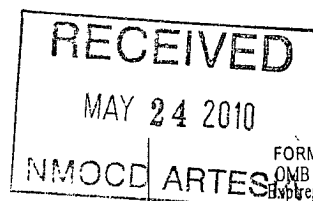


Rm

OCD-ARTESIA

Form 3160 -3  
(April 2004)



ATS-10-430  
EA-10-621

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

Split Estate

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work - <input checked="" type="checkbox"/> DRILL <i>Playback</i> <input type="checkbox"/> REENTER		5. Lease Serial No NMNM-117550	
1b. Type of Well. <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Mack Energy Corporation		7. If Unit or CA Agreement, Name and No <i>&lt;38189&gt;</i>	
3a. Address P.O. Box 960 Artesia, NM 88211-0960		8. Lease Name and Well No. Candy Cane State Com #1	
3b. Phone No (include area code) (575)748-1288		9. API Well No. 30-015- <del>3556</del> <i>35365</i>	
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 662 FNL & 660 FWL <i>Unit D</i> At proposed prod zone <del>965 FNL &amp; 1202 FWL</del> <i>330/E Unit A</i>		10. Field and Pool, or Exploratory Crow Flats; Wolfcamp <i>97102</i>	
14. Distance in miles and direction from nearest town or post office* 10 miles north/northeast of Loco Hills, NM		11. Sec., T. R. M. or Blk and Survey or Area Sec. 15 T16S R28E	
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) 330		12. County or Parish <i>Chaves Eddy</i>	
16. No. of acres in lease 160		13. State NM	
17. Spacing Unit dedicated to this well 160		18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft 1320	
19. Proposed Depth MD 10,676' TVD 6590'		20. BLM/BIA Bond No on file NMB000286	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3588' GR		22. Approximate date work will start* 4/26/2010	
23. Estimated duration 35 days			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form.

- |   |   |
|---|---|
| 1 Well plat certified by a registered surveyor  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above),   |
| 2 A Drilling Plan   | 5 Operator certification  |
| 3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6 Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Jerry W. Sherrell</i>	Name (Printed/Typed) Jerry W. Sherrell	Date 3/29/10
Title Production Clerk		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) <i>/s/ Don Peterson</i>	Date MAY 20 2010
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon  
Conditions of approval, if any, are attached

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

\*(Instructions on page 2)

Roswell Controlled Water Basin

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210  
DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
DISTRICT IV  
1662 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1662 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

RECEIVED

MAR 11 2010

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015- <b>35365</b>	Pool Code 97102	Pool Name Crow Flats:Wolfcamp
Property Code <b>38189</b>	Property Name CANDY CANE STATE COM	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3588'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	16-S	28-E		662	NORTH	660	WEST	EDDY

#1 Bottom Hole Location If Different From Surface

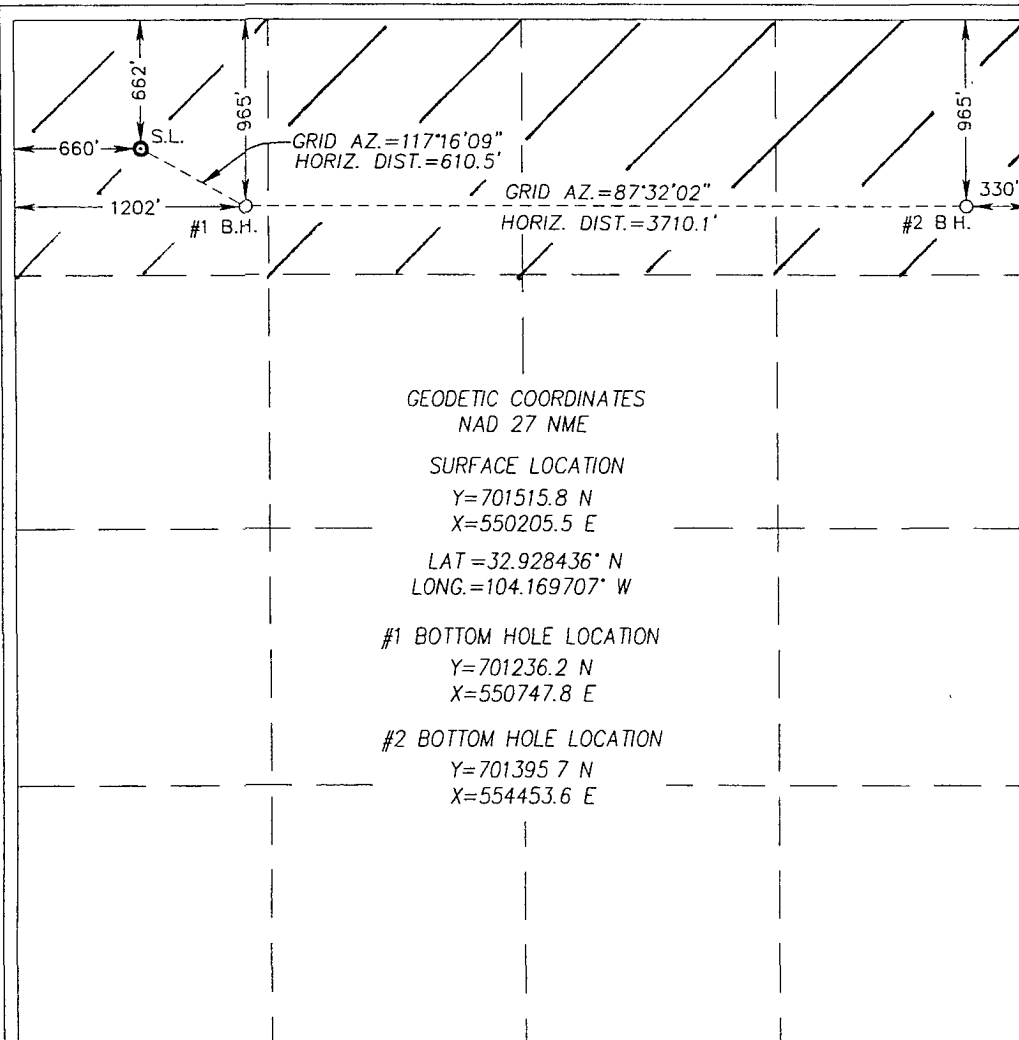
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	16-S	28-E		965	NORTH	1202	WEST	EDDY

