

District I
1625 N French Dr. Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

HOBBS OCD

OCT 06 2011

RECEIVED

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

Operator Name and Address Mack Energy Corporation P.O. Box 960 Artesia, NM 88211-0960		OGRID Number 013837
Property Code 38054		API Number 30- 025-29780
Property Name Cherry State		Well No 1
Proposed Pool 1 Wildcat San Andres <97839>		Proposed Pool 2

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	16S	32E		1982	North	662	West	Lea

8 Proposed 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

Additional Well Information

Work Type Code PB	Well Type Code Oil	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 4345' GR
Multiple No	Proposed Depth 7565'	Formation San Andres	Contractor	Spud Date 10/12/2011
Depth to Groundwater 145'		Distance from nearest fresh water well 1000'		Distance from nearest surface water 1000'
Pit Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/>		Pit Volume _____bbls		
Closed-Loop System <input checked="" type="checkbox"/>		Drilling Method - Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	54.5	525	700sx	Surface/In place
12 1/4	9 5/8	36	4400	2350sx	Surface/In place
8 3/4	7	28	10,995	1495sx	Surface/In place
6 1/8 horizontal	5 1/2-4 1/2 split string	20-11.6	5 1/2 0-6456', 4 1/2 6456-11,407'	425sx-Open hole packers	Surface/In place

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone

Describe the blowout prevention program, if any. Use additional sheets if necessary.

Mack Energy Corporation proposes to Plug-back to the San Andres and re-complete as follows:

Set 4 1/2 CIBP @ 9050' w/35' cmt cap(Top Wofcamp).

Set 5 1/2 CIBP @ 7600' w/35' cmt cap(Top Abo).

Perf San Andres Zone @ 4721.5-4580.5'.

Do 2500gal 15% NEFE acid, swab/test zone.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plug back

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan. <input type="checkbox"/>		OIL CONSERVATION DIVISION	
Signature Jerry W. Sherrell		Approved by. 	
Printed name Jerry W. Sherrell		Title. PETROLEUM ENGINEER	
Title Production Clerk		Approval Date OCT 24 2011	
E-mail Address jerrys@mec.com		Expiration Date	
Date 10/5/11	Phone (575)748-1288	Conditions of Approval Attached <input type="checkbox"/>	

OCT 24 2011

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

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 30-025-29780	Pool Code	Pool Name San Andres
Property Code 38054	Property Name CHERRY STATE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4346'

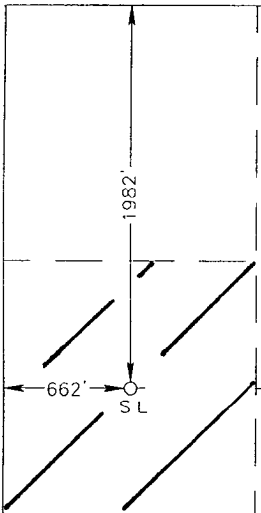
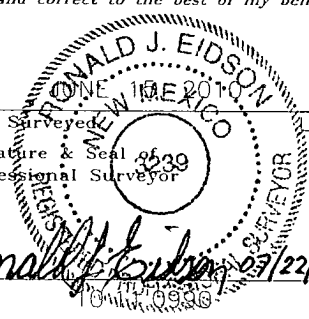
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	16-S	32-E		1982	NORTH	662	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

