

DISTRICT I

1025 N. FRENCH DR., HOBBES, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | | |
|---------------|--|-----------|--------------------|
| API Number | | Pool Code | Pool Name |
| Property Code | Property Name B. LEE STATE | | Well Number 7 |
| OGRID No. | Operator Name MACK ENERGY CORPORATION | | Elevation 3972' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 3 | 7 | 18-S | 35-E | | 2310 | SOUTH | 990 | WEST | LEA |

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. | | | |
| | | | | | | | | | |

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>LOT 1</p> <p>38.82 AC</p> <p>LOT 2</p> <p>38.80 AC</p> <p>LOT 3</p> <p>990'</p> <p>38.88 AC</p> <p>LOT 4</p> <p>2310'</p> <p>38.96 AC</p> <p> </p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</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>AUGUST 15, 2005</p> <p>Date Surveyed _____ DEL</p> <p>Signature & Seal of Professional Surveyor</p> <p>GARY EIDSON</p> <p>05.11.1235</p> <p>Certification No. GARY EIDSON 12841</p> |
|---|---|

MEMO

DATE: October 19, 2007
TO: NMOCD
FROM: Ron Lanning
Land Manager
Mack Energy Corporation
SUBJECT: B Lee State Lease
Lea County, New Mexico

Our B Lee State Lease covers Lots 2, 3 and 4, and the SE/4NW/4 of Section 7, T18S, R35E. We own rights from the surface to the base of the Abo formation in Lot 2 and the SE/4NW/4 less the unitized Grayburg/San Andres (Central Vacuum Unit), and all rights from the surface to the base of the Abo formation in Lots 3 and 4. All working, royalty, and overriding royalty interests are common in these depths.

A handwritten signature in black ink, appearing to read 'Ron Lanning', with a large, stylized flourish at the end.

RWL:

Jones, William V., EMNRD

From: Jerry Sherrell [jerrys@mackenergycorp.com]
Sent: Friday, October 19, 2007 3:47 PM
To: Jones, William V., EMNRD
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Kautz, Paul, EMNRD
Subject: RE: B Lee State PC
Attachments: B Lee State.pdf

Hey Will,
Attached is the additional info requested. Hard copy is in the mail.

Paul, I also sent a hard copy to your office.

Thanks,

Jerry W. Sherrell
Mack Energy Corporation
Office 505-748-1288
Cell 505-703-8383
jerrys@mackenergycorp.com

From: Jones, William V., EMNRD [mailto:William.V.Jones@state.nm.us]
Sent: Thursday, October 18, 2007 3:40 PM
To: Jerry Sherrell
Cc: Ezeanyim, Richard, EMNRD; Brooks, David K., EMNRD; Kautz, Paul, EMNRD
Subject: RE: B Lee State PC

Hey Jerry:
Congratulations on completing in the Yeso Oil. If this is in the Blinebry, this may be the Undesignated Vacuum; Blinebry Pool. Or Paul may want to change the Vacuum; Blinebry name to include the entire Yeso? You could ask him...

I reviewed the old order and looked at the OCD records of completions within each well.

Send me another Sundry asking to amend PC-1141 to allow for commingling of the NW Reeves; Queen (well #5), the Vacuum; Abo Reef (wells #3, #4), and the Wildcat; Yeso Oil (well #7). In the description section of the form C-103 try to include a table with each well name, API number, and producing formation - put this in an attachment if you want to.

Ask Mr. Lanning to again sign the verification of "identical" ownership (as described in Rule 303B2(b)and(c)) for this lease (just in case something changed in the past 2 years, better for him to say than us to guess).

Include a schematic showing the lease outline, the active wells spotted on it, and the battery location.

That should do it.

Take Care,

William V. Jones PE
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3448

10/19/2007

From: Jerry Sherrell [mailto:jerrys@mackenergycorp.com]
Sent: Thursday, October 18, 2007 10:15 AM
To: Jones, William V., EMNRD
Subject: B Lee State PC

Hello Will
We have Drilled the B Lee State #7 well and anticipate completing it in the Yeso formation. There is not a Yeso pool that I find in this area, so I am calling it a Wildcat Yeso. The other wells on the B Lee lease are surface commingled per PC-1141. I am attaching the C-103 that I believe to be all is needed to add the Yeso to this PC. If I am wrong would you please let me know what else is needed, please.

Thanks,

Jerry W. Sherrell
Mack Energy Corporation
Office 505-748-1288
Cell 505-703-8383
jerrys@mackenergycorp.com

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10/19/2007