#2 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
A	15	16-S	28-E		965	NORTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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



OPERATOR CERTIFICATION

I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

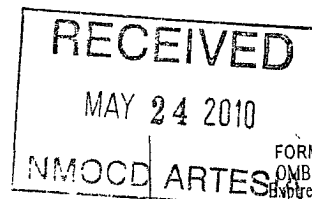
*Jerry W. Sherrell* 3/29/10  
Signature Date  
Jerry W. Sherrell  
Printed Name

SURVEYOR CERTIFICATION

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.

FEBRUARY 25 2010  
Date Surveyed  
Signature & Seal of Professional Surveyor  
GARY G. EIDSON  
12641  
10.11.0272  
Certificate No. GARY G. EIDSON 12641  
RONALD J. EIDSON 3239

OCD-ARTESIA



ATS-10-430  
EA-10-621

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

# Split Estate

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work- <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No NMNM-117550	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Mack Energy Corporation		7. If Unit or CA Agreement, Name and No <b>&lt;38189&gt;</b>	
3a. Address P.O. Box 960 Artesia, NM 88211-0960		8. Lease Name and Well No. Candy Cane State Com #1	
3b. Phone No (include area code) (575) 748-1288		9. API Well No. 30-015-35365	
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 662 FNL & 660 FWL <b>Unit B</b> At proposed prod zone <del>965 FNL &amp; 1202 FWL</del> <b>330' E Unit A</b>		10. Field and Pool, or Exploratory Crow Flats; Wolfcamp <b>97102</b>	
14. Distance in miles and direction from nearest town or post office* 10 miles north/northeast of Loco Hills, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 15 T16S R28E	
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drlg unit line, if any) 330		12. County or Parish <del>Chaves</del> <b>Eddy</b>	
16. No. of acres in lease 160		13. State NM	
17. Spacing Unit dedicated to this well 160		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1320	
19. Proposed Depth MD 10,676' TVD 6590'		20. BLM/BIA Bond No. on file NMB000286	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3588' GR		22. Approximate date work will start* 4/26/2010	
23. Estimated duration 35 days			

### 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- |  |  |
|--|--|
| 1. Well plat certified by a registered surveyor  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above),    |
| 2. A Drilling Plan   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Jerry W. Sherrell</i>	Name (Printed/Typed) Jerry W. Sherrell	Date 3/29/10
Title Production Clerk		
Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed) <i>/s/ Don Peterson</i>	Date MAY 20 2010
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
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\*(Instructions on page 2)

Baswell Controlled Water Basin

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV  
1662 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

1662 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

RECEIVED

MAR 11 2010

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

### WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015- <del>35365</del> <b>37905</b>	Pool Code 97102	Pool Name Crow Flats:Wolfcamp
Property Code <b>38189</b>	Property Name CANDY CANE STATE COM	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3588'

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	15	16-S	28-E		662	NORTH	660	WEST	EDDY

#### #1 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
D	15	16-S	28-E		965	NORTH	1202	WEST	EDDY

#### #2 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
A	15	16-S	28-E		965	NORTH	330	EAST	EDDY

Dedicated Acres 160	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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  <i>Jerry W. Sherrell</i> 3/29/10 Signature Date Jerry W. Sherrell Printed Name
<b>GEODETIC COORDINATES</b> NAD 27 NME  <b>SURFACE LOCATION</b> Y=701515.8 N X=550205.5 E  LAT.=32.928436° N LONG.=104.169707° W  <b>#1 BOTTOM HOLE LOCATION</b> Y=701236.2 N X=550747.8 E  <b>#2 BOTTOM HOLE LOCATION</b> Y=701395.7 N X=554453.6 E	<b>SURVEYOR CERTIFICATION</b>  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.  FEBRUARY 25 2010 Date Surveyed Signature & Seal of Professional Surveyor GARY G. EIDSON 12641 10.11.0272 Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239