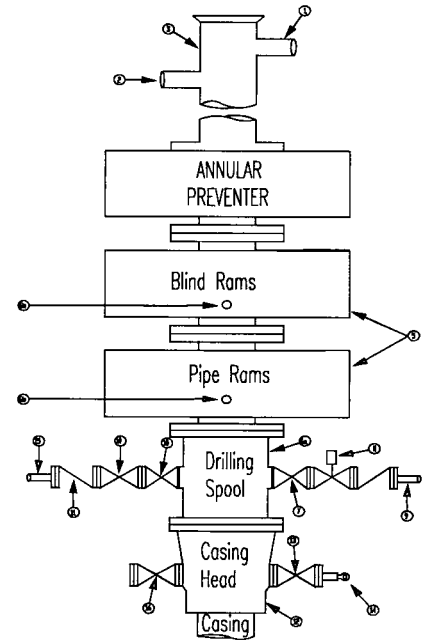
	<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=705367.6 N X=670548.0 E</p> <p>LAT = 32.937894° N LONG = 103.777440° W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either 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.</p> <p><i>Jerry W. Sherrell</i> 10-5-2011 Signature Date</p> <p>Jerry W. Sherrell Printed Name</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></p> <p>Date Surveyed: 03/22/2010 Signature & Seal of Professional Surveyor</p> <p>Certificate No. RONALD EIDSON 3239</p>
---	--	--

SCANNED

Mack Energy Corporation
Minimum Blowout Preventer Requirements
3000 psi Working Pressure
13 3/8 inch- 3 MWP
11 Inch - 3 MWP
EXHIBIT #1

Stack Requirements

NO	Items	Min I D	Min Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		2" Choke
6b	2" min. kill line and 3" min choke line outlets in ram (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"



OPTIONAL

16	Flanged Valve	1 13/16	
----	---------------	---------	--

CONTRACTOR'S OPTION TO FURNISH:

- 1 All equipment and connections above bradenhead or casinghead Working pressure of preventers to be 2000 psi minimum
- 2 Automatic accumulator (80 gallons, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure
- 3 BOP controls, to be located near drillers' position
- 4 Kelly equipped with Kelly cock
- 5 Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used
- 6 Kelly saver-sub equipped with rubber casing protector at all times
- 7 Plug type blowout preventer tester
- 8 Extra set pipe rams to fit drill pipe in use on location at all times.
- 9 Type RX ring gaskets in place of Type R

MEC TO FURNISH:

- 1 Bradenhead or casing head and side valves
- 2 Wear bushing If required

GENERAL NOTES

- 1 Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- 2 All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service
- 3 Controls to be of standard design and each marked, showing opening and closing position
- 4 Chokes will be positioned so as not to hamper or delay changing of choke beans

Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use

- 5 All valves to be equipped with hand-wheels or handles ready for immediate use
- 6 Choke lines must be suitably anchored
- 7 Handwheels and extensions to be connected and ready for use
- 8 Valves adjacent to drilling spool to be kept open Use outside valves except for emergency
- 9 All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted
- 10 Casinghead connections shall not be used except in case of emergency
- 11 Does not use kill line for routine fill up operations

Mack Energy Corporation

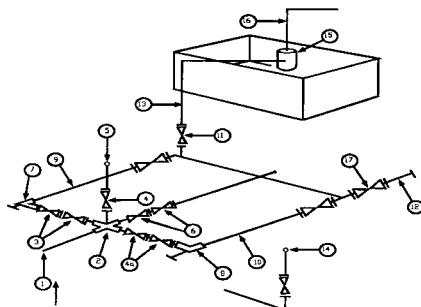
Exhibit #2

MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

3M will be used

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

* Location of separator optional

Below Substructure

Minimum requirements

No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	Nominal	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
1	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			3,000			5,000			
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
4	Valve Gate Plug	1 13/16		3,000	1 13/16		5,000	1 13/16		10,000
4a	Valves (1)	2 1/16		3,000	2 1/16		5,000	2 1/16		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure quage			3,000			5,000			10,000
15	Gas Separator		2' x 5'			2' x 5'			2' x 5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000

- (1) Only one required in Class 3M
- (2) Gate valves only shall be used for Class 10 M
- (3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

- 1 All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- 2 All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX Use only BX for 10 MWP
- 3 All lines shall be securely anchored
- 4 Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available
- 5 alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge
- 6 Line from drilling spool to choke manifold should be as straight as possible Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees