

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OFFICE
ARTESIA, NM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

Gas Well ☐

OTHER

2. NAME OF OPERATOR

Mack Energy Corporation

3. ADDRESS AND TELEPHONE NO.

P.O. Box 960, Artesia, NM 88211-0960

(505) 748-1288

4. LOCATION OF WELL (Report location clearly and in accordance with any state requirement.)

At surface

1775 FSL 1625 FEL

At proposed prod. zone

Unit J

SUBJECT TO STATE APPROVAL BY STATE

Sec 20 T17S R30E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

1/10 mile South of Loco Hills

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

305

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES IN LEASE
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED
OR APPLIED FOR, ON THIS LEASE, FT.

150

19. PROPOSED DEPTH

5000

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3630

22. APPROX. DATE WORK WILL START*

5/20/01

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
| 17 1/2 | K-55, 13 3/8 | 48 | 425 | Circ |
| 12 1/4 | K-55, 8 5/8 | 24 | 1200 | Suff to Circ |
| 7 7/8 | J-55, 5 1/2 | 17 | 5000 | Suff to Circ |

Mack Energy proposes to drill to a depth sufficient to test the Paddock and San Andres formation for oil. If productive, 5 1/2" casing will be cemented. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulation. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

1. Surveys

Exhibit #1- Well Location Plat

Exhibit #2- Vicinity Map

Exhibit #3- Location Verification Map

4. Certification

5. Hydrogen Sulfide Drilling Operation Plan

Exhibit #7- H2S Warning Sign

Exhibit #8- H2S Safety Equipment

7. Responsibility Statement

2. Drilling Program

3. Surface Use & Operating Plan

Exhibit #4- One Mile Radius Map

Exhibit #5- Production Facilities Layout

Exhibit #6- Location Layout

6. Blowout Preventers

Exhibit #9- BOPE Schematic

Exhibit #10- Blowout Preventer Requirements

Exhibit #11- Choke Manifold

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Craig D. Carl TITLE Production Analyst DATE 4/10/01

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

/s/ LESLIE A. THEISS

APPROVED BY _____ TITLE _____

MAY 15 2001

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
P.O. Box 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | | |
|---------------|-------------------------|-----------|--------------------|
| API Number | | Pool Code | Pool Name |
| | | 96718 | Loco Hills Paddock |
| Property Code | Property Name | | Well Number |
| 018384 | McINTYRE A | | 17 |
| OGRID No. | Operator Name | | Elevation |
| 013837 | MACK ENERGY CORPORATION | | 3630' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 20 | 17-S | 30-E | | 1775 | SOUTH | 1625 | EAST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|---------|-----------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres | | Joint or Infill | | Consolidation Code | | Order No. | | | |
| 40 | | | | | | | | | |

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

| | |
|--|---|
| | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Crissa D. Carter</i></p> <p>Signature</p> <p>Crissa D. Carter</p> <p>Printed Name</p> <p>Production Analyst</p> <p>Title</p> <p>4/10/2001</p> <p>Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 23, 2001</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 03/28/01</p> <p>61-11-0356</p> |
| | <p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p> |
| | |

State of New Mexico

Form C-102

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

Energy, Minerals and Natural Resources Department

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|-------------------------|--|---------------------------------|
| API Number | Pool Code 96718 | Pool Name Loco Hills Paddock |
| Property Code 018384 | Property Name McINTYRE A | Well Number 17 |
| OGRID No. 013837 | Operator Name MACK ENERGY CORPORATION | Elevation 3630' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 20 | 17-S | 30-E | | 1775 | SOUTH | 1625 | EAST | EDDY |

