

Submit 3 Copies To Appropriate District
Office
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 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
June 19, 2008

| |
|---|
| WELL API NO. 30-025-40920 |
| 5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 6. State Oil & Gas Lease No. E-2444 |
| 7. Lease Name or Unit Agreement Name Cap State |
| 8. Well Number 1 |
| 9. OGRID Number 013837 |
| 10. Pool Name or Wildcat Mescalero Escarpe; Bone Spring |

RECEIVED

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.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Mack Energy Corporation

3. Address of Operator
P.O. Box 960 Artesia, NM 88210

4. Well Location
Unit Letter J 2260 feet from the South line and 1425 feet from the East line
Section 18 Township 18S Range 34E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR etc.)
4074' GR

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

| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
|---|---|--|--|
| PERFORM REMEDIAL WORK <input type="checkbox"/> | PLUG AND ABANDON <input type="checkbox"/> | REMEDIALWORK <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| TEMPORARILY ABANDON <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | COMMENCE DRILLING OPNS. <input type="checkbox"/> | P AND A <input type="checkbox"/> |
| PULL OR ALTER CASING <input type="checkbox"/> | MULTIPLE COMPL <input type="checkbox"/> | CASING/CEMENT JOB <input type="checkbox"/> | |
| DOWNHOLE COMMINGLE <input type="checkbox"/> | | | |
| OTHER: Build Fresh Water Frac Pit <input checked="" 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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation proposes to Build and Maintain a Fresh Water Frac Pit at this location. Pit will be lined with a 20mil liner. Fresh water pit used for completion of Cap State #1. See attached Plat.

Water source sample will be tested and results submitted.

Spud Date:

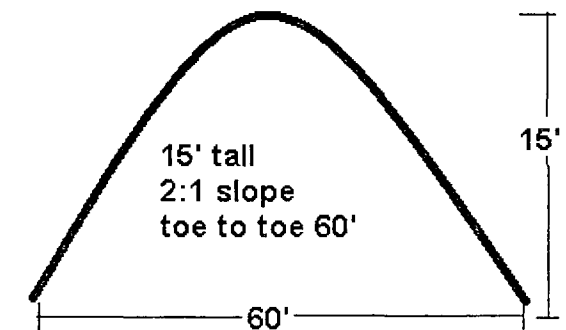
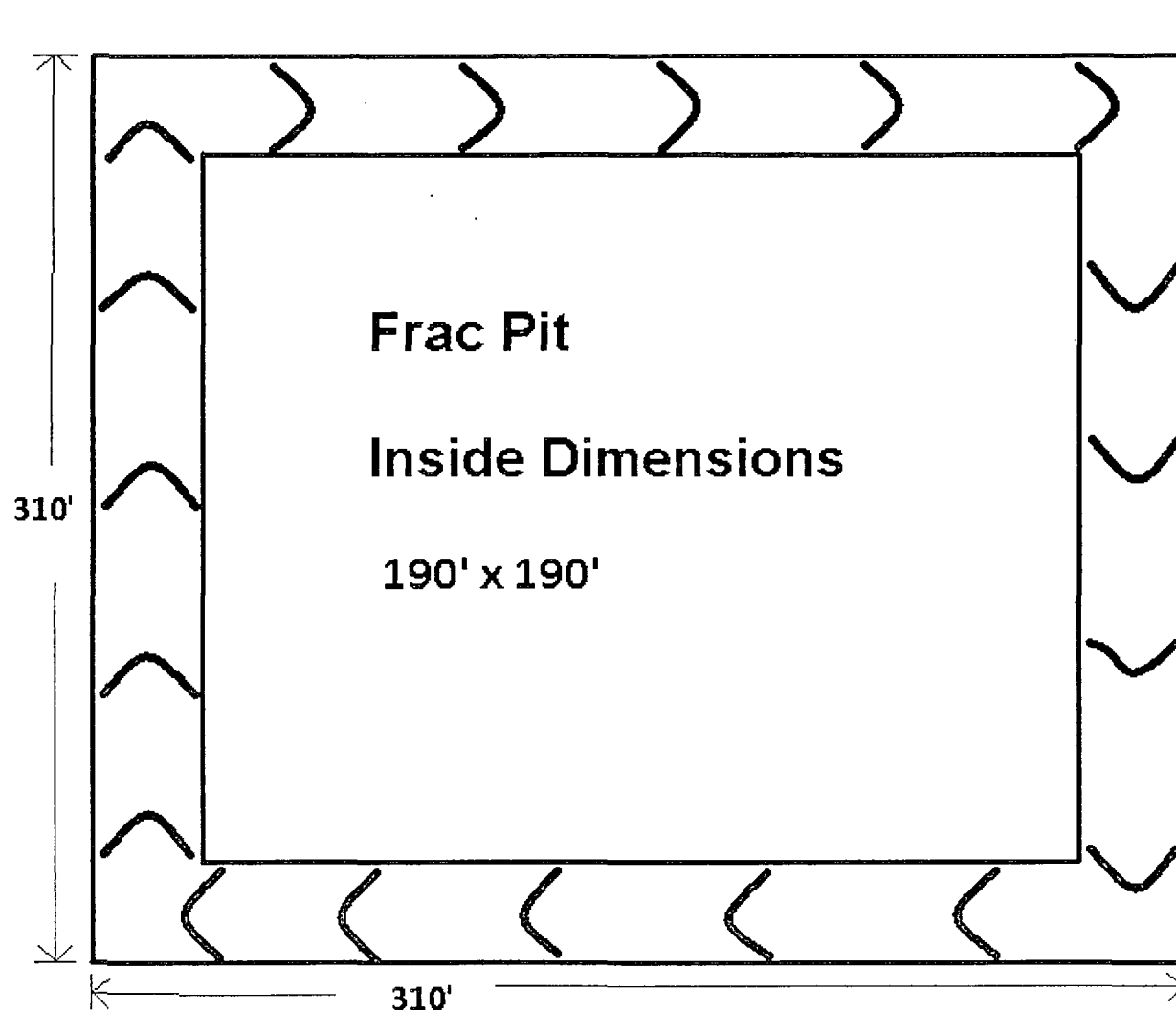
Rig Release Date:

