

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 ☒ FEE ☐

6. State Oil & Gas Lease No.

VB512501

7. Lease Name or Unit Agreement Name

Palomino State

8. Well Number 1

9. OGRID Number

13837

10. Pool name or Wildcat

Vacuum; Grayburg 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 bbls; 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: Additional Perforations ☒

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.

7/1/2008 Perforated 4,824.5 - 4,946.5' 28 holes.

7/2/2008 Acidize w/ 1,900 gals 15% HCL. RBP @ 4997', RIH w/ 155 jts 2 7/8" tubing SN @ 4957', 2 1/2 x 2 x 20' pump.

RECEIVED

JUL 08 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 7/8/08

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

For State Use Only

APPROVED BY: Chris Williams OIL DISTRICT SUPERVISOR/GENERAL MANAGER

Conditions of Approval (if any):

DATE JUL 15 2008