State of New Mexico

Form C-101 Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 RECEIVAMENDED REPORT

JAN 2 4 2014

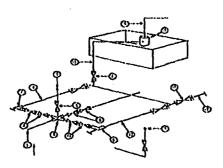
NMOCD ARTESIA

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|--|---|------------------|-----------------------|------------------------------|-----------------------------------|---|------------|------------|---------------|------------------------|--|--|
| APPLI | CATIO | N FOR | PERMIT T | O DRILL, | RE-ENTE | R, DEEPE | N, PLU | JGBAC | K, OR | ADD A ZONE | | |
| | | | Operator Name | | | , | | | OGRID | 013837 | | |
| | | | . Box 960, Arte | | 0 | | | | | umber 15-24961 | | |
| Propo | Property Code 08977 Sonora Fee Property N | | | | | | , I | | 1 | Well No. | | |
| | | | | . Su | ırface Locati | on | | | | | | |
| UL - Lot | Section 19 | Township 23S | Range 27E | Lot Idn | Feet from 658 | N/S Line South | 1968 | eet From | E/W L West | ine County Eddy | | |
| | 1: | | | Propose | d Bottom Ho | | 1 | | | , | | |
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | 1 | feet From | E/W L | ine County | | |
| | | | | Po | ol Informati | on | | | | | | |
| Dark Canyo | on Delaw | are East | | Poo | l Name | | | | | Pool Code 96143 | | |
| | | , | | Addition | nal Well Info | rmation | | | | | | |
| Wor Re-Entry | k Туре | Oil | Well Type | Addition | Cable/Rotary | | | | 3204 | Ground Level Elevation | | |
| | ltiple | | Proposed Deptl | | Formation | on Contractor Spud Date | | | Spud Date | | | |
| Depth to Gro | ound water | 5600 | | Dark C tance from nearest | Canyon Delawa fresh water well | | | | | | | |
| We will b | oe using a c | closed-loo | p system in lieu F | of lined pits Proposed Cas | ing and Cem | ent Progran | n | | | - - | | |
| Туре | Hol | e Size | Casing Size | Casing W | eight/ft | Setting Deptl | h | Sacks of | Cement | Estimated TOC | | |
| K-55 | 12 1/4 | 4" 8 | 5 5/8" | 24 | 50′ | 7' | 40 | 00sx (exis | sting) | 0 | | |
| K-55 | 7 7/8' | " 5 | 5.1/2" | 17 | 559 | 98' | 14 | 400sx (ex | isting) | ting) 0 | | |
| | | | | | | · · · | | | | | | |
| | = | | Casi | ing/Cement Pi | rogram: Addi | tional Comn | nents | | | | | |
| <u> </u> | | | p | Proposed Blov | wou't Prevent | tion Prograi | m | | | | | |
| | Турс | | | Working Pressur | e , | Test Pressure | | | Manufacturer | | | |
| Double Ram 3000 | | | 30 | 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 I have complied with 19.15.14.9 (A) NMAC and/or | | | | | | OIL CONSERVATION DIVISION | | | | | | |
| I further ced 19.15.14.9 (I Signature: | | | | 4.9 (A) NMAC (2) | Ap | proved By: | Short | ud | | | | |
| Printed name Deana Weaver | | | | | Tit | "Geologist" | | | | | | |
| Title Production Clerk | | | | | Ap | Approved Date: 1-24-2014 Expiration Date: 7-24-2016 | | | | | | |
| E-mail Addr | ess dweav | v q r@med | .com | | | · · · · · · · · · · · · · · · · · · · | | | | | | |
| Date | | | | | Co | Conditions of Approval Attached | | | | | | |

Mack Energy Corporation

Exhibit #2

MIMIMUM CHOKE MANIFOLD 3,000, 5,000, and 10,000 I'SI Working Pressure 3M will be used 3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

