

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-6161 Fax:(505) 393-0720  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 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-103  
Permit 85802

|                                                                                                                                                                                                                                                                                                                                         |  |                                                      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|------------------------------------------------------|
| <b>SUNDRY NOTICES AND REPORTS ON WELLS</b><br>(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVIOR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)<br>1. Type of Well: <input type="radio"/>                                                                                 |  | WELL API NUMBER<br>30-005-64010                      |
|                                                                                                                                                                                                                                                                                                                                         |  | 5. Indicate Type of Lease<br>S                       |
|                                                                                                                                                                                                                                                                                                                                         |  | 6. State Oil & Gas Lease No.                         |
| 2. Name of Operator<br>MACK ENERGY CORP                                                                                                                                                                                                                                                                                                 |  | 7. Lease Name or Unit Agreement Name<br>FALCON STATE |
| 3. Address of Operator<br>PO BOX 960 , , 11352 LOVINGTON HWY ARTESIA , NM 88211                                                                                                                                                                                                                                                         |  | 8. Well Number<br>004                                |
| 4. Well Location<br>Unit Letter <u>G</u> : <u>1675</u> feet from the <u>N</u> line and <u>2140</u> feet from the <u>E</u> line<br>Section <u>16</u> Township <u>14S</u> Range <u>29E</u> NMPM Chaves County                                                                                                                             |  | 9. OGRID Number<br>13837                             |
| 11. Elevation (Show whether DR, KB, BT, GR, etc.)<br>3720 GR.                                                                                                                                                                                                                                                                           |  | 10. Pool name or Wildcat                             |
| Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/><br>Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____<br>Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____ |  |                                                      |

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE OF PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
Other:

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTER CASING ☐  
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDON ☐  
CASING/CEMENT JOB ☐  
Other: **Drilling/Cement** ☒

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.

11/12/2008 Spud 12 1/4" @ 10:00pm.

11/13/2008 TD 12 1/4" @ 325'. Ran 8 joints 8 5/8", J-55, 24#, ST&C @ 325'. Cement w/300sx Class C 2%, tailed cement w/200sx RFC, One Inched to Surface w/ 150sx Class C, circ 15sx, plug down 11:37am. WOC 18 hours tested casing to 1800# for 30 minutes, held ok.

11/22/2008 TD 7 7/8" @ 3,530'. Ran 97 joints 5 1/2", 17#, J-55, LTC @ 3534'. Cement w/270sx 50/50 POZ, tailed cement w/470sx TXI Lite, circ 29sx, plug down 1:20am. WOC 12 hours tested casing to 600# for 20 minutes, held ok. **11/12/2008** Spudded well.

Casing and Cement Program

| Date     | String | Fluid Type | Hole Size | Csg Size | Weight lb/ft | Grade | Est TOC | Dpth Set | Sacks | Yield | Class | 1" Dpth | Pres Held | Pres Drop | Open Hole |
|----------|--------|------------|-----------|----------|--------------|-------|---------|----------|-------|-------|-------|---------|-----------|-----------|-----------|
| 11/13/08 | Surf   | FreshWater | 12.25     | 8.625    | 24           | J-55  | 0       | 325      | 650   |       | C     | 325     | 1800      |           | N         |
| 11/22/08 | Prod   | CutBrine   | 7.875     | 5.5      | 17           | J-55  | 0       | 3534     | 740   |       | POZ   |         | 600       |           | N         |

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Electronically Signed

TITLE Production Clerk

DATE 11/24/2008

Type or print name Jerry Sherrell

E-mail address jerrys@mackenergycorp.com

Telephone No. 505-748-1288

For State Use Only:

APPROVED BY: Tim Gum

TITLE District Supervisor

DATE 12/2/2008 2:24:06 PM