

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., 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  
**HOBS OCD**  
 OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-103  
 June 19, 2008

APR 26 2013

RECEIVED

WELL API NO. 30-025-40920
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. E-2444
7. Lease Name or Unit Agreement Name Cap State
8. Well Number 1
9. OGRID Number 013837
10. Pool Name or Wildcat Mescalero Escarpe; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR etc.) 4074' GR

SUNDRY NOTICES AND REPORTS ON WELLS  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
Mack Energy Corporation

3. Address of Operator  
P.O. Box 960 Artesia, NM 88210

4. Well Location  
 Unit Letter J 2260 feet from the South line and 1425 feet from the East line  
 Section 18 Township 18S Range 34E NMPM County Lea

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIALWORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Build Fresh Water Frac Pit <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation proposes to Build and Maintain a Fresh Water Frac Pit at this location. Pit will be lined with a 20mil liner. Fresh water pit used for completion of Cap State #1. See attached Plat.

Water source sample will be tested and results submitted.

Spud Date:  Rig Release Date:

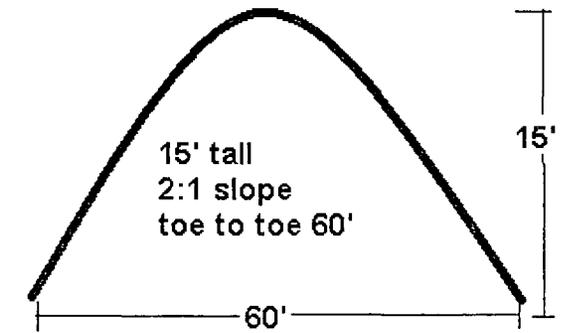
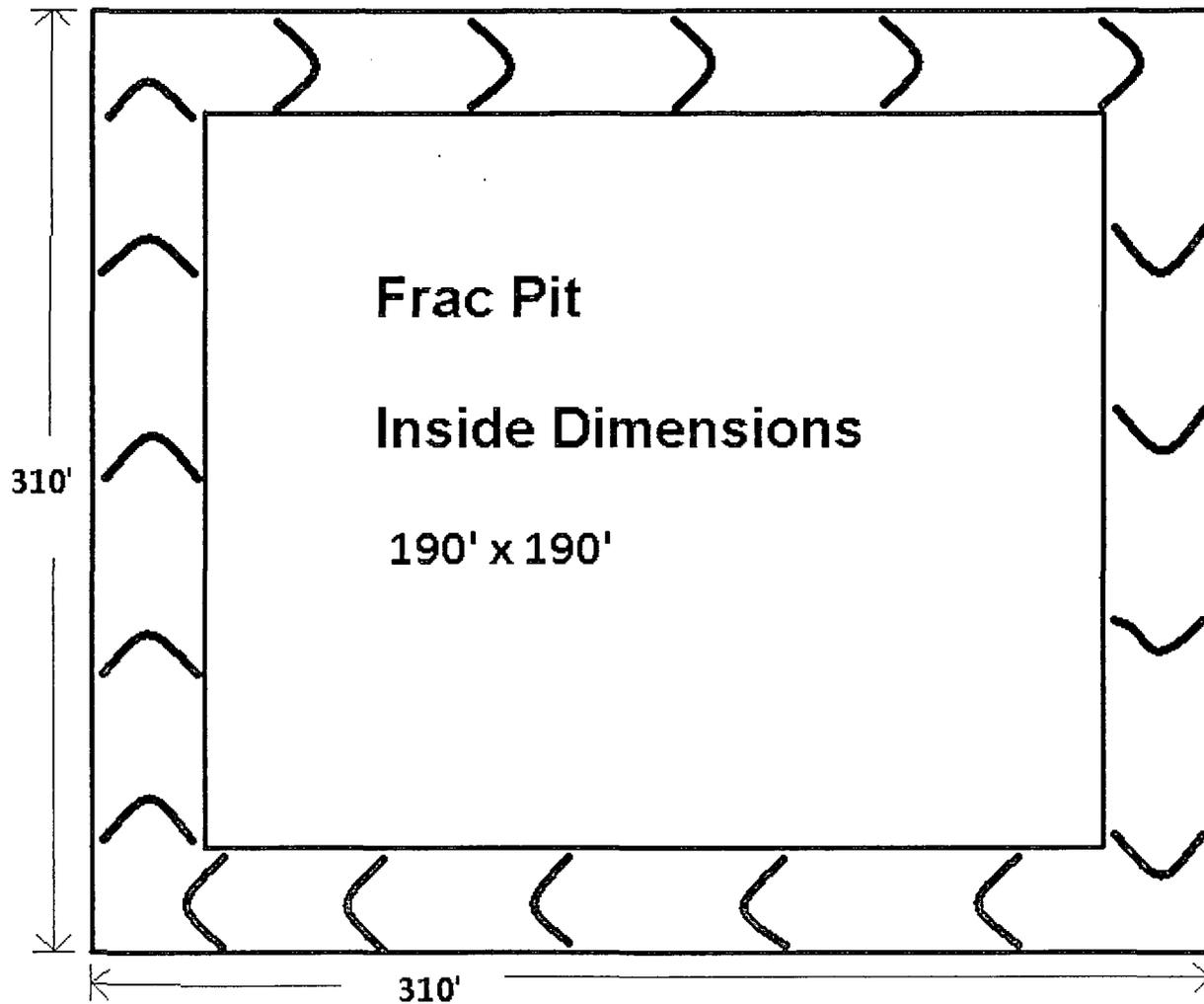
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 4/25/13

Type or print name Jerry W. Sherrell E-mail address: jerrys@mec.com PHONE: (575)748-1288

APPROVED BY: Stephan Moring DATE 04/29/13  
 Conditions of Approval (if any) Environmental Specialist

APR 29 2013

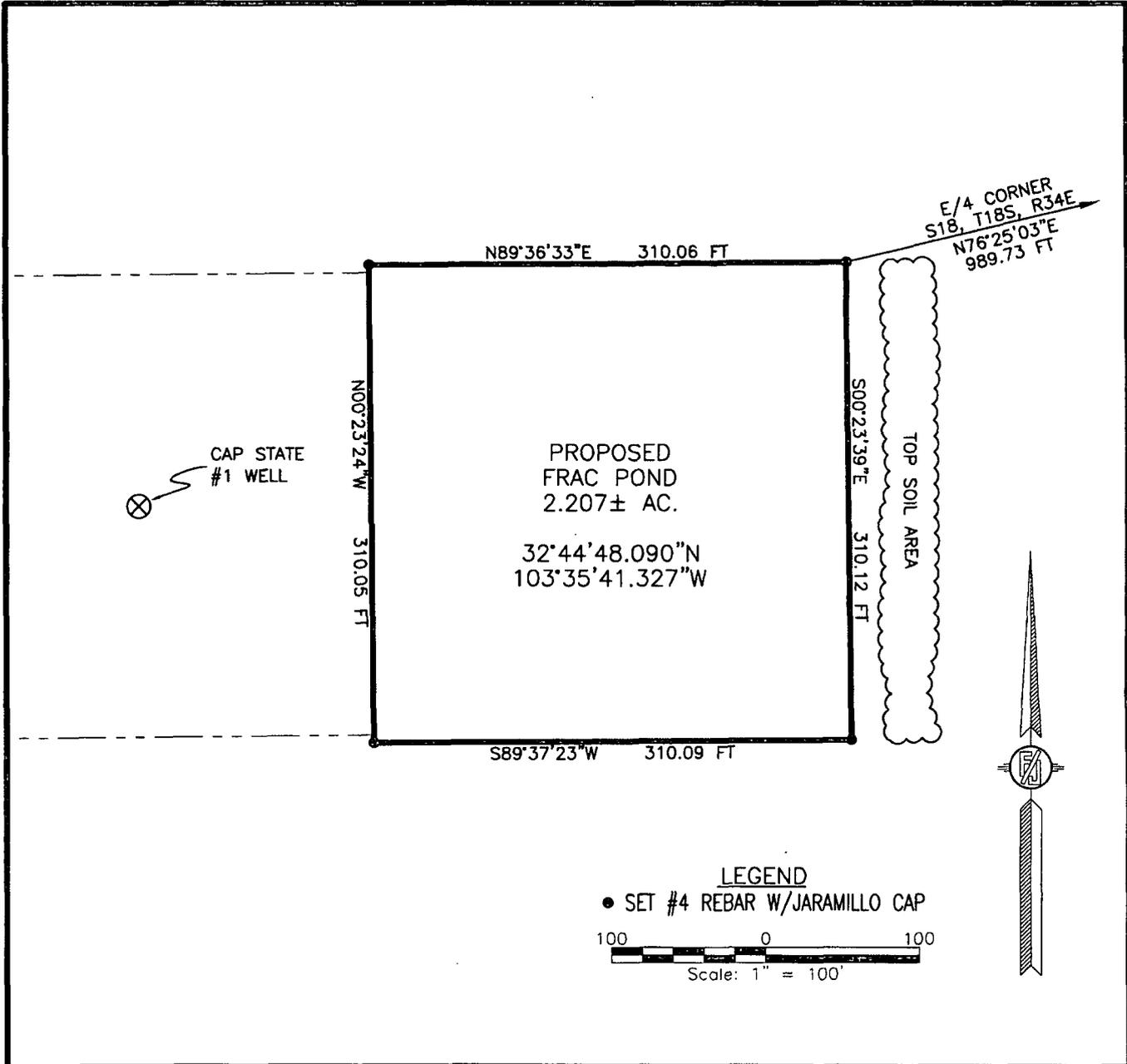


Frac pit will be lined with 20mil plastic.  
Fenced to prevent unwanted entry.

CAP STATE #1 FRAC POND

MACK ENERGY CORPORATION  
 IN THE NW/4 NE/4 SE/4 OF  
 SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.  
 LEA COUNTY, STATE OF NEW MEXICO

APRIL 17, 2013



DESCRIPTION

A CERTAIN PIECE OR PARCEL OF LAND AND REAL ESTATE LYING IN THE NW/4 NE/4 SE/4 OF SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST N.M.P.M., LEA COUNTY, NEW MEXICO.

BEGINNING AT THE NORTHEAST CORNER OF THE PARCEL, WHENCE THE EAST QUARTER CORNER OF SECTION 18, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M. BEARS N76°25'03"E, A DISTANCE OF 989.73 FEET;  
