District I PO Box 1980, Hobbs, NM 88241-1980 District II 811 S. 1st Street Artesia, NM 88210-1404 District III 1000 Rio Brazos Rd. Aztec, NM 87410

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resourses Department Form C-101 Revised February 10, 1994 Instructions on back

Submit to Appropriate District Office
State Lease - 6 Copies

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AMENDED REPORT

#### District III 1000 Rio Brazos Rd, Aztec, NM 87410 District IV

| PO Box | k 2088, | Santa | Fe, | NM | 87504-2088 |  |
|--------|---------|-------|-----|----|------------|--|
|        |         |       |     |    |            |  |
|        |         |       |     |    |            |  |

| APPLICA   | TION I         | FOR PI             | ERMIT '        | TO DRI                                       | LL, RE-EN                 | ITER, DEI                                  | EPEN   | N, PLUGBA        | ACK,            | OR A        | DD A ZONE              |  |
|---|----------------|--------------------|----------------|--|---------------------------|--|--------|------------------|-----------------|-------------|------------------------|--|
|   |                |                    |                |  | r Name and Addi           |  |        |                  |                 | _           | RID Number             |  |
|   |                |                    | V              |  | y Corporation             |  |        |                  |                 | 013837      |                        |  |
|   |                |                    | 1              |  | Box 960<br>4 88211-0960   |  |        |                  |                 | А           | API Number             |  |
|   |                |                    |                | 110016, 1111                                 | 100211 0700               |  |        |                  | ,               | 30          | -025-35763             |  |
|   | rty Code       |                    | -              |  | Pro                       | operty Name                                |        |                  |                 |             | Well No.               |  |
| 34  | 770            |                    |                |  | ı                         | Gar State                                  |        |                  |                 |             | 1                      |  |
|   |                |                    |                |  | Surface I                 | Location                                   |        |                  |                 |             |                        |  |
| UL or lot no.   | Section        | Township           | p Range        | Lot Idn                                      | Feet from the             | om the North/South line Feet from the      |        |                  | East/W          | Vest line   | County                 |  |
| Н   | 23             | 16S                | 33E            | ļ  | 1980                      | North                                      |        | 660              | ]               | East        | Lea, NM                |  |
|   |                | Pr                 | oposed J       | 3ottom J                                     | Hole Locati               | ion If Diffe                               | erent  | t From Surf      | ace             |             |                        |  |
| UL or lot No.   | Section        | Township           | Range          | Lot Idn                                      | Feet from the             | North/South I                              | line   | Feet from the    | East/West line  |             | County                 |  |
|   | <u> </u>       |                    |                |  |                           |  |        |                  |                 |             |                        |  |
|   |                | Propo              | sed Pool   H   | ume &  | Leen                      | _  |        | Propose          | d Pool          | 2           |                        |  |
|   |                | Re                 | nrose          | $\underline{\hspace{1cm}} w$                 | est                       |  |        | Premier          | r Sand          |             |                        |  |
| Work To   | pe Code        | <del></del>        |                |  |                           | · · · · · · · · · · · · · · · · · · ·      | ,      |                  |                 | <del></del> |                        |  |
| _   |                |                    | Well Type      | ; Code                                       | Cable/                    | ble/Rotary I                               |        | Lease Type Co    | Lease Type Code |             | Ground Level Elevation |  |
| P. Cont.  |                |                    | O              | •  |                           | R S  |        |                  |                 | 4182        |                        |  |
|   | tiple          |                    | Proposed l     | -  |                           | rmation Contractor                         |        |                  |                 |             | Spud Date              |  |
| Ye  | :s             |                    | 4600           | *****  | Queen/G                   |  | ]      |                  |                 | 4           | 4/25/2005              |  |
