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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

Form C-103
June 19, 2008

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

<p align="center">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.)</p>		<p>WELL API NO. 30-025-30009</p>
<p>1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/></p>		<p>5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/></p>
<p>2. Name of Operator Mack Energy Corporation</p>		<p>6. State Oil & Gas Lease No. VB-1250</p>
<p>3. Address of Operator P.O. Box 960 Artesia, NM 88210</p>		<p>7. Lease Name or Unit Agreement Name Palomino State</p>
<p>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</p>		<p>8. Well Number 1</p>
<p>11. Elevation (Show whether DR, RKB, RT, GR etc.) 3,899' GR</p>		<p>9. OGRID Number 013837</p>
		<p>10. Pool Name or Wildcat Vacuum; Grayburg San Andres</p>

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

<p>NOTICE OF INTENTION TO:</p> <p>PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/></p> <p>TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/></p> <p>PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/></p> <p>DOWNHOLE COMMINGLE <input type="checkbox"/></p> <p>OTHER: T & A well <input checked="" type="checkbox"/></p>	<p>SUBSEQUENT REPORT OF:</p> <p>REMEDIALWORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/></p> <p>COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/></p> <p>CASING/CEMENT JOB <input type="checkbox"/></p> <p>OTHER: <input type="checkbox"/></p>
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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 TA well as follows.

Set CIBP @ 3500'. Load hole with 2% KCL and test to 500#.

Note PBTD @ 4775'. Perfs 3536-3698'

Condition of Approval : Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart

Condition of Approval: Notify OCD Hobbs office 24 hours prior to running MIT Test & Chart

Spud Date:

1/30/2008

Rig Release Date:

2/21/2008

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 11/9/10

Type or print name Jerry W. Sherrell

E-mail address: jerrys@mec.com

PHONE: 575-748-1288

For State Use Only

APPROVED BY:

[Signature]

TITLE

STAFF

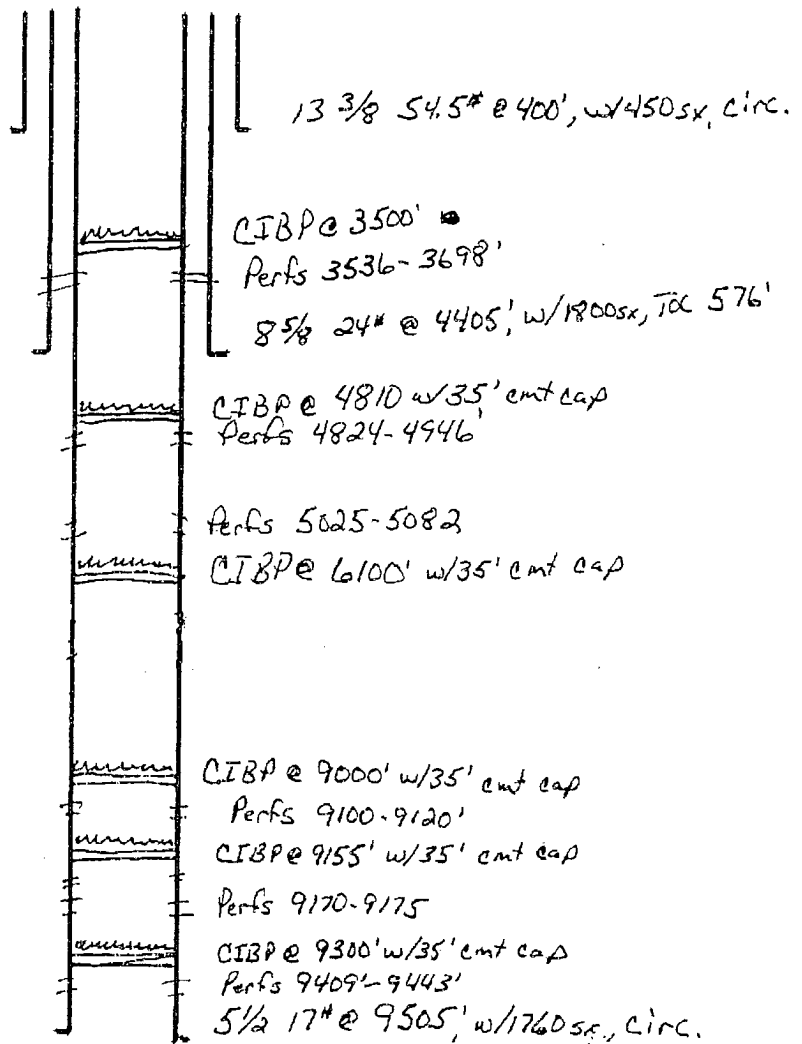
DATE

11-10-10

Conditions of Approval (if any):

Palomino State #1 30-025-30009

3 Casing Strings



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WELL API NO.
30-025-30009

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
VB-1250

7. Lease Name or Unit Agreement Name
Palomino State

8. Well Number

9. OGRID Number
013837

10. Pool Name or Wildcat
Vacuum; Grayburg San Andres

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(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO AVOID
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 C 330 feet from the North line and 1650 feet from the West line
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11. Elevation (Show whether DR, RKB, RT, GR etc.)
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NOTICE OF INTENTION TO:

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

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Frac Existing Perforations ☒

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Frac Existing Perforations @ 4,824.5 - 4,946.5'

10/5/2008 Frac 8,000# LiteProp 14/30, 73,500# White Sand 20/40, 15,700# SiberProp 16/30, 79,000 gals 30/40# gel.

10/6/2008 RIH w/ 158 joints 2 7/8" tubing SN @ 5,098'.

10/8/2008 RIH w/ 2 1/2 x 2 x 24' pump.

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HOBBS CO

Spud Date:

1/30/2008

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2/21/2008

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 11/14/2008

Type or print name Jerry W. Sherrell

E-mail address: jerrys@mackenergycorp.com PHONE: 575-748-1288

For State Use Only

APPROVED BY:

[Signature]

PETROLEUM ENGINEER

TITLE

DATE

NOV 19 2008

Conditions of Approval (if any):