

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 87401

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

HOBBS OCD

OCT 09 2012

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 37063 | | API Number 30- 025-25991 |
| Property Name Shetland SWD | Well No. 1 | |
| Proposed Pool 1 SWD; Wolfcamp | 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 |
| K | 18 | 18S | 35E | | 1980 | South | 1980 | 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 |
| | | | | | | | | | |

| | | | | |
|--|---|--|----------------------|-------------------------------------|
| Work Type Code E | Well Type Code O | Cable/Rotary Rotary | Lease Type Code S | Ground Level Elevation 3883 |
| Multiple No | Proposed Depth 11050 | Formation Wolfcamp | Contractor | Spud Date 11/1/2012 |
| Depth to Groundwater | | Distance from nearest fresh water well | | Distance from nearest surface water |
| Pit | Liner. Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> | Pit Volume _____bbls | Drilling Method - | |
| Closed-Loop System <input checked="" type="checkbox"/> | | Fresh Water <input 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 | 48 | 358 | 340sx | Surface |
| 11 | 8 5/8 | 32 | 3601 | 1000sx | 230' |
| 7 7/8 | 5 1/2 | 17 | 11050 | 2300sx | Surface |
| | | | | | |
| | | | | | |

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 Shetland SWD #1 to a depth of 11,050', run 5 1/2" casing and cement to surface. Perforate and acidize the Wolfcamp formation for a SWD well.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

SWD-1125-A

| | | | |
|---|----------------------|--|-----------------|
| 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: Petroleum Engineer | |
| Title: Production Clerk | | Approval Date | Expiration Date |
| E-mail Address: jerrys@mec.com | | OCT 11 2012 | |
| Date: 10/5/12 | Phone: (575)748-1288 | Conditions of Approval Attached <input type="checkbox"/> | |

OCT 11 2012

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

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|----------------------------|--|--|--|---------------------------|-------------------|
| API Number 30-025-25991 | | Pool Code 96135 | | Pool Name SWD;Wolfcamp | |
| Property Code 37063 | | Property Name Shetland SWD | | | Well Number 1 |
| OGRID No. 013837 | | Operator Name Mack Energy Corporation | | | Elevation 3964 |

HI Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 18 | 18S | 35E | | 1980 | South | 1980 | 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 |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

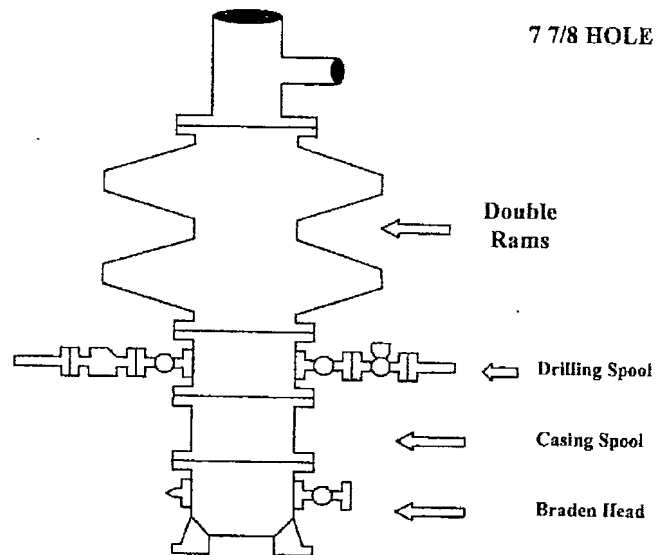
| | | | |
|-------------------------|-------------------|----------------------|-------------|
| " Dedicated Acres 40 | " joint or Infill | " Consolidation Code | " Order No. |
|-------------------------|-------------------|----------------------|-------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL XL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | | | | | | | |
|---|--|--|--|--|---|---|--|
| 16 | | | | | OPERATOR CERTIFICATION <i>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.</i> | | |
| | | | | | Signature <i>Jerry W. Sherrell</i> | | |
| | | | | | Printed Name Jerry W. Sherrell | | |
| | | | | | Title Production Clerk | | |
| Date 3/14/08 | | | | | | "SURVEYOR CERTIFICATION <i>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</i> | |
| Date of Survey | | | | | | | |
| Signature and Seal of Professional Surveyor | | | | | | | |
| Certificate Number | | | | | | | |

Mack Energy Corporation

Exhibit #1-A BOPE Schematic



Choke Manifold Requirement (3000 psi WP)
No Annular Required