|   |                |                    |                | <del></del>                                  | d Casing an               |  |        | <del></del>      |                 |             | 7                      |  |
| Hole Si   |                |                    | sing Size      | Casin  | ng weight/foot            | Setting Depth                              |        | Sacks of Cement  |                 | t           |                        |  |
| 17 1/2  | :              |                    | 3 3/8          |  | 48                        | 342  |        |                  | ) sx            | $\dashv$    | Circulated             |  |
| 11  | <del></del>    |                    | 3 5/8          |  | 32                        |  |        | 1400 sx          |                 |             | Circulated             |  |
| 7 7/8   | 7 7/8 5 1/2 17 |                    | 13550          | <u>)                                    </u> | 2650                      | 0 sx                                       | -      | Circulated       |                 |             |                        |  |
|   | <del></del>    | <del></del>        |                | +  |                           | <del></del>                                |        |                  |                 |             |                        |  |
| 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 Re-enter the formerly Yankees State #1, now Gar State #1 to a depth of 4600'. Attempt to produce the Premier Sand and Penrose formations. |                |                    |                |  |                           |  |        |                  |                 |             |                        |  |
| zone. Describe  | the blowout    | prevention         | a program, if  | any. Use add                                 | ditional sheets if n      | necessary.                                 |        | <b>P</b>         | 1.61            | 61778       | Na non press           |  |
|   | M              | lack Ener          | gy Corpora     | ation propo                                  | oses to Re-enter          | r the formerly                             | ' Yank | cees State #1, n | ow Gai          | r State #1  | to a depth of          |  |
| 4600'. Atte   | empt to pr     | oduce the          | e Premier S    | Sand and P                                   | enrose formation          | ons.                                       |        | kees State #1, n |                 | Ži.         | 12                     |  |
|   |                | _                  |                |  |                           |  |        | 107              | <i>i</i> ≽      |             | [2]                    |  |
|   |                | 177 (594 t)<br>[** | MI EXPIN       | es Arit                                      | ar From App<br>ina Underw | βľOV <b>&amp;</b> I<br>≔v                  |        | (ය)              | Pied            | Ge/Wes      | 22                     |  |
|   |                | <del></del>        | falle Vin      | 67 c   | ing Underwi               | <b>≘</b> y                                 |        | 10               | r;              | cobs        | 23242526               |  |
|   |                |                    |                | MK   | , - 2 <b>9</b> TIY        |  |        | /ID              |                 | " NEX       | <u>्</u> रें जें∕      |  |
|   |                |                    |                |  |                           | · · · <u></u>                              |        | 10               |                 | 10 ne 61    | 187                    |  |
| I hereby certify to   |                | rmation giv        | en above is tr | rue and comp!                                | lete to the best          | OI   | I.C(   | ONSERVA          | LIUN            | DIVIS       | ZION                   |  |
| of my knowledge<br>Signature  | and Delies     | つ                  | 11 <           | -1. 6  | 1/1   A                   | OIL CONSERVATION DIVISION Approval by:     |        |                  |                 |             |                        |  |
| Printed name:   | <del></del>    | 70                 |                | hengle                                       |                           | 11 less                                    |        |                  |                 |             |                        |  |
|   |                | Jerry W.           | . Sherrell     |  |                           | Title: PEINOLEUM ENGINEER                  |        |                  |                 |             |                        |  |
| Title: Production Clerk   |                |                    |                |  |                           | Approval Date: APR 2 2 2005 Expintion Date |        |                  |                 |             |                        |  |
| Date: Phone:  |                |                    |                |  |                           | Conditions of Approval:                    |        |                  |                 |             |                        |  |
| 4/15/2005 (505)748-1288   |                |                    |                |  | .288 L                    | Attached                                   |        |                  |                 |             |                        |  |