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

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 4/25/13
Type or print name Jerry W. Sherrell E-mail address: jerrys@mec.com PHONE: (575)748-1288
For State Use Only

APPROVED BY: Jeffrey Hobbs DATE 04/29/13
Conditions of Approval (if any):
Environmental Specialist

APR 29 2013

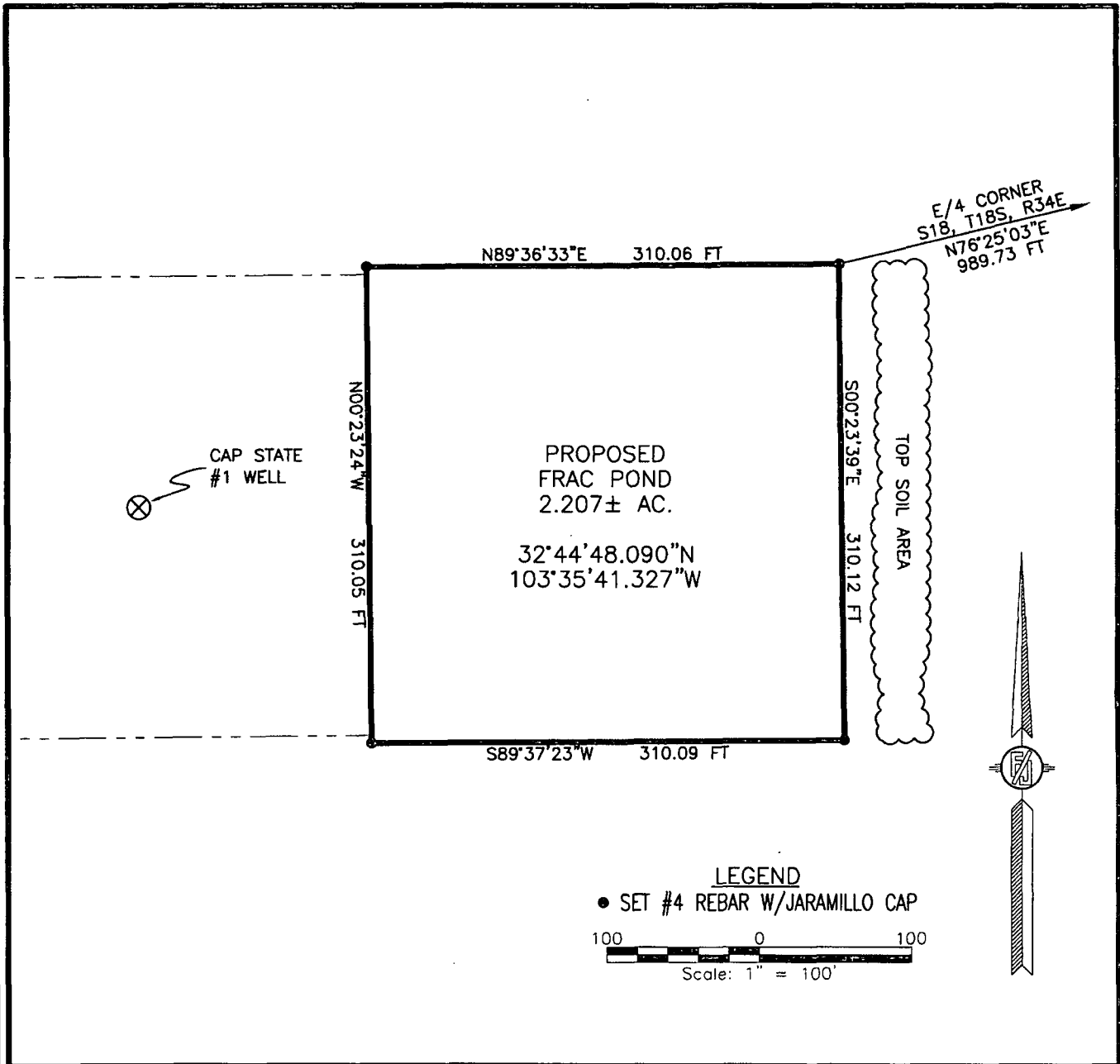


Frac pit will be lined with 20mil plastic.
Fenced to prevent unwanted entry.

CAP STATE #1 FRAC POND

MACK ENERGY CORPORATION
IN THE NW/4 NE/4 SE/4 OF
SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

APRIL 17, 2013



DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE NW/4 NE/4 SE/4 OF SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

BEGINNING AT THE NORTHEAST CORNER OF THE PARCEL, WHENCE THE EAST QUARTER CORNER OF SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N76°25'03"E, A DISTANCE OF 989.73 FEET;
THENCE S00°23'39"E A DISTANCE OF 310.12 FEET TO THE SOUTHEAST CORNER OF THE PARCEL;
THENCE S89°37'23"W A DISTANCE OF 310.09 FEET TO THE SOUTHWEST CORNER OF THE PARCEL;
THENCE N00°23'24"W A DISTANCE OF 310.05 FEET TO THE NORTHWEST CORNER OF THE PARCEL;
THENCE N89°36'33"E A DISTANCE OF 310.06 FEET TO THE NORTHEAST CORNER OF THE PARCEL, THE POINT OF BEGINNING;
CONTAINING 2.207 ACRES MORE OR LESS.

GENERAL NOTES

1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND

2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE

DRIVING DIRECTIONS

FROM THE INTERSECTION OF STATE HWY 529 & CO. RD. 125 (QUERECHO) GO SE ON STATE HWY 529 FOR APPROX. 0.7 OF A MILE TO A YELLOW CATTLE GUARD AND GATE ON NORTH SIDE. GO NORTH ON LEASE ROAD APPROX. 700'. LOCATION IS APPROX. 600' EAST.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 23 DAY OF APRIL 2013

