

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 163372

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MACK ENERGY CORP PO Box 960 Artesia, NM 88211		2. OGRID Number 13837
		3. API Number 30-025-41033
4. Property Code 38761	5. Property Name LEO STATE	6. Well No. 007

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	18	18S	35E	H	1650	N	990	E	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	18	18S	35E	H	1650	N	990	E	Lea

9. Pool Information

WC-025 G-06 S183518A,BONE SPRING	97930
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3960
16. Multiple N	17. Proposed Depth 9650	18. Formation Bone Spring	19. Contractor	20. Spud Date 3/15/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1700	825	0
Prod	7.875	5.5	17	9650	1240	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 12 1/4" hole to 1700', run 8 5/8" casing and cement to surface. Drill a 7 7/8" hole to 9650', run 5 1/2" casing and cement to surface. Put well on production.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: Printed Name: Electronically filed by Jerry Sherrell Title: Production Clerk Email Address: jerrys@mec.com Date: 3/1/2013	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 3/5/2013 Expiration Date: 3/5/2015 Conditions of Approval Attached
Phone: 505-748-1288	

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1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 163372

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41033	2. Pool Code 97930	3. Pool Name WC-025 G-06 S183518A;BONE SPRING
4. Property Code 38761	5. Property Name LEO STATE	6. Well No. 007
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3960

10. Surface Location

UL - Lot H	Section 18	Township 18S	Range 35E	Lot Idn	Feet From 1650	N/S Line N	Feet From 990	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. 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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px; background-color: #cccccc; text-align: center;">■</td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> </table>								■									<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>E-Signed By: Jerry Sherrell Title: Production Clerk Date: 3/1/2013</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Filimon Jaramillo Date of Survey: 3/1/2013 Certificate Number: 12797</p>
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Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: LEO STATE #007

API: 30-025-41033

Created By	Comment	Comment Date
JWSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	3/1/2013
pkautz	Land s/S	3/5/2013
CHERRERA	OCD RECEIVED FORM C144 CLEZ. OCD PERMIT # P1-05832	3/5/2013

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: LEO STATE #007

API: 30-025-41033

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	In order to seal off protectable water, the surface casing must be set 25' below top of Rustler Anhydrite.