

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

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

Form C-103  
May 27, 2004

WELL API NO. 30-015-23119
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-3216
7. Lease Name or Unit Agreement Name King State
8. Well Number 1
9. OGRID Number 013837
10. Pool name or Wildcat Siegest Draw; Wolfcamp

<p>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)</p> <p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p> <p>2. Name of Operator Mack Energy Corporation</p> <p>3. Address of Operator P. O. Box 960 Artesia, NM 88211-0960</p> <p>4. Well Location Unit Letter <u>H</u> <u>1980</u> feet from the <u>North</u> line and <u>990</u> feet from the <u>East</u> line Section <u>25</u> Township <u>19S</u> Range <u>23E</u> NMPM County <u>Eddy</u></p> <p>11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3847' GR</p> <p>Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/></p> <p>Pit type <u>Depth Groundwater</u> Distance from nearest fresh water well <u>                    </u> Distance from nearest surface water <u>                    </u></p> <p>Pit Liner Thickness: <u>                    </u> mil Below-Grade Tank: Volume <u>                    </u> bbls; Construction Material <u>                    </u></p>	
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12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input checked="" type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>OTHER: <u>                    </u> <input type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <u>                    </u> <input type="checkbox"/></p>
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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.

Notify OCD 24 hours prior to starting plugging operations.

- 1) Set CIBP @ 6050' w/ 25sx cmt plug, from 6050'-5680'. *→ TAG*
- 2) Set 25sx cmt plug from 3500'-3870' — *Perf & SQUEEZE. LEAVE 100' inside casing*
- 3) Perf 4 1/2" csg at 1860' and squeeze perfs under SZ set at 1770' with 50sx.
- 4) Perf 4 1/2" csg at 300' and circulate cmt to surface.
- 5) Install P & A Marker.

**Notify OCD 24 hrs. prior to  
Any work done.**

Note: Circ. well with salt gel mud consisting of at least 9.5# Brine with 25 pounds of gel per barrel after the bottom plug is set.

Approval Granted providing work  
is complete by 7-16-08

See attached  
Conditions of Approval

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 NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 4/16/08

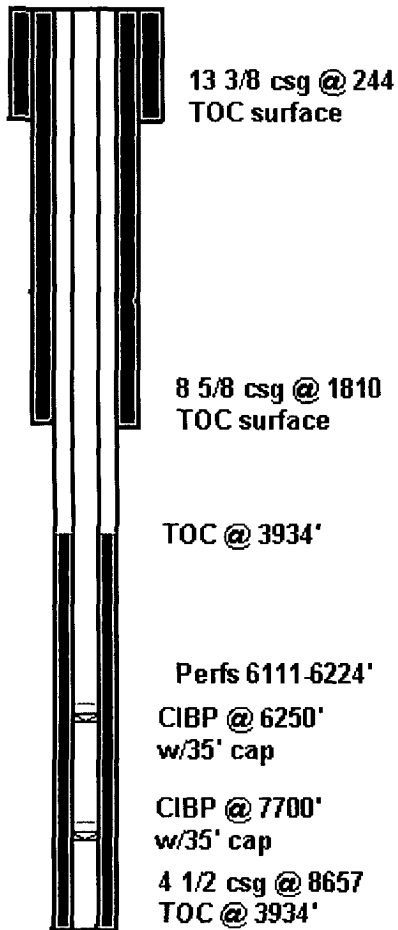
Type or print name Jerry W. Sherrell E-mail address: jerrys@mackenergycorp.com Telephone No. (575)748-1288

For State Use Only  
APPROVED BY: Gerry Guye TITLE Gerry Guye DATE APR 28 2008  
Conditions of Approval (if any): Compliance Officer

# Mack Energy Corporation

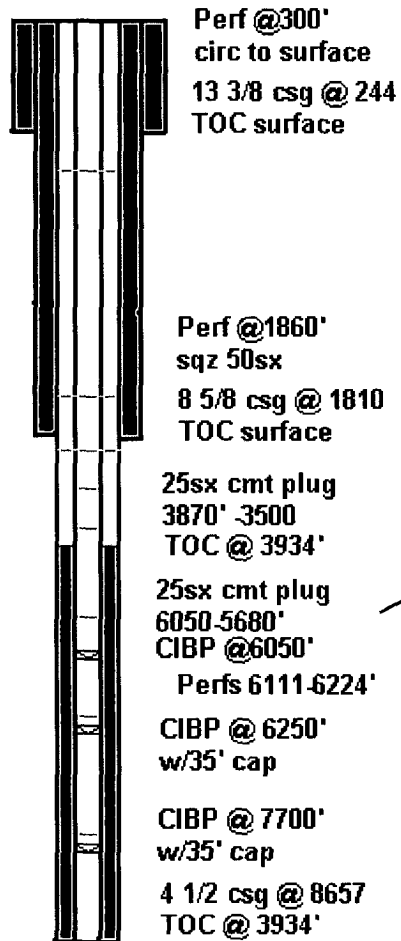
King State #1 API 30-015-23119

## Before



TD @ 8660'

## After



TD @ 8660'

TAG

## Conditions of Approval

- After setting plug at 6050' WOC and TAG
- Cement plug at 3870' must be perforated and squeezed since no cement exists behind 4 ½" casing. Leave a minimum of 100' cement inside casing.

## **Guidelines for Plugging**

- All cement plugs will be a minimum of 100' in length or a minimum of 25 sacks of cement whichever is greater.
- Mud laden fluids must be placed between all cement plugs.
- Mud laden fluids must be mixed at 25 sacks of gel per 100 bbs of water.
- A cement plug is required to be set 50' below and 50' above all casing shoes and casing stub plugs. These plugs must be tagged.
- A CIBP with 35' of cement on top may be set in lieu of 100' cement plug.
- A plug as indicated above must be placed within 100' of top perforation. This plug must be tagged.
- Plugs set below and above salt zones must be tagged.
- No more than 2000' is to be allowed between cement plugs in open hole and no more than 3000' in cased hole.
- D.V. tools are required to have a 100' cement plug set 50' above and below the tool.
- Formations to be isolated with plugs placed at the top of each formation are:
  - Fusselman
  - Devonian
  - Morrow
  - Wolfcamp
  - Bone Springs
  - Delaware
  - Any Salt Section (Plug at top and bottom)
  - Abo
  - Glorieta
  - Yates (This plug is usually at base of salt section)
- If cement does not exist behind casing strings at recommended formation depths, the casing must be cut and pulled with plugs set at these depths or casing must be perforated and squeezed behind casing at the formation depths.
- In the R-111-P area (Potash Mine area) a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts common to the section penetrated and in suitable proportions, but not more than a 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible.