

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., 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

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-22723
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. VO-8933
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Chip State
4. Well Location Unit Letter <u>G</u> <u>1910</u> feet from the <u>North</u> line and <u>1977</u> feet from the <u>East</u> line Section <u>32</u> Township <u>23S</u> Range <u>23E</u> NMPM County <u>Eddy</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR etc.) 4332' GR		9. OGRID Number 013837
		10. Pool Name or Wildcat Paddock

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 PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: Build Fresh Water Frac Pit ☒

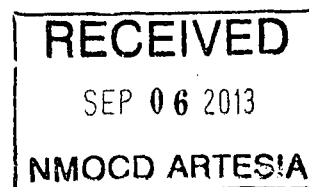
SUBSEQUENT REPORT OF:

REMEDIALWORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

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.

Mack Energy Corporation proposes to Build and Maintain a Fresh Water Frac Pit at this location. Pit will be lined with a 20mil liner. Fresh water pit used for completion of Chip State #1. See attached Plat.



Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 9/5/13

Type or print name Jerry W. Sherrell E-mail address: jerry@mec.com PHONE: (575)748-1288

For State Use Only

APPROVED BY: Signed By Mike Benavente DATE SEP 12 2013

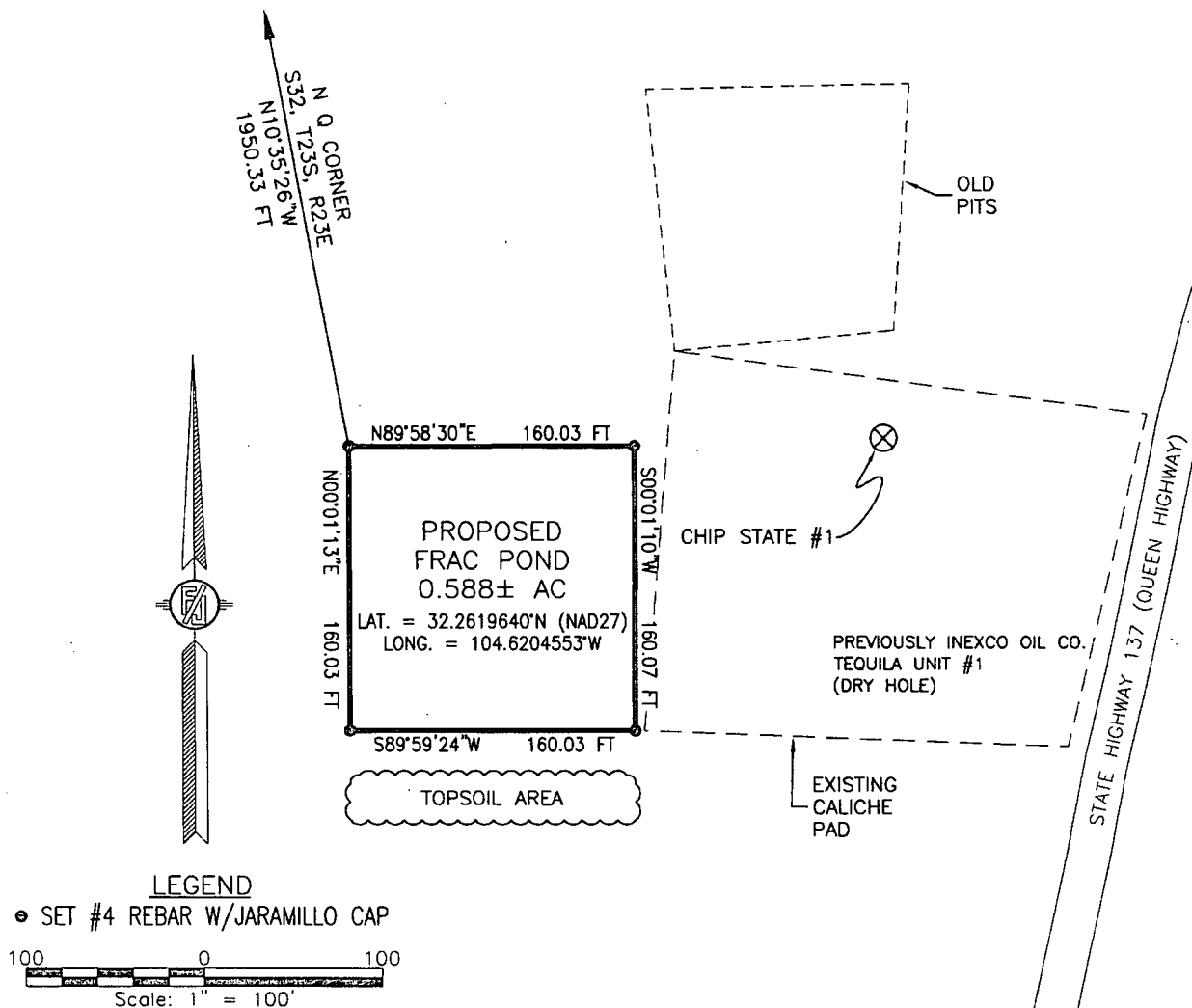
Conditions of Approval (if any):

Approved for fresh water storage

CHIP STATE #1 FRAC POND

MACK ENERGY CORPORATION
IN THE W/2 SW/4 NE/4 OF
SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 28, 2013



DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE W/2 SW/4 NE/4 OF SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST N.M.P.M., EDDY COUNTY, NEW MEXICO.

