

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

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
May 27, 2004

WELL API NO. 30-025-30009
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1250
7. Lease Name or Unit Agreement Name Palomino State
8. Well Number 1
9. OGRID Number 13837
10. Pool name or Wildcat San Andres

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 88211-0960

4. Well Location  
Unit Letter C 330 feet from the North line and 1650 feet from the West line  
Section 36 Township 17S Range 35E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
3,899' GR

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type Depth Groundwater Distance from nearest fresh water well Distance from nearest surface water

Pit Liner Thickness: mil Below-Grade Tank: Volume bb1s; Construction Material

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

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Completion ☒

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.

3/6/2008 Perforated 9,409-9,443' 34 holes. Acidize w/1,500 gals 15% HCL.  
3/8/2008 Acidized w/10,000 gals 15% HCL.  
3/10/2008 RIH w/296jts 2 7/8 tubing SN @ 9,444' 2 1/2 x1 1/2 x 20' pump.  
4/16/2008 CIBP @ 9,300' w/35' cement cap. Perforate 9,170-9,175' 11 holes.  
4/17/2008 Acidized w/1,000 gals 15% HCL.  
4/19/2008 CIBP @ 9,155' w/35' cement cap. Perforate 9,100-9,120' 41 holes.  
4/21/2008 Acidized w/3,000 gals 15% HCL.  
4/23/2008 CIBP @ 9,000' w/35' cement cap. Perforated 5,056.5-5,075' 22 holes. Acidized w/1,000 gals 15% HCL.  
4/25/2008 CIBP @ 6,100' w/35' cement cap. Perforate 5,025-5,082.5' 22 holes.  
4/28/2008 Acidized w/3,000 gals 15% HCL. RIH w/160jts 2 7/8 tubing SN @ 5116' 2 1/2"x2"x20' pump.

RECEIVED

MAY 23 2008

HOBBS OCD

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

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 5/19/08

Type or print name Jerry W. Sherrell E-mail address: jerrys@mackenergycorp.com Telephone No. (575)748-1288

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 05 2008

Conditions of Approval (if any):