | | | | | | | | | |

[illegible]

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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

CONDITIONS

Action 150300

CONDITIONS

| | |
|--|---|
| Operator: MACK ENERGY CORP P.O. Box 960 Artesia, NM 882110960 | OGRID: 13837 |
| | Action Number: 150300 |
| | Action Type: [C-101] Drilling Non-Federal/Indian (APD) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| pkautz | None | 10/21/2022 |