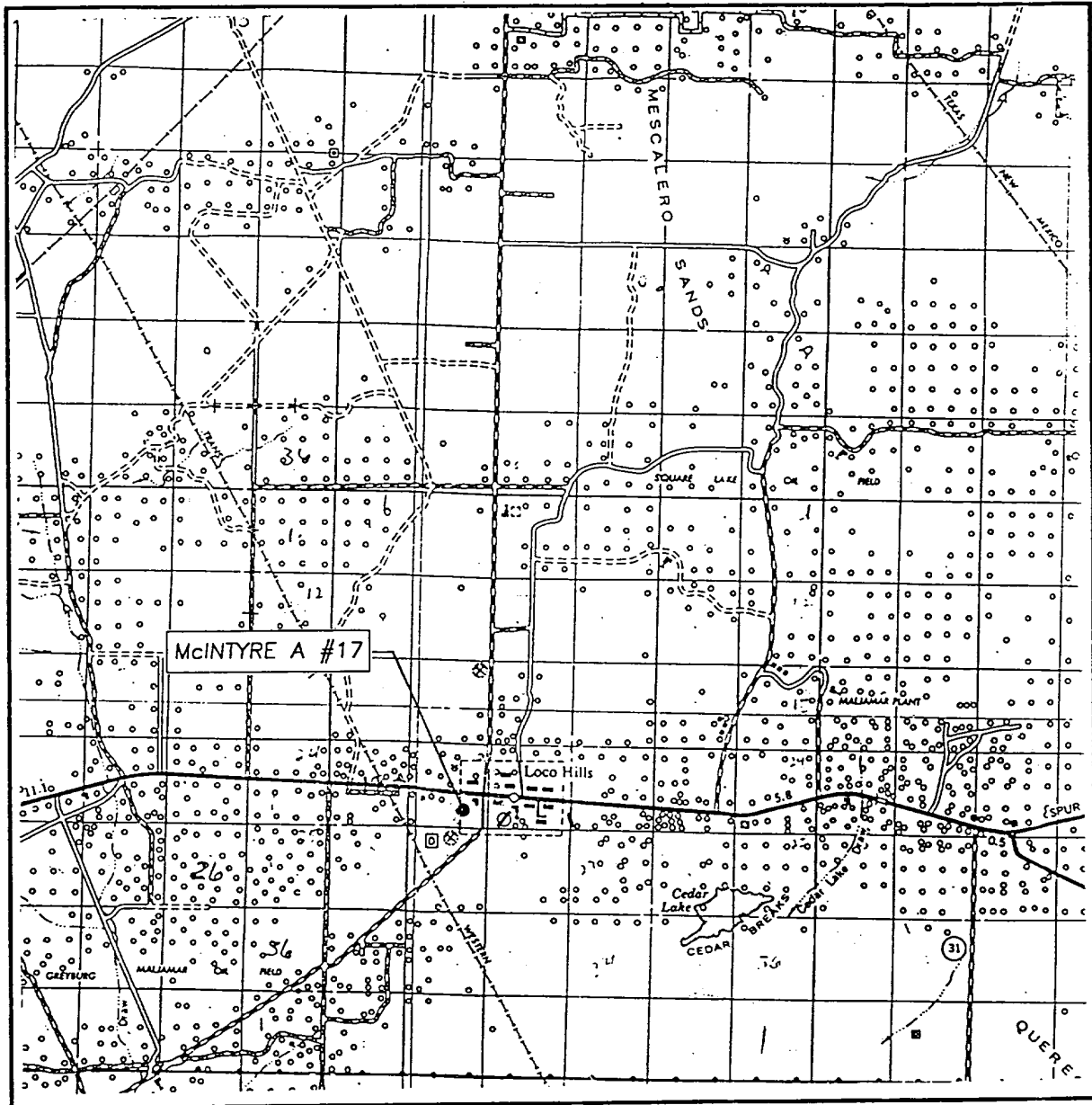
Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres 10 | Joint or Infill | Consolidation Code | 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 the the information contained herein is true and complete to the best of my knowledge and belief. Signature Crissa D. Carter Printed Name Production Analyst Title 4/10/2001 Date |
| | 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. MARCH 23, 2001 Date Surveyed |
| | Signature & Seal of Professional Surveyor 01-11-0356 |
| | Certificate No. RONALD J. KIDSON 3239 GARY KIDSON 12841 |

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 20 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1775' FSL & 1625' FEL

