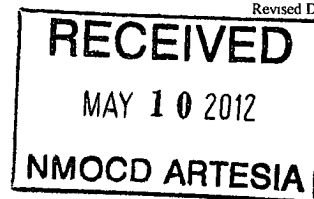


District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S. St. Francis Dr., 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 December 16, 2011



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

¹ Operator Name and Address MYCO Industries, Inc. P.O. Box 840 Artesia, NM 88211-0840		² OGRID Number 015445
		³ API Number 30-015-33705
⁴ Property Code 34394	⁵ Property Name Madison 1 Fee Com	⁶ Well No. #1

⁷ Surface Location

UL - Lot E	Section 1	Township 22S	Range 27E	Lot Idn	Feet from 1980'	N/S Line N	Feet From 1310'	E/W Line W	County Eddy
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⁸ Pool Information

Carlsbad Strawn; East

Additional Well Information

⁹ Work Type P	¹⁰ Well Type G	¹¹ Cable/Rotary N/A	¹² Lease Type P	¹³ Ground Level Elevation 3093' GR
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Atoka	¹⁷ Contractor N/A	¹⁸ Spud Date N/A
Depth to Ground water N/A		Distance from nearest fresh water well N/A		Distance to nearest surface water N/A

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

Casing/Cement Program: Additional Comments

MYCO Industries, Inc. plans to plugback and recomple this well as follows: MIRU any safety equipment as needed. NU BOP. POOH with production equipment if any exists. Set CIBP at 11,100' with 50' "H" cement across current Atoka perfs (11,120-162'). Perforate the Strawn from 10,480-484' and 10,558-568'. Stimulate as needed. Flow the well back and allow the well to clean up and turn well to production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Signature: <i>Hannah Palomin</i> Printed name: Hannah Palomin Title: Land Manager E-mail Address: Hannah@mycoinc.com Date: 05/08/2012	OIL CONSERVATION DIVISION	
	Approved By: <i>T.C. Shepard</i> Title: <i>Geologist</i> Approved Date: <i>5/11/2012</i> Expiration Date: <i>5/11/2014</i> <i>COA: Need Plat: C-102</i>	
Phone: 575.748.4290	Conditions of Approval Attached	

Submit 1 Copy To Appropriate District 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 August 1, 2011

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

WELL API NO. 30-015-33705
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Madison 1 Fee Com
8. Well Number #1
9. OGRID Number 015445
10. Pool name or Wildcat Carlsbad Strawn; East

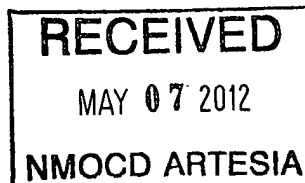
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other	
2. Name of Operator MYCO Industries, Inc.	
3. Address of Operator P.O. Box 840, Artesia, NM 88211-0840	
4. Well Location Unit Letter E : 1980' feet from the North line and 1310' feet from the West line Section 1 Township 22S Range 27E NMPM Eddy County	
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	

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"/>	REMEDIAL WORK <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: Recomplete to Strawn <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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pending working interest approval, MYCO Industries, Inc. plans to set a CIBP over current Atoka perfs (11,120-162') and perf, acidize, test and frac, if warranted, the Strawn (10480-484' and 10558-568').



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 Hannah Palomin TITLE Land Manager DATE 5.3.2012

Type or print name Hannah Palomin E-mail address: hannah@mycoinc.com PHONE: 575.748.4290

For State Use Only

APPROVED BY: T.C. Shepard TITLE Geologist DATE 5/11/2012

Conditions of Approval (if any):