## P.O. Box 1980, Hobbs, NM 88241-1980

#### State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994

☐ AMENDED REPORT

Well Number

1

DISTRICT II P.C. Drawer DD, Artesia, NM 88211-0719

### OIL CONSERVATION DIVISION

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

API Number

30-025-35763 Property Code

29061 34770

OGRID No.

DISTRICT IV

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Name

GAR STATE

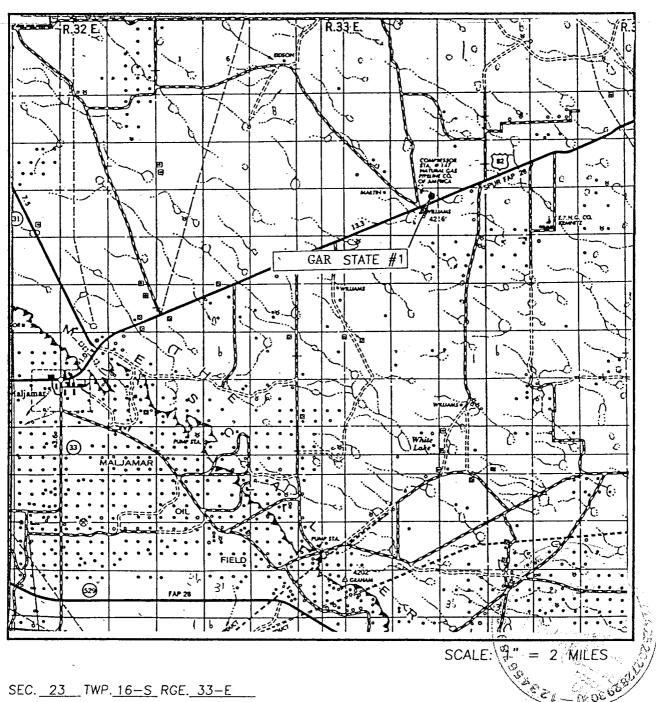
Pool Code

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

Pool Name

| OGRID No         |                             | Operator Name  |                |             |                 |                   |                               | Elevation                                  | Elevation       |  |
|------------------|-----------------------------|--|----------------|-------------|-----------------|-------------------|-------------------------------|--|-----------------|--|
| 013837           | 837 MACK ENERGY CORPORATION |  |                |             | 4182'           |                   |                               |  |                 |  |
| Surface Location |                             |  |                |             |                 |                   |                               |  |                 |  |
| UL or lot No.    | Section                     | Township   | Range          | Lot Idn     | Feet from the   | North/South line  | Feet from the                 | East/West line                             | County          |  |
| н                | 23                          | 16-S   | 33-E           |             | 1980            | NORTH             | 660                           | EAST -                                     | LEA             |  |
|                  |                             |  | Bottom         | Hole Loc    | cation If Diffe | erent From Sur    | l<br>face                     |  | <u></u>         |  |
| 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 C   | onsolidation ( | Code Or     | der No.         |                   |                               |  | L               |  |
| 40               |                             |  |                |             |                 |                   |                               |  |                 |  |
| NO ALLO          | WABLE W                     | ILL BE A   | SSIGNED 7      | TO THIS     | COMPLETION L    | JNTIL ALL INTER   | RESTS HAVE BE                 | EN CONSOLIDA                               | TED             |  |
| <u></u>          |                             | OR A   | NON-STAN       | DARD UN     | IT HAS BEEN     | APPROVED BY       | THE DIVISION                  |  |                 |  |
|                  |                             |  |                |             |                 | A                 | OPERATO                       | R CERTIFICAT                               | TON             |  |
|                  |                             |  |                | 1           | 1               |                   | 11                            | certify the the inf                        |                 |  |
|                  | -                           |  |                |             | İ               |                   | contained herein              | is true and comple                         |                 |  |
|                  | Ì                           |  |                |             | }               | 1                 | best of my know               | ledge and belief                           |                 |  |
|                  |                             |  | ;              |             | !               | 980,              |                               | , 1 /1                                     | M               |  |
|                  |                             |  |                |             |                 | <del>=</del>      | Juny                          | W. Shenel                                  |                 |  |
|                  | ·                           |  |                | <del></del> | ;_              |                   | Signature                     |  |                 |  |
|                  |                             |  | İ              |             |                 |                   | Jerry W. Printed Name         | Sherrell                                   |                 |  |
|                  |                             |  | I              |             | 1               |                   | Production                    | on Clerk                                   |                 |  |
|                  |                             |  | İ              |             | 1               | o <del></del> 660 | Title                         |  |                 |  |
| •                |                             |  |                |             |                 |                   | 4/15/200.                     | <u> </u>                                   |                 |  |
|                  |                             |  | 1              |             | 1               |                   | CHDVEVO                       | D CEDEVELO A DI                            |                 |  |
|                  | -                           | <del></del>  |                |             |                 |                   | - SURVETU                     | R CERTIFICAT                               | ION             |  |
|                  | 1                           |  | 1              |             | ·               |                   | Achieveby certify             | that the well locations plotted from field | m shown         |  |
|                  |                             |  | 1              |             |                 |                   | actual surveys                | made by me or 1                            | under my        |  |
|                  | 1                           |  | 1              |             | 1               | /                 | supervison and correct to the | that the same is best of my belief.        | true and        |  |
|                  |                             |  | 1              |             | I               |                   |                               | - N.7 E                                    | İ               |  |
|                  |                             |  |                |             | 1               | ·                 | Date Surveyed                 | IBÈR 09,572001                             |                 |  |
| <del> </del>     | ;-                          |  | ;              |             |                 |                   | Signature & S                 | eal of                                     | AWB             |  |
|                  | 1                           |  |                |             |                 |                   | Professional                  | Surveyor                                   |                 |  |
|                  | 1                           |  | 1              |             |                 |                   | 1/2011                        | 2 /  | , ,             |  |
|                  |                             |  |                |             |                 |                   | D) WNOUX S                    |  | 09/01           |  |
|                  | MOV                         | 0 2001   | 1              |             | 1               |                   | 11/ 12:00                     | 1.11,1/201                                 |                 |  |
|                  | MOA                         | 9 2001   |                |             | -               |                   | 4                             | RONALD J EIDSON                            | N 3239<br>12641 |  |
|                  |                             | ways a service of the | 1,1/           |             |                 |                   |                               | GARY EIDSON                                |                 |  |