 THENCE S00°23'39"E A DISTANCE OF 310.12 FEET TO THE SOUTHEAST CORNER OF THE PARCEL;  
 THENCE S89°37'23"W A DISTANCE OF 310.09 FEET TO THE SOUTHWEST CORNER OF THE PARCEL;  
 THENCE N00°23'24"W A DISTANCE OF 310.05 FEET TO THE NORTHWEST CORNER OF THE PARCEL;  
 THENCE N89°36'33"E A DISTANCE OF 310.06 FEET TO THE NORTHEAST CORNER OF THE PARCEL, THE POINT OF BEGINNING;  
 CONTAINING 2.207 ACRES MORE OR LESS.

GENERAL NOTES

- 1.) THE INTENT OF THIS SURVEY IS TO ACQUIRE A BUSINESS LEASE FOR THE PURPOSE OF BUILDING A FRAC. POND
- 2.) BASIS OF BEARING IS NEW MEXICO STATE PLANE EAST ZONE

DRIVING DIRECTIONS

FROM THE INTERSECTION OF STATE HWY 529 & CO. RD. 125 (QUERECHO) GO SE ON STATE HWY 529 FOR APPROX. 0.7 OF A MILE TO A YELLOW CATTLE GUARD AND GATE ON NORTH SIDE. GO NORTH ON LEASE ROAD APPROX. 700'. LOCATION IS APPROX. 600' EAST.

