

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

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

WELL API NUMBER
30-025-39671

5. Indicate Type of Lease
S

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
B LEE STATE

8. Well Number
012

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 2 : 1560 feet from the N line and 1215 feet from the W line
Section 7 Township 18S Range 35E NMPM Lea County

11. Elevation (Show whether DR, KB, BT, GR, etc.)
3977 GR.

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.

7/23/2010 Spud 12 1/4" hole @ 11:30pm.

7/25/2010 TD 12 1/4" hole @ 1,603'. Ran 41 joints 8 5/8", 24# J-55, ST&C @ 1,587'. Cemented w/ 450sx 35/65/6 C, Tailed cement w/ 400sx Class C, circ 176sx, plug down @ 1:15am. WOC 18 hours tested casing to 1800# for 30 minutes, held ok.

8/2/2010 TD 7 7/8" hole @ 6,500'. Ran 176 joints 5 1/2", 17#, L-80, LT&C @ 6,495'. Cemented w/ 800sx Class C, Tailed cement w/ 400sx 50/50, circ 280sx, plug down @ 3:00pm. WOC 12 hours tested casing to 600# for 20 minutes, held ok.

8/4/2010 Rig released @ 12:00am. 7/23/2010 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
07/25/10	Surf	FreshWater	12.25	8.625	24	J-55	0	1587	850		C		1800		N
08/02/10	Prod	CutBrine	7.875	5.5	17	L-80	0	6495	1200		C		600		N

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 8/10/2010

Type or print name Jerry Sherrell

E-mail address jerrys@mackenergycorp.com

Telephone No. 505-748-1288

For State Use Only:

APPROVED BY: Paul Kautz

TITLE Geologist

DATE 8/12/2010 8:14:23 AM