* Location of separator optional

Below Substructure

Minimum requirements

| 3,000 MWP 5,000 MWP 10,000 MWP | | | | | | | | | | |
|--------------------------------|--|--------|---------|---------|---------|---------|--------|---------|---------|--------|
| No. | | 1.0. | | [| 1.0. | Ĭ | | [1,D. | [| [|
| | | | Nominal | Itating | | Nominal | Rating | | Nominal | Rating |
| | Line from drilling Spool | | 3" | 3,000 | | 3" | 5,000 | | 3" | 10,000 |
| 2. | Cross 3" x 3" x 3" x 2" | | | 3,000 | | | 5,000 | | | |
| 2 | Cross 3" x 3" x 3" x 2" | | | | | | | | (| 10,000 |
| 3 | Vulvo Gato Plug | 3 1/8 | | 3,000 | 3 1/8 | | 5,000 | 3 1/8 | | 10,000 |
| 4 | Valvo Gate Plug | 13/16 | | 3,000 | 1 13/16 | | 5,000 | 1 13/16 | | 10,000 |
| 1a | Valves (1) | 2 1/16 | | 3,000 | 2 1/16 | | 5,000 | 21/16 | | 10,000 |
| 5 | Prossure Chugo | | | 3,000 | | | 5,000 | | | 10,000 |
| 6 | Valvo Gato Plug | 3 1/8 | | 3,000 | 3 1/8 | | 5,000 | 3 1/8 | | 10,000 |
| 7 | Adjustable Choke (3) | 2" | | 3,000 | 2" | | 5,000 | 2" | | 10,000 |
| 8 | Adjustable Choke | {" | | 3,000 | 1" | | 5,000 | 2" | | 10,000 |
| 9 | Line | | 3" | 3,000 | | 3" | 5,000 | | 3" | 10,000 |
| 10 | Line |] | 2" | 3,000 | | 2" | 5,000 | | 2" | 10,000 |
| H | Valvo Gate Plug | 3 1/8 | } | 3,000 | 3 1/8 | | 5,000 | 3 1/8 | | 10,000 |
| 12 | Line | | 3" | 1,000 | | 3" | 1,000 | | 3" | 2,000 |
| 13 | Line | | 3" | 000,1 | | 3" | 1,000 | | 3" | 2,000 |
| 14 | Remoto reading compound Standpipe pressure chinge | | | 3,000 | | | 5,000 | | | 10,000 |
| 15 | Ons Separator | | 2' x5' | | | 2' x5' | | | 2' κ5' | |
| 16 | 1.lue | | 4" | 1,000 | | 4" | 1,000 | | 4" | 2,000 |
| 17 | Valve Cinte | 3 1/8 | | 3,000 | 3 1/8 | | 5,000 | 31/8 | | 10,000 |

(1) Only one required in Class 3M

Gate valves only shall be used for Class 10 M

Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drifting.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable ming. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.

All lines shall be securely anchored.

- Chokes shall be equipped with tangsten carbide seats and needles, and replacements shall be available.
- alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
- Line from drilling spool to choke manifold should becas studylt as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using ball plugged tees

Mack Energy Corporation

Minimum Blowout Preventer Requirements

3000 psi Working Pressure 13 3/8 inch- 3 MWP 11 Inch - 3 MWP EXHIBIT #1

Stack Requirements

| | Stack Redailenc | 1118 | |
|-----|---|-------------|-----------------|
| NO. | Items | Min. LD. | Min. Nominal |
| I | Flowline | | 2" |
| 2 | Fill up linc | | 2" |
| 3 | Drilling nipple | | |
| 4 | Annular proventer | | |
| 5 | Two single or one dual hydraulically operated rains | | |
| Gя | Drilling spool with 2" min, kill line and 3" min ohoke if n c outlets | | 2" Choko |
| 6b | 2" min. kill lirro and 3" min. choke line outlets in mm. (Alternato to Ga abovo) | | |
| 7 | Valvo Gato Plug | 3 1/8 | |
| 8 | Cinto valvo-po wer operated | 3 1/8 | |
| . 9 | Line to choke manifold | | 3" |
| 10 | Valvo Gate Plug | 2 1/16 | |
| 11 | Check valvo | 2 1/16 | |
| 12 | Casing head | | |
| 13 | Valve Onte Plug | 1 13/16 | |
| 14 | Pressure gauge with needle valve | | 1 |
| 15 | Kill line to rig mud pump manifold | | 2" |
| | | | |

| PAJUHHA |
|---------------------------|
| PREVENTER |
| [|
| Wed Dave |
| Blind Rorns |
| |
| Pipa Roms |
| 6 |
| Drilling Spool |
| 6 () () () () () () |
| Cosing Head |
| & L. Cosing |

| OPTIONAL | | | | | | | | |
|----------|---------------|---------|--|--|--|--|--|--|
| 16 | Planged Valve | 1 13/16 | | | | | | |

10.

CONTRACTOR'S OPTION TO CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradealized or easinghead. Working pressure of preventors to be 2000 psi minimum.
- Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- BOP controls, to be located near drillers' position.
- 4. Kelly equipped with Kelly cock.
- Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
- Kelly saver-sub equipped with rubber oasing protector at all times.
- 7. Plug type blowout preventer tester.
- 8. Extin set pipe mins to fit drill pipe in use on location at all times.
- Type RX ring gaskets in place of Type R.

MEC TO FURNIS H:

- 1. Bindenhead or casing head and side valves.
- Wear bushing. H'required.

GENERAL NOTES:

- Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- 2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (sultable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
- Controls to be of standard design and each marked, showing opening and closing position
- 4. Chokes will be positioned so as not to humper or delay changing of choke beans.

Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenelies to be conveniently located for immediate use.

- All valves to be equipped with hand-wheels or handles ready for immediate use.
- Choke lines must be suitably anchored.
- Handwheels and extensions to be connected and ready for use.
- 8. Valves adjacent to drilling spool to be kept open. Use outside valves except for emorgency.
- emorgency.

 9. Alt scamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
- will be permitted.

 Casinghead connections shall not be used except in case of carergency.
- 11. Does not use kill line for routine fill up operations.