

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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MACK ENERGY CORP PO Box 960 Artesia, NM 88211-0960		OGRID Number 13837
		API Number 30-015-33188
Property Code 33009	Property Name RED LAKE SAND UNIT	Well No. 039

Surface Location

UL or Lot A	Section 29	Township 17S	Range 28E	Lot Idn A	Feet From 990	N/S Line N	Feet From 990	E/W Line E	County Eddy
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Proposed Pools

W. H. Grayburg 0

Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3617
Multiple N	Proposed Depth 2100	Formation Grayburg	Contractor	Spud Date 01/25/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	380	350	0
Prod	7.875	4.5	10.5	2100	800	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill to 350, run 8 5/8 casing and cement. drill to 2100 test Grayburg zone, run 4 1/2 casing and cement. Put well on production. Note: On production string a fluid caliper will be run and will figure cement with 25% excess, attempt to circulate.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

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

Electronically Signed By: Jerry Sherrell

Title: Production Clerk

Date: 01/21/2004

Phone: 505-748-1288

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 01/26/2004

Expiration Date: 01/26/2005

Conditions of Approval:

There are conditions. See Attached.

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Form C-

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33188	Pool Name RED LAKE;QUEEN-GRAYBURG-SA	Pool Code 51300
Property Code 33009	Property Name RED LAKE SAND UNIT	Well No. 039
OGRID No. 13837	Operator Name MACK ENERGY CORP	Elevation 3617

Surface And Bottom Hole Location

UL or Lot A	Section 29	Township 17S	Range 28E	Lot Idn A	Feet From 990	N/S Line N	Feet From 990	E/W Line E	County Eddy
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

			<input checked="" type="checkbox"/>

OPERATOR CERTIFICATION

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

Electronically Signed By: Jerry Sherrell

Title: Production Clerk

Date: 01/21/2004

SURVEYOR CERTIFICATION

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.

Surveyed By: Gary Eidson

Date of Survey: 01/05/2004

Certificate Number: 12641

Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: RED LAKE SAND UNIT #039

User Name	Comment	Comment Date
JWSHERRELL	The H2S concentration of wells in this area from surface to TD are low enough that a contingency plan is not required.	1/21/2004

Permit Conditions Of Approval

Operator: MACK ENERGY CORP , 13837

Well: RED LAKE SAND UNIT #039

OCD Reviewer	Condition
BARRANT	Set surface casing @ 380 feet or 25 feet below fresh water zone. Refer to offset well data for more information.