SURVEYOR CERTIFICATE

I, FILMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD, NEW MEXICO, THIS 23 DAY OF APRIL 2013

FILMON F. JARAMILLO PLS 12797  
 MADRON SURVEYING, INC.  
 301 SOUTH CANAL  
 CARLSBAD, NEW MEXICO 88220  
 Phone (575) 234-3341

SHEET: 1-3

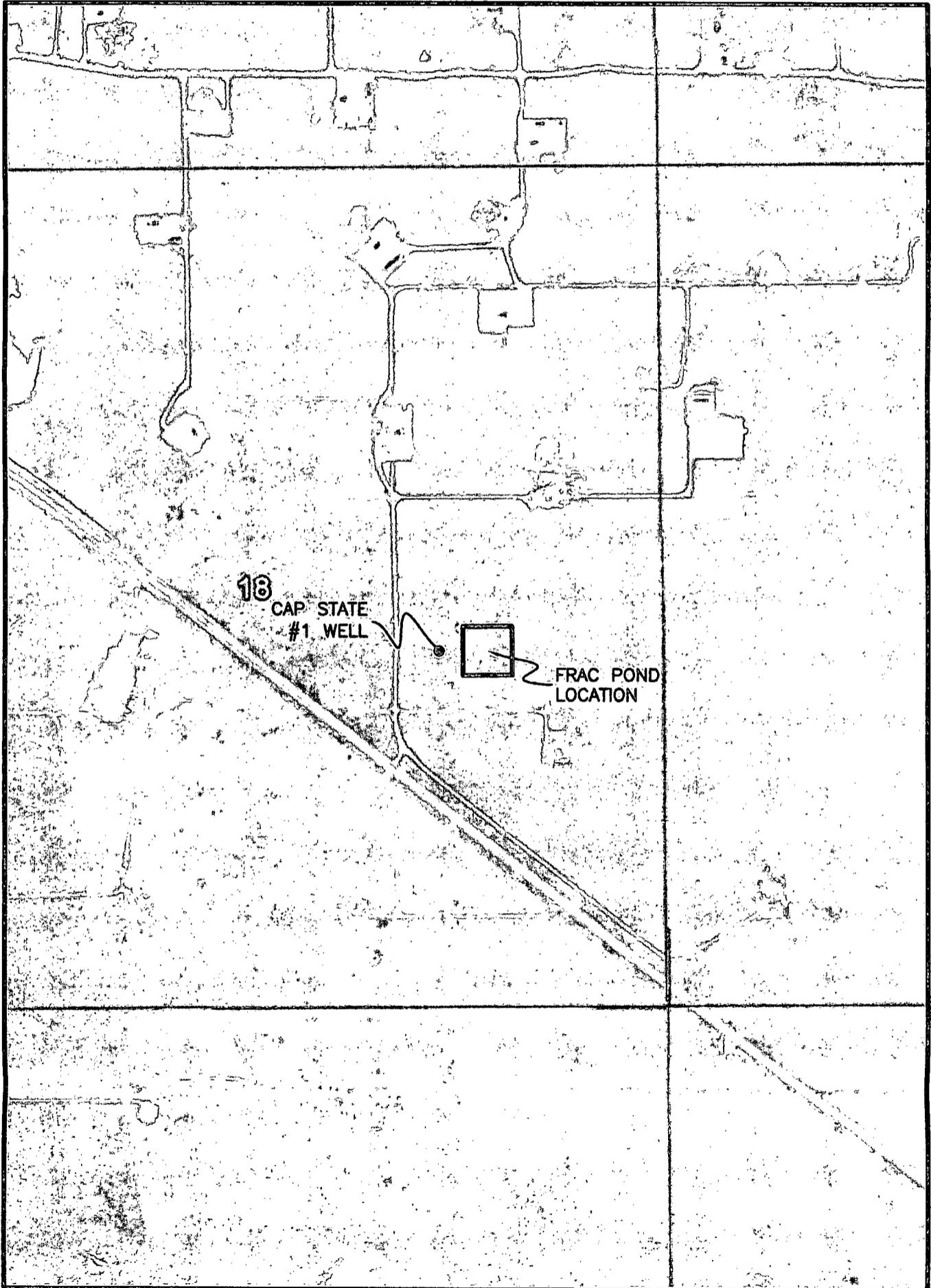
MADRON SURVEYING, INC. 301 SOUTH CANAL (575) 234-3341 CARLSBAD, NEW MEXICO SURVEY NO. 1778

