

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

Form C-103
Permit 64863

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

WELL API NUMBER

30-005-62648

5. Indicate Type of Lease

S

6. State Oil & Gas Lease No

7. Lease Name or Unit Agreement Name

FALCON STATE

8. Well Number

982-~~40~~ #1

9. OGRID Number

13837

10. Pool name or Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

(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.)

1. Type of Well: O

2. Name of Operator

MACK ENERGY CORP

3. Address of Operator

PO BOX 960, , 11352 LOVINGTON HWY ARTESIA, NM 88211

4. Well Location

Unit Letter B 660 feet from the N line and 1980 feet from the E line
Section 16 Township 14S Range 29E NMPM Chaves County

11. Elevation (Show whether DR, KB, BT, GR, etc.)

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit Type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

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.

Note: SHOULD BE #1 WELL

9/13/2007 Rig pulling unit, start drilling.

9/18/2007 TD @ 6230'.

9/20/2007 RIH open ended @ 5898' spot 50sx(100') plug, 50sx plug(100') @ 3908', 50sx plug(100') @ 2900', pump 8 1/2bbls class H 18# @ 2625'.

9/21/2007 RIH to 2625' spot 130sx class H(400').

10/19/2007 Rig up Silver Oak #2.

10/20/2007 Time drilling @ 2417'.

10/26/2007 TD 7 7/8 hole @ 4337'.

10/27/2007 Ran 96jts 5 1/2 K-55 & Buttress 17# @ 4333', Cmt w/300sx 35/65/6 C, 450sx C, 2%CD32, 8%FL62, plug down 6.00pm, circ 57sx. WOC 12 hours test to 600# for 20min, OK. 9/13/2007 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
10/27/07	Prod	CutBrine	7.875	5.5	17	K-55	0	4333	750		C		600	0	Y

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 11/20/2007

Type or print name Jerry Sherrell

E-mail address jerrys@mackenergycorp.com Telephone No. 505-748-1288

For State Use Only

APPROVED BY Bryan Arant

TITLE Geologist

DATE 11/29/2007 11:38:48 AM