

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
HOBBS OCEnergy Minerals and Natural Resources

Form C-101
May 27, 2004

APR 27 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 30-025-40243
Property Code 38761	Property Name Leo State	Well No 1
Proposed Pool 1 Vacuum; Abo Reef		Proposed Pool 2

7 Surface Location

UL or lot no A	Section 18	Township 18S	Range 35E	Lot Idn	Feet from the 330	North/South line North	Feet from the 990	East/West line East	County Lea
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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

Work Type Code Add A Zone	Well Type Code Oil	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 3961' GR
Multiple NO	Proposed Depth 10,615'	Formation Abo	Contractor	Spud Date 4/30/2012
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
12 1/4	8 5/8, J-55	24	1620	850sx	Surface/In place
7 7/8	5 1/2, P-110	17	10,615	1350sx	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 proposes to commingle Vacuum; Abo Reef and the Airstrip; Bone Springs, Northeast production on the Leo State #1.

1. Perf Abo from 9,000-9180'.
2. RIH and PPI/Ball job w/ 2500 gals 15% HCL acid.
3. Swab and evaluate well.
4. Frac Well
5. Put on Production

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

Oil Conservation Division- DHC
Conditions of approval: Approved for drilling/workover
ONLY--CANNOT produce Downhole Commingled until
DHC is approved in Santa Fe.

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 ☒ a general permit ☐, or an (attached) alternative OCD-approved plan. ☐

Signature *Jerry W. Sherrell*

Printed name: Jerry W. Sherrell

Title: Production Clerk

E-mail Address: jerrys@mec.com

Date: 4-26-2012

Phone: (575)748-1288

Approved by

Title

Approval Date

Expiration Date

MAY 02 2012

Conditions of Approval Attached ☐

MAY 02 2012

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30.025.40243	Pool Code 61780	Pool Name Vacuum; Abo Reef
Property Code 38761	Property Name LEO STATE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3961

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	18-S	35-E		330	NORTH	990	EAST	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
A	18	18-S	35-E		930	NORTH	357	EAST	LEA

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>GRID AZ = 134°32'58"</p> <p>HORZ. DIST. = 35.5'</p> <p>S.L. 330'</p> <p>B.H. 355'</p> <p>965'</p> <p>990'</p>	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=639068.4 N X=758949.1 E</p> <p>LAT.=32.754062° N LONG.=103.491046° W</p> <p>BOTTOM HOLE LOCATION Y=639043.5 N X=758974.4 E</p>	<p>CORNER COORDINATES TABLE</p> <p>Ⓐ - Y=639397.9 N, X=758628.7 E</p> <p>Ⓑ - Y=639400.0 N, X=759935.1 E</p> <p>Ⓒ - Y=638075.0 N, X=758643.8 E</p> <p>Ⓓ - Y=638077.8 N, X=759950.6 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> 4-26-2012 Signature Date</p> <p><i>Jerry W. Sherrell</i> Printed Name</p> <p><i>jerrys@mac.com</i> E-mail Address</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>AUGUST 3, 2011</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> 12-12-2011</p> <p>Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239</p> <p>DSS JWSC W.O. 11 13.2602</p>		
	<p>SCANNED</p>		
	<p>3239</p>		

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number: 402 Pool Code: 979 WC-025 G-06 5183518A; BONE
Property Code: B 6 Property Name: LEO STATE Well Number: 1
OGRID No.: 01383 Operator Name: MACK ENERGY CORPORATION Elevation: 3961
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	18	18-S	35-E		330	NORTH	990	EAST	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
A	18	18-S	35-E		930	NORTH	357	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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<p>GRID AZ. = 134°32'58" HORZ. DIST. = 35.5'</p>	<p>(A) (B)</p>	<p>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</p> <p><i>Jerry W. Sherrell</i> 4-26-2012 Signature Date Jerry W. Sherrell Printed Name jerry.s@mec.com E-mail Address</p>
<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=639068.4 N X=758949.1 E LAT.=32.754062° N LONG.=103.491046° W</p>	<p>(C) (D)</p>	<p>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.</p> <p>AUGUST 3, 2011 Date of Survey Signature & Seal of Professional Surveyor: Certificate Number: Gary G. Eidson 12641 Ronald J. Eidson 3239 DSS JWSC W O 11 13.2602</p>
<p>BOTTOM HOLE LOCATION Y=639043.5 N X=758974.4 E</p>	<p>CORNER COORDINATES TABLE (A) - Y=639397.9 N, X=758628.7 E (B) - Y=639400.0 N, X=759935.1 E (C) - Y=638075.0 N, X=758643.8 E (D) - Y=638077.8 N, X=759950.6 E</p>	<p>SCANNED</p>