

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

Form C-103  
 June 19, 2008

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

WELL API NO. 30-015-24043
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-9049
7. Lease Name or Unit Agreement Name Bunker Hill Water Flood Unit
8. Well Number 12
9. OGRID Number 013837
10. Pool Name or Wildcat Bunker Hill Penrose
11. Elevation (Show whether DR, RKB, RT, GR etc.) 4227' GR

**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 M 660 feet from the South line and 660 feet from the West line  
 Section 14 Township 16S Range 31E NMPM County Eddy

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input checked="" 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: <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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Notify OCD 24 hours prior to starting plugging operations.

- 1) Set CIBP @ 3330' w/35' cmt cap.
- 2) Perforate @ 2115'.
- 3) Squeeze 30sx from 2115-2015' (Cover base of salt). Tag
- 4) Perforate @ 1220'.
- 5) Squeeze 60sx from 1220-1024' (Cover top of salt and 8 5/8 shoe). Tag.
- 6) Perforate @ 60'.
- 7) Circulate 20sx cement from 60' to surface inside and outside of 8 5/8" casing.
- 7) Install P & A marker.



Note: Circ. well with salt gel mud consisting of at least 9.5# Brine with 25 pounds of gel per barrel after the bottom plug is set.

Approval Granted providing work is complete by July 15 - 2013

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 4/12/13

Type or print name Jerry W. Sherrell E-mail address: jerrys@mec.com PHONE: (575)748-1288

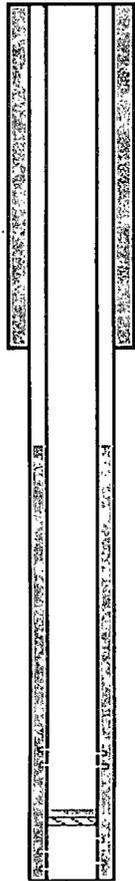
For State Use Only

APPROVED BY: [Signature] TITLE Dist. R. Spewison DATE 4/10/2013  
 Conditions of Approval (if any):

★ SEE ATTACHED COA'S

**Mack Energy Corporation  
Bunker Hill Water Flood Unit #12 30-015-24043**

**Before**

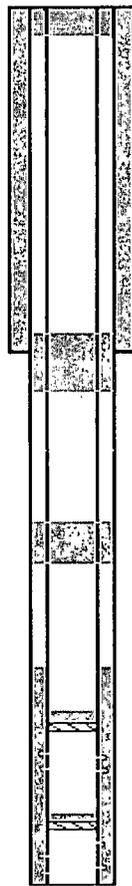


8 5/8 casing @ 1074'  
Cmt w/600sx, circ.

Perfs from 3386-3403'  
CIBP @ 3920 w/20' cmt cap  
Perfs from 3955-3969'  
5 1/2 casing @ 4000'  
Cmt w/700sx, TOC  
@ 3000'

TD 4000'

**After**



Perf @ 60' Set 20sx  
plug from 60-0'

8 5/8 casing @ 1074'  
Cmt w/600sx, circ.

Perf @ 1220' Set 60sx  
plug from 1220-1024'

Perf @ 2115' Set 30sx  
plug from 2115-2015'

CIBP @ 3330'  
w/35' cmt cap  
Perfs from 3386-3403'  
CIBP @ 3920 w/20' cmt cap  
Perfs from 3955-3969'  
5 1/2 casing @ 4000'  
Cmt w/700sx, TOC  
@ 3000'

TD 4000'

NEW MEXICO OIL CONSERVATION DIVISION  
DISTRICT 2 OFFICE  
811 S. FIRST STREET  
ARTESIA, NM 88210  
(575)748-1283

**CONDITIONS OF APPROVAL FOR PLUGGING & ABANDONMENT**

Operator: Mack Energy Corp

Well Name & Number: Bunker Hill Water Flood Unit #12

API #: 30-015-24043

1. Produced water **will not** be used during any part of the plugging & abandonment operation.
2. Notify NMOCD Dist. 2 office at least 24 hrs before beginning work.
3. Closed Loop System is to be used for entire plugging operation. Upon completion, contents of steel pit are to be hauled to a permitted disposal location.
4. Trucking companies being used to haul oilfield waste fluids to a disposal – commercial or private – shall have an approved NMOCD C-133 permit. A copy of this permit shall be available in each truck used to haul waste products. It is the responsibility of the operator, as well as the contractor, to verify that this permit is place prior to performing work. Drivers shall produce a copy upon request of NMOCD Field Inspectors.
5. A subsequent C-103 will serve as notification that the well bore has been plugged ONLY. A C-103 FINAL shall be filed before any bonding can be released on the well. Upon receipt of the Final, an inspection will be performed to verify that the location has been satisfactorily cleaned to NMOCD standards.
6. If work has not begun within 90 days of the approval of this procedure, an extension request must be filed, stating reason that well has not been plugged.
7. Every attempt must be made to clean the well bore out to below the perfs, before any plugs can be set, by whatever means possible.
8. **Cement Retainers may not be used.**

9. Squeeze pressures are not to exceed 500 PSI, unless approval is given by NMOCD.

10. Plugs may be combined after consulting with and getting approval from NMOCD.

11. Minimum WOC time for tag plugs will be 4 Hrs.

DATE: 4/15/2013

APPROVED BY: *ALDade*

## GUIDELINES FOR PLUGGING AND ABANDONMENT

### DISTRICT II / ARTESIA

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement, whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbls of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- DV tools are required to have a 100' cement plug set 50' above and below the tool and must be tagged.
  
- Formations to be isolated with plugs placed at the top of each formation are:
  - Fusselman
  - Devonian
  - Morrow
  - Wolfcamp
  - Bone Spring
  - Delaware
  - Any Salt Section (Plug at top and bottom)
  - Abo
  - Glorieta
  - Yates (this plus is usually at base of salt section)
  
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and cement squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible (50' below and 50' above).