

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 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 183216

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 39522		3. API Number 30-015-42199
5. Property Name DERRICK FEE		6. Well No. 003

7. Surface Location

UL - Lot J	Section 4	Township 23S	Range 27E	Lot Idn	Feet From 2270	N/S Line S	Feet From 2310	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot J	Section 4	Township 23S	Range 27E	Lot Idn J	Feet From 2270	N/S Line S	Feet From 2310	E/W Line E	County Eddy
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9. Pool Information

CASS DRAW;BONE SPRING	10380
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3135
16. Multiple N	17. Proposed Depth 9300	18. Formation Bone Spring	19. Contractor	20. Spud Date 4/15/2014
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	17.5	13.375	48	400	470	0
Int1	12.25	9.625	36	2000	725	0
Prod	8.75	7	26	9300	1100	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 17 1/2" hole to 400', run 13 3/8" casing and cement. Drill a 12 1/4" hole to 2000', run 9 5/8" casing and cement. Drill a 8 3/4" hole to 9300', run 7" casing and cement. Put well on production.

22. Proposed Blowout Prevention Program

Type Double Ram	Working Pressure 3000	Test Pressure 3000	Manufacturer
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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 type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by Jerry Sherrell Title: Production Clerk Email Address: jerrys@mec.com Date: 3/18/2014	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 3/18/2014 Expiration Date: 3/18/2016 Conditions of Approval Attached
Phone: 505-748-1288	

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Form C-102
 August 1, 2011
 Permit 183216

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42199	2. Pool Code 10380	3. Pool Name CASS DRAW;BONE SPRING
4. Property Code 39522	5. Property Name DERRICK FEE	6. Well No. 003
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3135

10. Surface Location

UL - Lot J	Section 4	Township 23S	Range 27E	Lot Idn	Feet From 2270	N/S Line S	Feet From 2310	E/W Line E	County Eddy
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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 40.00				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

<div></div> <div></div> <div></div> <div></div>	<p align="center">OPERATOR CERTIFICATION</p> <p><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></p> <p>E-Signed By: Jerry Sherrell Title: Production Clerk Date: 3/18/2014</p>	
	<p align="center">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Filimon Jaramillo Date of Survey: 3/3/2014 Certificate Number: 12797</p>	

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Form APD Comments
Permit 183216

PERMIT COMMENTS

Operator Name and Address: MACK ENERGY CORP [13837] PO Box 960 Artesia, NM 88211		API Number: 30-015-42199
		Well: DERRICK FEE #003
Created By	Comment	Comment Date
JWSHERRELL	H2S concentrations of wells in this area are low enough that a contingency plan is not required.	3/18/2014
CSHAPARD	Land p/P	3/18/2014

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Form APD Conditions

Permit 183216

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: MACK ENERGY CORP [13837] PO Box 960 Artesia, NM 88211		API Number: 30-015-42199
		Well: DERRICK FEE #003

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