12797

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

FILMON F. JARAMILLO PLS. 12797

SURVEY NO. 1778

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

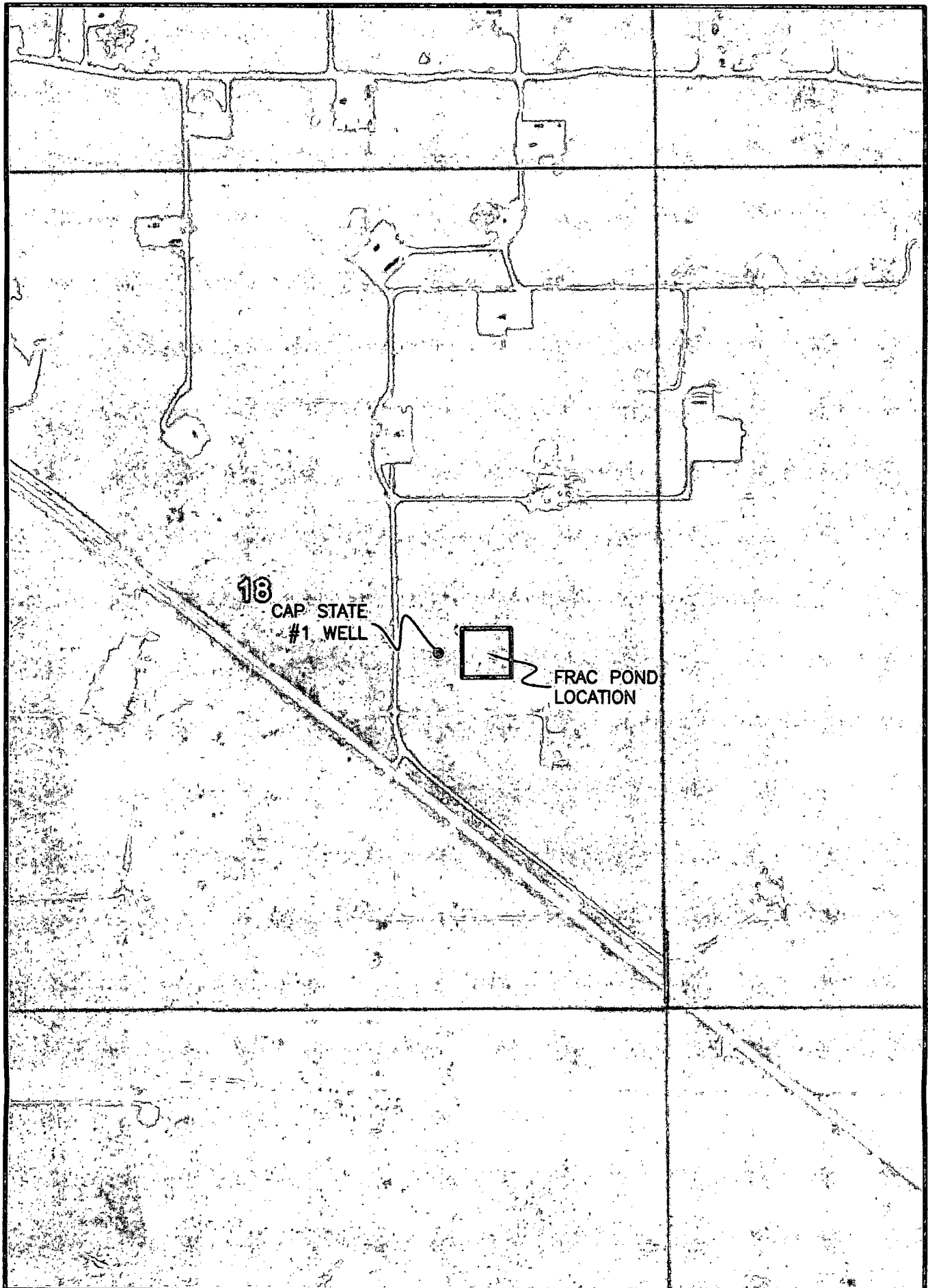
SHEET: 1-3

CAP STATE #1 FRAC POND

MACK ENERGY CORPORATION
IN THE NW/4 NE/4 SE/4 OF
SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