BEGINNING AT THE NORTHWEST CORNER OF THE PARCEL, WHENCE THE NORTH QUARTER CORNER OF SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M. BEARS N10°35'26"W, A DISTANCE OF 1950.33 FEET;
THENCE N89°58'30"E A DISTANCE OF 160.03 FEET TO THE NORTHEAST CORNER OF THE PARCEL;
THENCE S00°01'10"W A DISTANCE OF 160.07 FEET TO THE SOUTHEAST CORNER OF THE PARCEL;
THENCE S89°59'24"W A DISTANCE OF 160.03 FEET TO THE SOUTHWEST CORNER OF THE PARCEL;
THENCE N00°01'13"E A DISTANCE OF 160.03 FEET TO THE NORTHWEST CORNER OF THE PARCEL, TO THE POINT OF BEGINNING;
CONTAINING 0.588 ACRES MORE OR LESS.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

NEW MEXICO, THIS 4 DAY OF SEPTEMBER 2013

GENERAL NOTES

- 1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND
- 2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE

MADRON SURVEYING, INC.
301 SOUTH CANAL
CARLSBAD, NEW MEXICO 88220
Phone (575) 234-3341

SHEET: 1-3

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

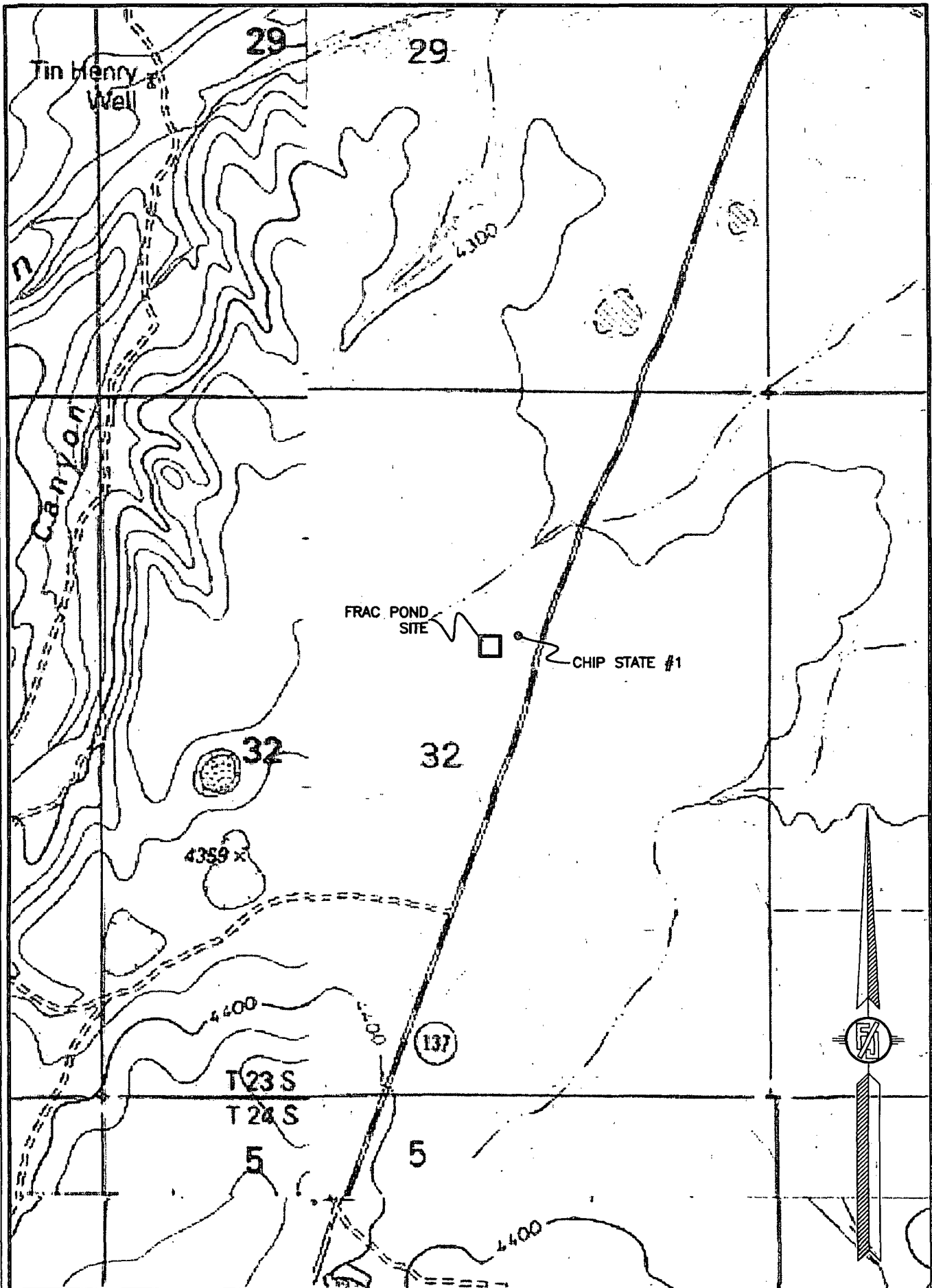
SURVEY NO. 2231

CHIP STATE #1 FRAC POND

MACK ENERGY CORPORATION
IN THE W/2 SW/4 NE/4 OF
SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 28, 2013

QUAD MAP



SHEET: 2-3

MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO

SURVEY NO. 2231

CHIP STATE #1 FRAC POND

MACK ENERGY CORPORATION
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SECTION 32, TOWNSHIP 23 SOUTH, RANGE 23 EAST, N.M.P.M.
EDDY COUNTY, STATE OF NEW MEXICO

AUGUST 28, 2013

AERIAL PHOTO



SHEET: 3-3

SURVEY NO. 2231

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341