

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-101
Permit 976

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MACK ENERGY CORP PO Box 960 Artesia, NM 88211-0960		OGRID Number 13837
		API Number 30-015-33414
Property Code 300207	Property Name SOUTHERN CROSS 16 STATE	Well No. 002

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	16	18S	24E	P	660	S	660	E	Eddy

Proposed Pools

PENASCO DRAW,PERMO PENN (GAS) 82775

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3730
Multiple N	Proposed Depth 7300	Formation Canyon	Contractor	Spud Date 05/25/2004

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	1200	400	0
Prod	7.875	4.5	10.5	7300	1100	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill to 1200 run 8 5/8 casing and cement. Drill to 7300 test Canyon 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

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 05/20/2004 Expiration Date: 05/20/2005