

NM OIL CONSERVATION

Submit One Copy To Appropriate District Office

ARTESIA DISTRICT

State of New Mexico

Form C-103

Revised November 3, 2011

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

JUN 09 2016

RECEIVED

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. 30-015-22723
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VO-8933
7. Lease Name or Unit Agreement Name Chip State
8. Well Number 1
9. OGRID Number 013837
10. Pool name or Wildcat Paddock

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
PO Box 960 Artesia, NM 88211-0960

4. Well Location
Unit Letter G 1910 feet from the North line and 1977 feet from the East line
Section 32 Township 23S Range 23E NMPM County Eddy

1. Elevation (Show whether DR, RKB, RT, GR, etc.)
4332' GR

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input checked="" type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A</p>
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- ☐ All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- ☒ Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- ☒ A steel marker at least 4" in diameter and at least 4' above around level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. ALL INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- ☐ The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- ☐ Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- ☐ If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location,
- ☒ All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- ☒ All other environmental concerns have been addressed as per OCD rules.
- ☒ Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
- ☐ If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 6/9/2016

TYPE OR PRINT NAME Jerry W. Sherrell E-MAIL: jerrys@mec.com PHONE: 575-748-1288

For State Use Only

APPROVED BY: Robert L. Bledsoe TITLE COMPLIANCE OFFICER DATE 6/13/2016

Conditions of Approval (if any):

Mack Energy Corporation

Chip State #1 30-015-22723

1910 FNL & 1977 FEL Sec. 32 T23S R23E

Chip State #1 well has been plugged and dry hole marker has been installed.

Mack Energy moved 70' southwest and drilled the Chip State #2 1980 FNL & 2015 FEL Sec. 32 T23S R23E. This location is now being used for the Chip State #2. Mack Energy has submitted the C-103 Final Abandoned sundry for the Chip State #1. Please release this location for the Chip State #1 with the understanding that all requirements will now be part of the Chip State #2.