

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

HOBBS OCD

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

APR 26 2012

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

Submit to appropriate District Office

☐ AMENDED REPORT

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
		API Number 30- 025-30941
Property Code 39158	Property Name Barbaro State	Well No 1
Proposed Pool 1 Delaware		Proposed Pool 2

7 Surface Location

UL or lot no I	Section 17	Township 18S	Range 35E	Lot Idn	Feet from the 1700	North/South line South	Feet from the 330	East/West line East	County 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 Deepen	Well Type Code Oil	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 3942' GR
Multiple No	Proposed Depth 6000'	Formation Delaware	Contractor	Spud Date 5/10/2012
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	391	445	Surface/In place
12 1/4	8 5/8	32	3350	2000	130' temp survey
7 7/8	5 1/2	15.5	6652	810	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 Deepen this well and complete in the Delaware formation as follows:

1. Squeeze current Queen perms from 4327-4339'.
2. Drill out to existing Delaware perms 5396-5416', acidize and attempt to produced. If unproductive we will squeeze off perms.
3. Perforate Delaware from 5808-5932'.
5. RIH and PPI/Ball job w/2500gals 15% HCl acid
6. Swab and evaluate well
7. Frac well
8. Put on production

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Deepen**

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 <i>Jerry W. Sherrell</i>		Approved by. <i>[Signature]</i>	
Printed name Jerry W. Sherrell		Title PERMITTING MANAGER	
Title Production Clerk		Approval Date APR 27 2012	Expiration Date APR 27 2014
E-mail Address. jerrys@mec.com			
Date 4/23/12	Phone. (575)748-1288	Conditions of Approval Attached <input type="checkbox"/>	

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form O-142
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer 220, Azusa, NM 88210

DISTRICT III
1000 Rio Grande Rd., Azusa, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Mack Energy Corporation			Lotus Barbaro State		Well No. #1
Unit Letter I	Section 17	Township T.18S.	Range R.35E.	County LEA	
Actual Per acre Location of Well: 1700 feet from the FSL line and 330 feet from the FEL line					
Ground level Elev. 3938	Producing Formation DELAWARE	Pool WILDCAT	Dedicated Acreage 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or Indian ink on the plat below.

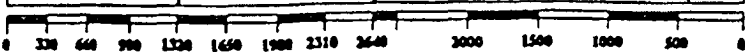
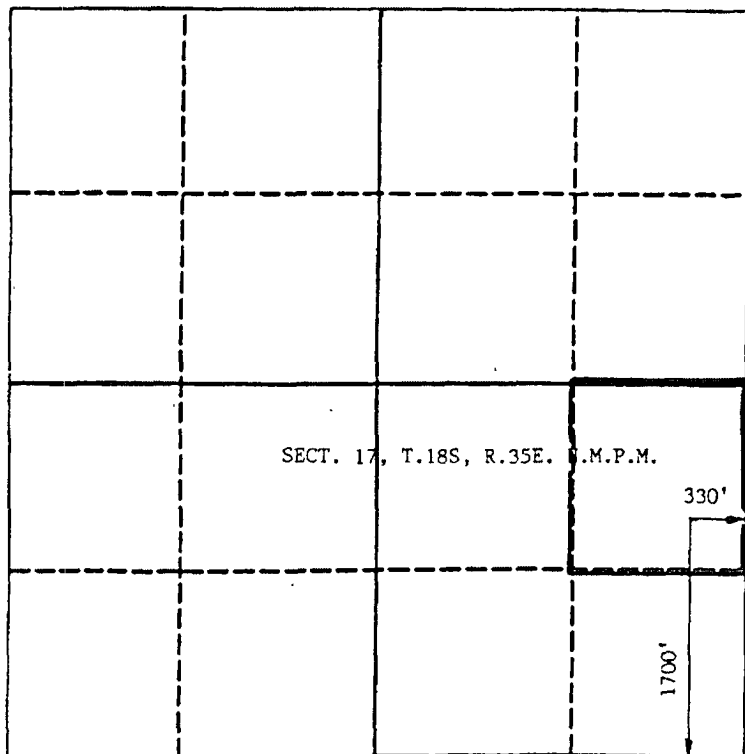
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, lease-pooling, etc.?

☒ Yes ☐ No If answer is "yes" type of consolidation **Force-Pooling (Order #R9209)**

If answer is "yes" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No acreage will be assigned to the well until all interests have been consolidated (by communitization, unitization, lease-pooling, or otherwise) or until a non-constant unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Jerry W. Sherrell

Print Name
Jerry W. Sherrell

Position

Company

Mack Energy Corporation

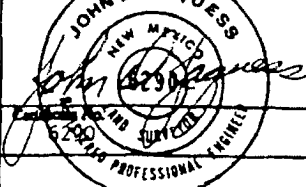
Date
4/24/2012

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was planned from field notes or actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
7/10/90

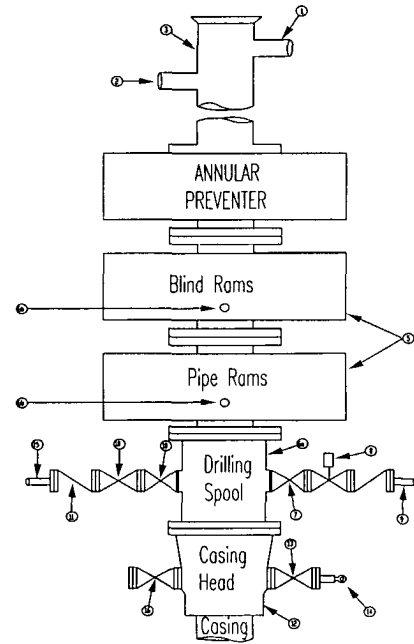
Signature & Seal of Professional Surveyor



Mack Energy Corporation
Minimum Blowout Preventer Requirements
3000 psi Working Pressure
13 3/8 inch- 3 MWP
11 Inch - 3 MWP
EXHIBIT #10

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 10
CONTRACTOR'S OPTION TO FURNISH ME

- 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

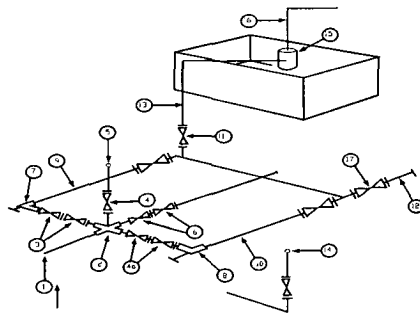
Exhibit #11

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' x5'			2' x5'			2' x5'	
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