

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



OIL CONSERVATION
 DIVISION

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____
- [21] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached
- [31] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[41] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jerry W. Sherrell
 Print or Type Name

Jerry W. Sherrell
 Signature

Production Clerk
 Title

4/23/04
 Date

jerrys@mackenergycorp.com
 e-mail Address

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? Yes No

II. OPERATOR: Mack Energy Corp.

ADDRESS: P.O. Box 960 Artesia, NM 88211-0960

CONTACT PARTY: Jerry W. Sherrell PHONE: (505)748-1288

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? Yes No
If yes, give the Division order number authorizing the project: R-568

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review, which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than re-injected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).

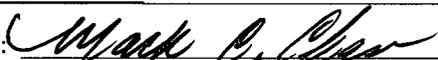
*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Mack C. Chase TITLE: President

SIGNATURE:  DATE: 4-23-2004

E-MAIL ADDRESS: jerrys@mackenergycorp.com

- If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

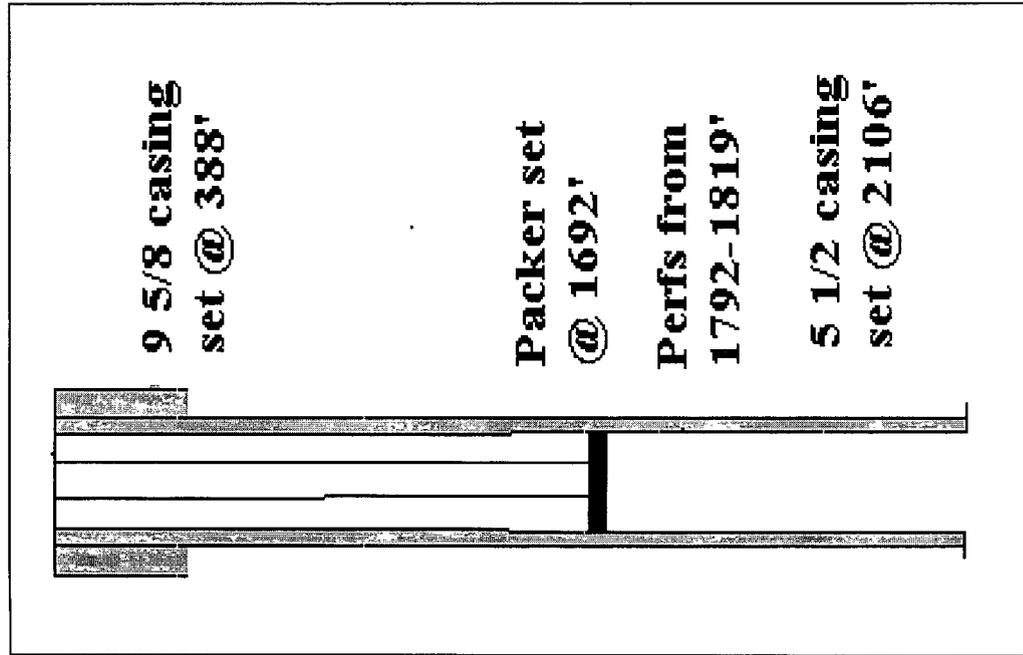
OPERATOR: Mack Energy Corp.

WELL NAME & NUMBER: Red Lake Sand Unit #38 30-015-33100

WELL LOCATION: 330 FNL & 330 FWL D 29 17S 28E
FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

WELL CONSTRUCTION DATA
Surface Casing



Hole Size: 12 1/4 Casing Size: 9 5/8

Cemented with: 250 sx. or 0 ft³

Top of Cement: Surface Method Determined: Circulated
Intermediate Casing

Hole Size: _____ Casing Size: _____

Cemented with: _____ sx. or _____ ft³

Top of Cement: _____ Method Determined: _____

Production Casing

Hole Size: 7 7/8 Casing Size: 5 1/2

Cemented with: 650 sx. or _____ ft³

Top of Cement: Surface Method Determined: Circulated

Total Depth: 2106'

Injection Interval

1792 feet to 1819 Perforated

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8 Lining Material: Plastic Coated

Type of Packer: Halliburton Trump Packer

Packer Setting Depth: 1692'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? _____ Yes X No

If no, for what purpose was the well originally drilled? Oil Well

2. Name of the Injection Formation: Grayburg

3. Name of Field or Pool (if applicable): Red Lake Shores Grayburg

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Underlying-San Andres, Overlying-Queen

VII. DATA SHEET: PROPOSED OPERATIONS

1. Proposed average and maximum daily rate and volume of fluids to be injected;
Respectively, 2000 BWPD and 3000 BWPD
2. The system is closed or open;
Closed
3. Proposed average and maximum injection pressure;
100-360#
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than re-injected produced water;
We will be re-injecting produced water
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water;

N/A

VIII. GEOLOGICAL DATA

1. Lithologic Detail; **Sand**
2. Geological Name; **Grayburg**
3. Thickness; **27'**
4. Depth; **1792-1819'**

IX. PROPOSED STIMULATION PROGRAM

1. To be treated with 1000 gallons 15% acid

X. LOGS AND TEST DATA

1. Well data has been filed with the OCD

XI. ANALYSIS OF FRESHWATER WELLS

1. Analysis attached

XII. AFFIRMATIVE STATEMENT

RE: Red Lake Sand Unit #38

We have examined the available geologic and engineering data and find no evidence of open faults or any other hydraulic connection between the disposal zone and any underground source of drinking water.