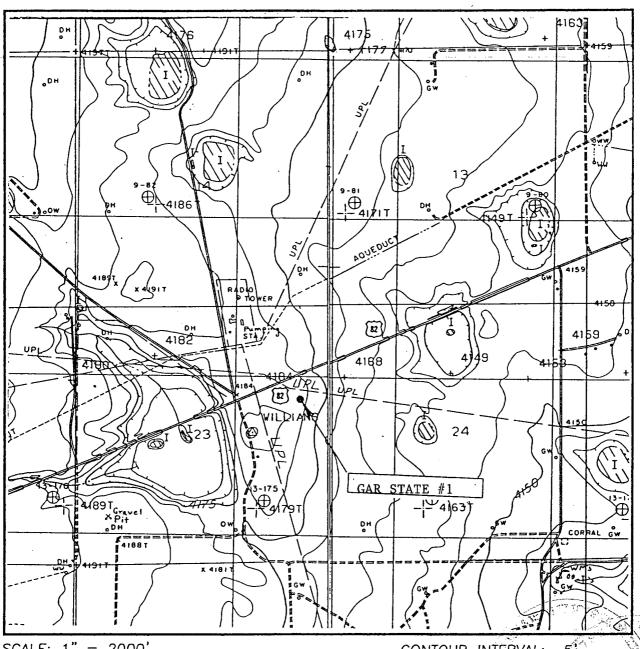
# VICINITY MAP



| 3LC. 25 1WI . 10 | 5-3 NGL. 33-E     |
|------------------|-------------------|
| SURVEYI          | N.M.P.M.          |
| COUNTY           | LEA               |
| DESCRIPTION 1980 | ' FNL & 660' FEL  |
| ELEVATION        | 4182'             |
| OPERATOR MACK E  | NERGY CORPORATION |
| IFASE GAR        | STATE             |

JOHN WEST SURVEYING HOBBS, NEW MEXICO (505) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. <u>23</u> TWP. <u>16-S</u> RGE. <u>33-E</u>

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1980' FNL & 660' FEL

ELEVATION 4182'

OPERATOR MACK ENERGY CORPORATION

LEASE GAR STATE

U.S.G.S. TOPOGRAPHIC MAP BUCKEYE NW. N.M.

CONTOUR INTERVAL: BUCKEYE NW. N.M.

