<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u>

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720 District III

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

<u>District IV</u> 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 150851

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

MACK E	Name and Address NERGY CORP	2. OGRID Number 13837		
PO Box 960 Artesia, NM 88211		3. API Number 30-025-40652		
4. Property Code	5. Property Name	6. Well No.		
39380	UTAH STATE	001		

7. Surface Location

UL - Lo	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	13	188	36E	K	2310	S	2310	W	LEA

8. Pool Information

WC-025 G-05 \$183613K:BONE \$PRING	97951

Additional Well Information

	_	Additional Well Inform	nation	
9. Work Type New Well	10. Well Type OIL	AND THE RESERVE TO SERVE THE PROPERTY OF THE P		13. Ground Level Elevation 3769
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
N	9300	Bone Spring		7/15/2012
Depth to Ground	water	Distance from nearest fresh water	r well	Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1600	800	0
Prod	7 875	5.5	17	9300	1275	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 12 1/4 hole to 1600', run 8 5/8" casing and cement. Drill a 7 7/8 hole to 9300', run 5 1/2" casing and cement. Put well on production.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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	OIL CONSERVATION DIVISION			
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Paul Kautz			
Printed Name: Electronically filed by Jerry Sherrell	Title: Geologist			
Title: Production Clerk	Approved Date: 6/27/2012 Expiration Date: 6/27/2014			
Email Address: jerrys@mec.com				
Date: 6/26/2012 Phone: 505-748-1288	Conditions of Approval Attached			

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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-102 August 1, 2011

Permit 150851

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code		ol Name
30-025-40652	97951		513K;BONE SPRING
4. Property Code	5. Proper		6. Well No.
39380	UTAH		001
7. OGRID No.	8. Operat	9. Elevation	
13837	MACK ENE	3769	

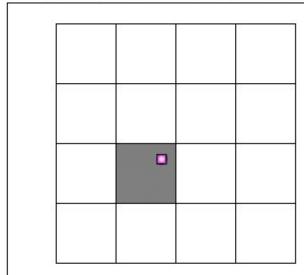
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	13	188	36E		2310	S	2310	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot I	dn	Feet From	N/S Line	e Feet From	E/W Line	County
Vientings.	cated Acres	13. 3	oint 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



OPERATOR CERTIFICATION

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.

E-Signed By: Jerry Sherrell Title: Production Clerk Date: 6/26/2012

SURVEYOR CERTIFICATION

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.

Surveyed By: Filimon Jaramillo Date of Survey: 6/20/2012 Certificate Number: 12797

Permit Comments

Operator: MACK ENERGY CORP, 13837

Well: UTAH STATE #001

API: 30-025-40652

Created By	Comment	Comment Date
JWSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	6/25/2012
pkautz	Land s/S	6/27/2012
CHERRERA	OCD RECEIVED FORM C144 CLEZ. OCD PERMIT # P1-04842	6/27/2012

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837 Well: UTAH STATE #001

API: 30-025-40652

OCD Reviewer	Condition
pkautz	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