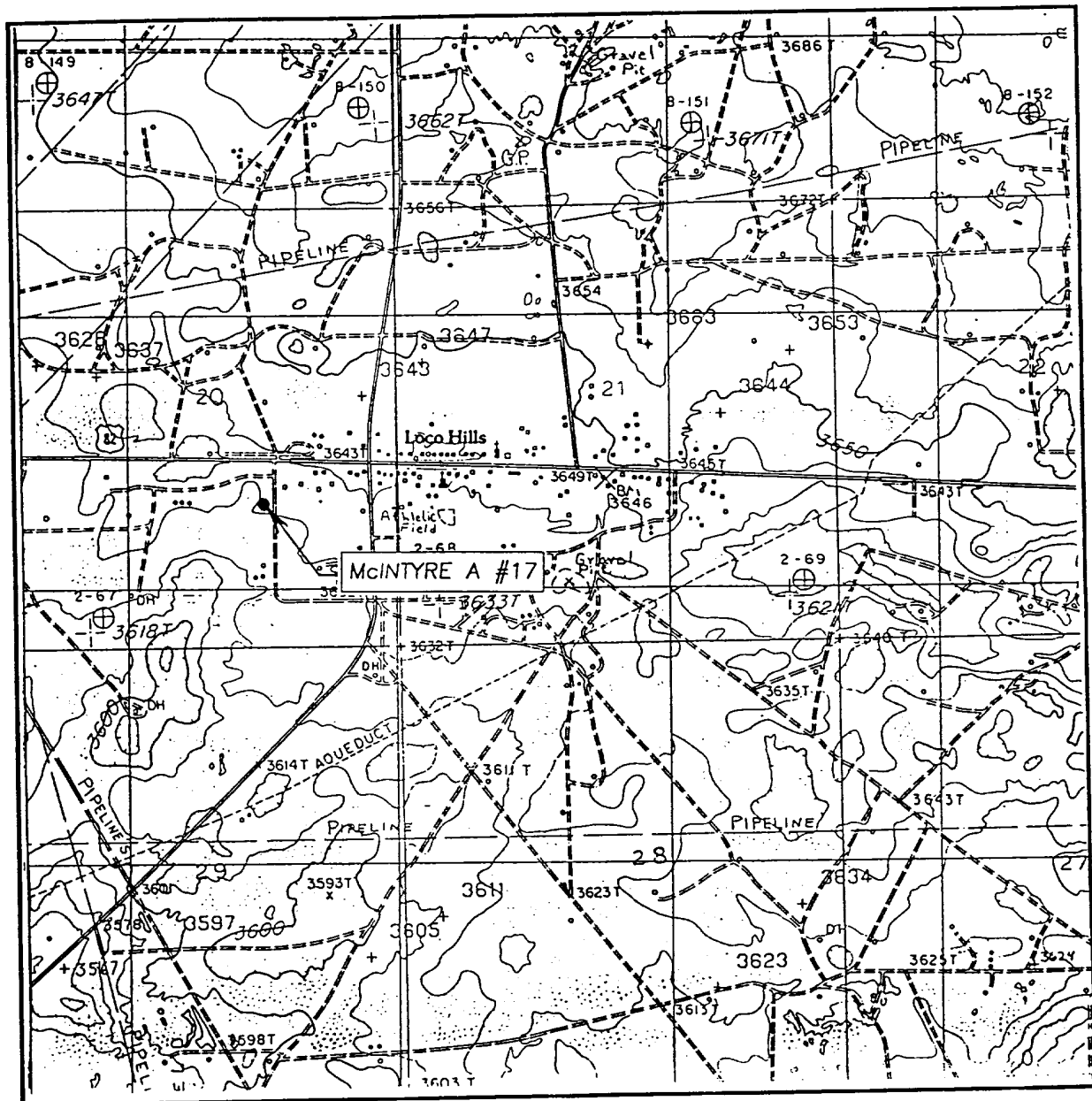
ELEVATION 3630'

OPERATOR MACK ENERGY CORPORATION

LEASE McINTYRE A

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
LOCO HILLS, N.M.

SEC. 20 TWP. 17-S RGE. 30-E

SURVEY _____ N.M.P.M.

COUNTY _____ EDDY

DESCRIPTION 1775' FSL & 1625' FEL

ELEVATION _____ 3630'

OPERATOR MACK ENERGY CORPORATION

LEASE McIntyre A

U.S.G.S. TOPOGRAPHIC MAP

LOCO HILLS, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

30-015-31789

Geol. Tops per Bdr

| | | | |
|---------|------|--------------|------|
| Yates | 1188 | Gragburg | 2655 |
| Triners | 1503 | San Andres | 2906 |
| Bowers | 1903 | Levington sd | 3002 |
| Queen | 2145 | Glorieta | 4358 |

Oxford[®]

ESSELTE

MADE IN U.S.A.

NO. R753 1/3

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8-29-01
PLAT EXP/3D-LD/CAMP NGT/NGT

200-5034

PLAT EXP/AZ-LL/MICRO-CFL/NGT
1232-5044