CAP STATE #1 FRAC POND

MACK ENERGY CORPORATION  
IN THE NW/4 NE/4 SE/4 OF  
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AERIAL PHOTO

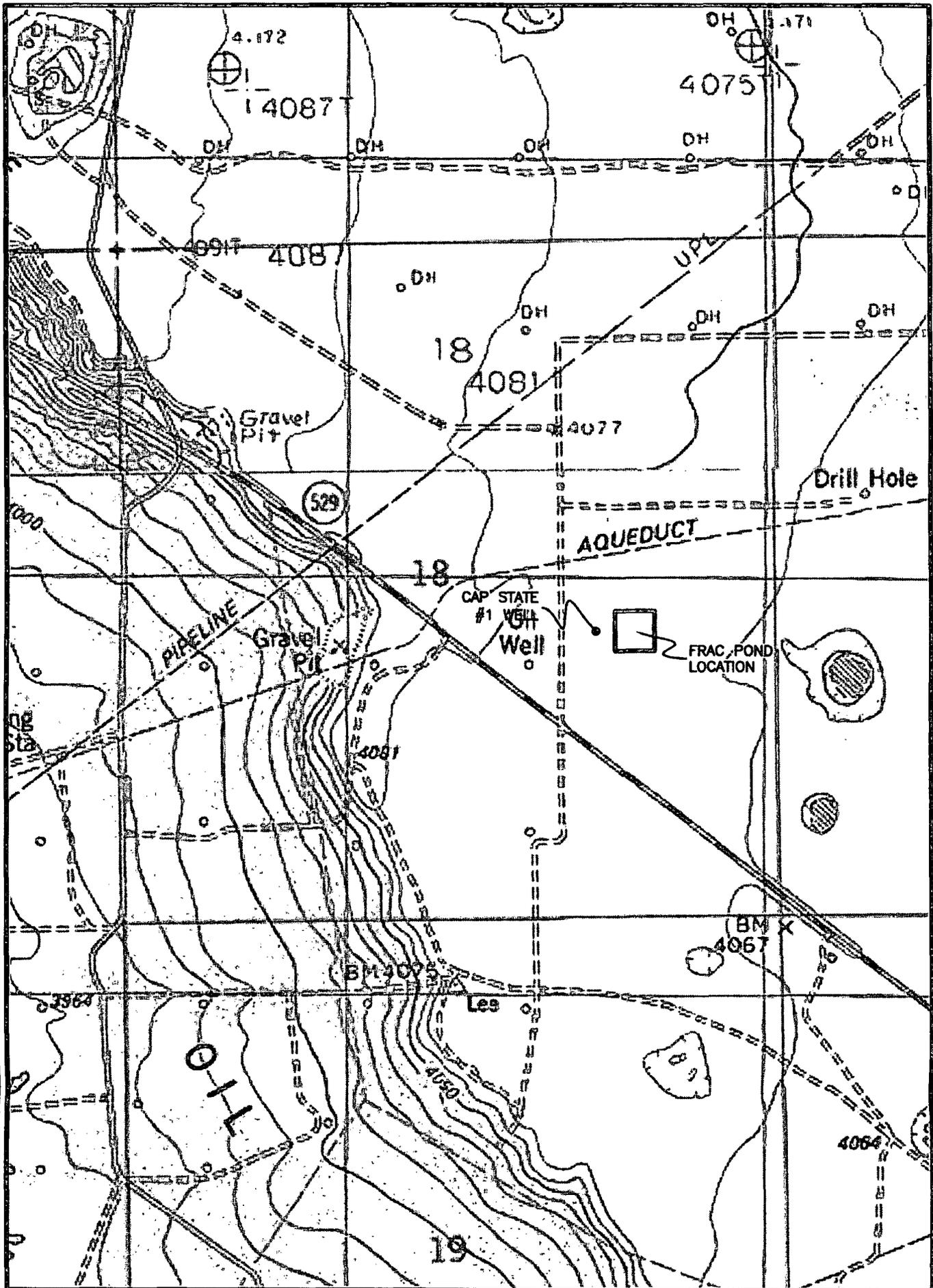


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IN THE NW/4 NE/4 SE/4 OF  
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QUAD MAP



SHEET: 3-3

SURVEY NO. 1778

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