APRIL 17, 2013

AERIAL PHOTO



SHEET: 2-3

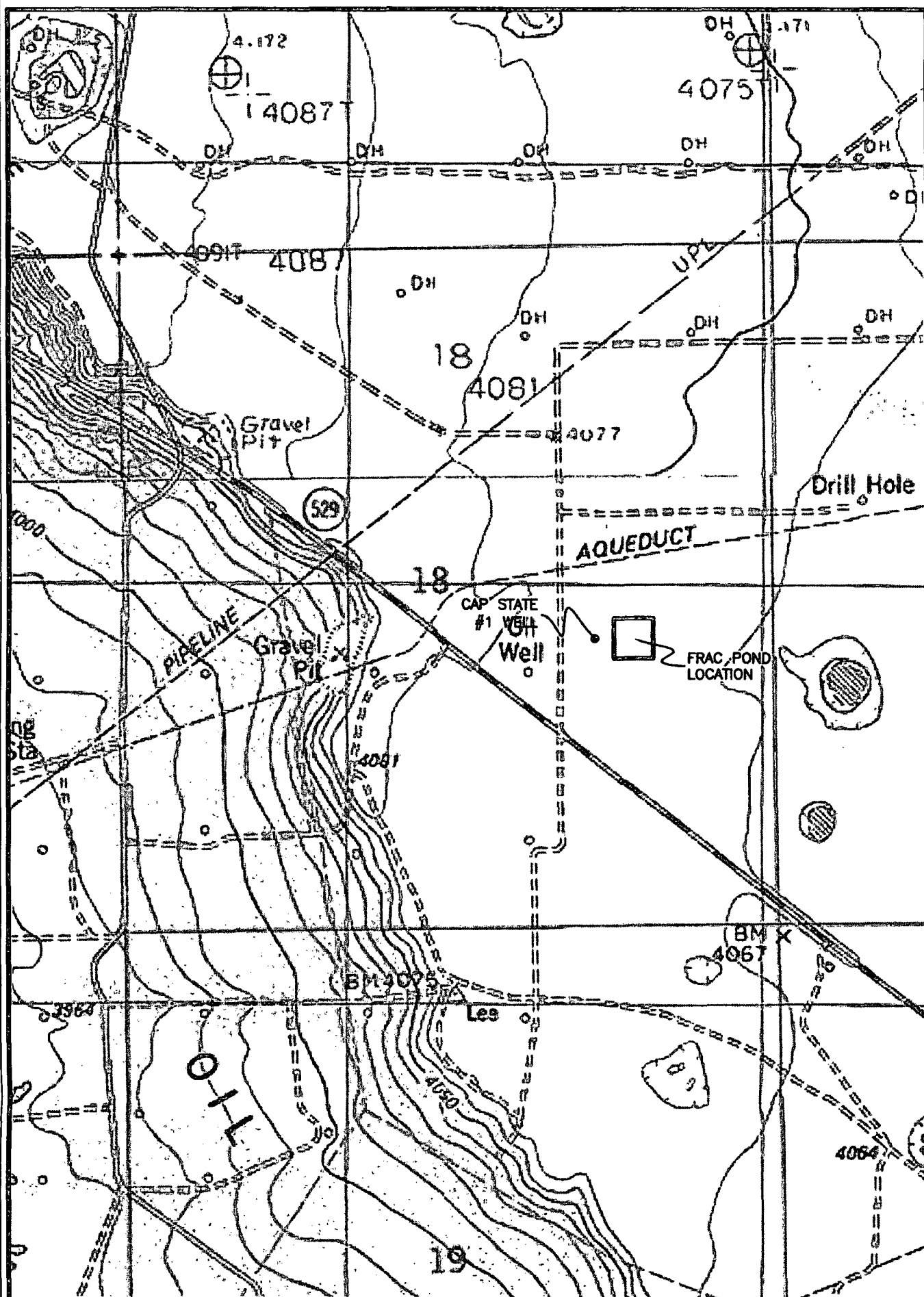
MADRON SURVEYING, INC. 301 SOUTH CANAL
(575) 234-3341

SURVEY NO. 1778

CARLSBAD, NEW MEXICO

*MACK ENERGY CORPORATION
IN THE NW/4 NE/4 SE/4 OF
SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO*

QUAD MAP



SURVEY NO. 1778

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