JOHN WEST SÜRVE HOBBS, NEW MEXICO (505) 393-3117

District I 1625 N. French Dr., Hobbs, NM 88240 District II

District III

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

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Form C-144

March 12, 2004

| Pit or Below-Grade Tank Registration or Closure  |   |
|--|---|
| Is pit or below-grade tank covered by a "general plan"? Yes No                                     |   |
| Type of action: Registration of a pit or below-grade tank 🛮 Closure of a pit or below-grade tank 🔲 | 1 |

| Operator: Mack Energy Corporation Telephone: Quadress: P.O. Box 960, Artesia, NM 88211-0960   | [505)748-1288 e-mail address: jerrys@mack               | energycorp.com                                    |  |  |  |  |
|---|---|---|--|--|--|--|
| Facility or well name: Gar State #1 API #- 30-025   | -35763 U/L or Qtr/Qtr H Sec 23 T 1                      | 6S_R_33E_   |  |  |  |  |
| County: Lea Latitude Longitude  | NAD: 1927 🔲 1983 🗋 Surface Ow                           | rner Federal 🗌 State 🔀 Private 🔲 Indian 🗌         |  |  |  |  |
| Pit   | Below-grade tank  |   |  |  |  |  |
| Type: Drilling Production Disposal  | Volume:bbl Type of fluid:                               |   |  |  |  |  |
| Workover Emergency  | Construction material:                                  |   |  |  |  |  |
| Lined Unlined   | Double-walled, with leak detection? Yes If not,         | , explain why not,                                |  |  |  |  |
| Liner type: Synthetic ▼ Thickness 12 mil Clay □ Volume 300 _bbi   |   |   |  |  |  |  |
| Depth to ground water (vertical distance from bottom of pit to seasonal high  | Less than 50 feet                                       | (20 points)                                       |  |  |  |  |
| water elevation of ground water.)   | 50 feet or more, but less than I 00 feet                | (10 points)                                       |  |  |  |  |
| ratel elevation of ground water.  | 100 feet or more  | ( 0 points) 10 Points                             |  |  |  |  |
| Wellhead protection area: (Less than 200 feet from a private domestic   | Yes   | (20 points)                                       |  |  |  |  |
| water source, or less than 1000 feet from all other water sources.)   | No  | (0 points)  |  |  |  |  |
| water source, or rest than 1000 feet from all other water sources.  |   | 0 Points  |  |  |  |  |
| Distance to surface water: (horizontal distance to all wetlands, playas,  | Less than 200 feet                                      | (20 points)                                       |  |  |  |  |
| irrigation canals, ditches, and perennial and ephemeral watercourses.)  | 200 feet or more, but less than 1000 feet               | (10 points)                                       |  |  |  |  |
|   | 1000 feet or more                                       | ( 0 points) <b>0 Points</b>                       |  |  |  |  |
|   | Ranking Score (Total Points)                            | 10 Points   |  |  |  |  |
| If this is a pit closure: (1) attach a diagram of the facility showing the pit's  | relationship to other equipment and tanks. (2) Indicate | e disposal location:                              |  |  |  |  |
| onsite offsite from If offsite, name of facility  | (3) Attach a general description of remedial action     | on taken including remediation start date and end |  |  |  |  |
| date. (4) Groundwater encountered: No 🔲 Yes 🔲 If yes, show depth belo   | w ground surfaceft. and attach sample                   | e results. (5) Attach soil sample results and a   |  |  |  |  |
| diagram of sample locations and excavations.  |   |   |  |  |  |  |
| I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has             |   |   |  |  |  |  |
| been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan   Date: 4/15/2005                                      |   |   |  |  |  |  |
| Printed Name/Title Jerry W. Sherrell/Production Clerk Signature Juny W. Shenell   |   |   |  |  |  |  |
| Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit of tank contaminate ground water of             |   |   |  |  |  |  |
| otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations. |   |   |  |  |  |  |
| Approval:   |   | 10 10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0           |  |  |  |  |
| Date: ODICINAL CICAGO OV  |   | 1-1505  |  |  |  |  |
| Printed Name/Title PAUL F. KAUTZ  | Signature   |   |  |  |  |  |
| PETROLEUM ENGINEER  | <del>-</del>  |   |  |  |  |  |
| · Z. HOLEON ENOUNCEM  |   |   |  |  |  |  |