

District I  
1625 N French Dr , Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1 000 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

HOBBS OCD

Form C-101  
May 27,2004

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

OCT 21 2011

Submit to appropriate District Office

☐ AMENDED REPORT

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 6212 ✓		Property Name State GS-16
Proposed Pool 1 Vacuum; Grayburg-San Andres ✓		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
P	16	17S	34E		760	South	860	East	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
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Additional Well Information

11 Work Type Code PB	12 Well Type Code Oil	" Cable/Rotary	14 Lease Type Code S	15 Ground Level Elevation 4066' GR
16 Multiple No	" Proposed Depth 4875'	" Formation	" Contractor	" Spud Date 09/01/2011
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
14 3/4	9 5/8, J-55	36	1635	1300sx	Surface/In place
8 3/4	7, P-110	26	8805	1010sx	Surface/In place

2 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.

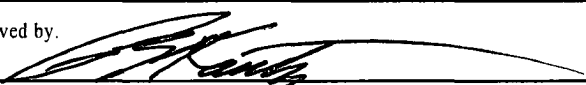
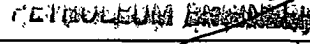
Mack Energy Corporation proposes to Plug-back to San Andres formation and re-complete as follows:

Set CIBP @ 6600' w/35' cmt cap.

Set CIBP @ 4910' w/ 35' cmt cap.

Perforate 4743-4832'

Permit Expires 2 Years From Approval  
Date Unless Drilling Underway  
Plugback

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 NMOCD 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: 	
Title: Production Clerk		Approval Date: NOV 01 2011	
E-mail Address: jerrys@mec.com		Expiration Date:	
Date 10.20.11	Phone (575)748-1288	Conditions of Approval Attached <input type="checkbox"/>	

NOV 01 2011

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  
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

HOBBS OGD

OCT 21 2011

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39890	Pool Code 62180	Pool Name Vacuum; Grayburg-San Andres
Property Code 6212	Property Name STATE GS 16	Well Number 2
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4066'

Surface Location									
UL or lot No. P	Section 16	Township 17-S	Range 34-E	Lot Idn	Feet from the 760	North/South line SOUTH	Feet from the 860	East/West line EAST	County 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
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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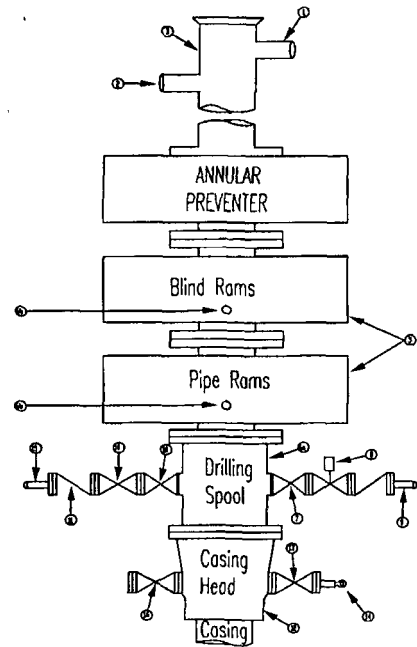
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=66637.7 N X=737740.7 E</p> <p>LAT = 32.829564° N LONG = 103.559375° W</p> <p>BOTTOM HOLE LOCATION #1 Y=666277.2 N X=737741.6 E</p> <p>BOTTOM HOLE LOCATION #2 Y=666236.3 N X=733797.1 E</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> 10-20-2011 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p>	
<p>N.666893.4 E.733331.3</p> <p>N.665571.7 E.733343.1</p> <p>N.665599.0 E.735973.1</p> <p>N.666946.6 E.738595.4</p> <p>N.665626.4 E.738607.2</p> <p>860'</p> <p>760'</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>SEP 26 2010 Date Surveyed Signature &amp; Seal of Professional Surveyor 12641 Certificate No. GARY EIDSON 12641 RONALD EIDSON 3239</p>	

**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	
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**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

10  
ME

**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

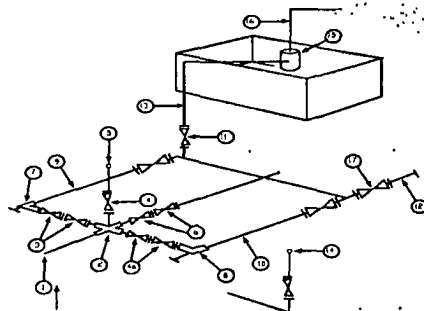
Exhibit #2

## 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

3,000 MWP

5,000 MWP

10,000 MWP

No.		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 gauge			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

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP
- All lines shall be securely anchored
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge
- 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