Mack Energy Corporation

Date: 4-23-2004

Mack C. Chase
Mack C Chase, President

Legal Notice

Mack Energy Corporation, Post Office Box 960, Artesia, NM 88211-0960, has filed an Application with the New Mexico Oil Conservation Division seeking authorization to inject produced salt water in the Red Lake Sand Unit #38 located 330 feet from the North line and 330 feet from the West line of Section 29, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The source of the injected water will be from wells within this Unit, which produce from the Grayburg formation. The water will be injected into the Grayburg formation at a disposal depth of 1792 feet to 1819 feet. A maximum surface injection pressure of 360 pounds and a maximum injection rate of 3000 BWPD. Any interested party with questions or comments may contact Jerry W. Sherrell at Mack Energy Corporation, Post Office Box 960, Artesia, New Mexico 88211-0960 or call (505) 748-1288. Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 south Saint Francis Drive, Santa Fe, New Mexico 87505, within fifteen days of the date of the publication of this notice. Published in the Artesia Daily Press, Artesia, New Mexico.

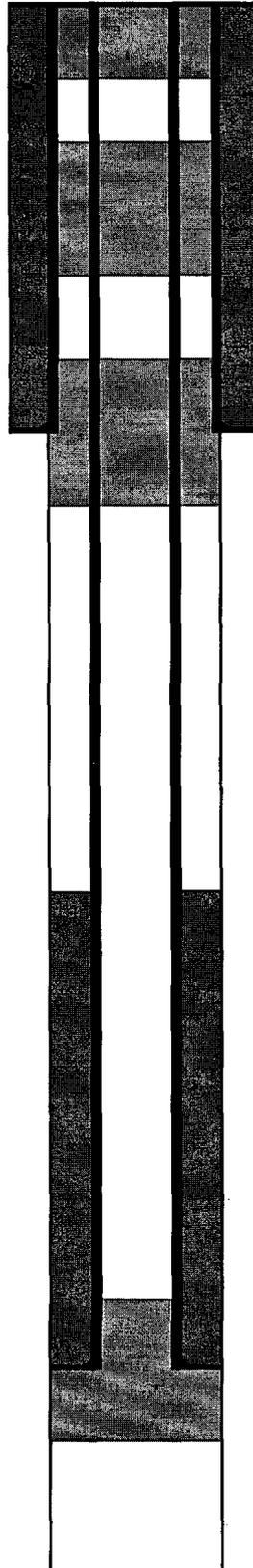
AREA OF REVIEW WELL DATA

LEASE/API	WELL#	LOCATION	TD (PBDT)	TYPE & DATE DRILLED	HOLE SIZE	CASING SIZE & WEIGHT	SETTING DEPTH	SX CMT	TOC	PERFS
Red Lake Sand Unit 30-015-33100	38	330' FNL 330' FWL 29-17S-28E	2115' (2092')	Oil 11/22/2003	12 1/4 7 7/8	9 5/8 5 1/2	388' 2106'	250 650	circ circ	1792-1819'
Red Lake Sand Unit 30-015-01632	1	1650' FNL 1650' FEL 30-17S-28E	1827'	Oil 9/10/1945	10 8	8 5/8 7	315' 1647'	35 50	circ 840'	Plugged 2004
Red Lake Sand Unit 30-015-01630	2	1650' FNL 990' FEL 30-17S-28E	3282'	Oil 6/23/1945	10 8	8 5/8 7	568' 1667'	70 35	circ 1102'	Plugged 2004
Red Lake Sand Unit 30-015-01606	3	1650' FNL 2310' FWL 29-17S-28E	1919'	Oil 2/1/1945	10 8	8 5/8 7	426' 1615'	50 50	circ 808'	Plugged 2004
Red Lake Sand Unit 30-015-23925	7	635' FNL 1650' FEL 30-17S-28E	1842'	Oil 9/5/1981	10 6 1/4	8 5/8 24# 4 1/2 9.5#	450' 1842'	90 300	circ circ	1736-1750' 1764-1770' Producing
Red Lake Sand Unit 30-015-23165	8	660' FNL 840' FEL 29-17S-28E	10,020' (1942')	Oil 2/26/1980	17 1/2 11 7 7/8	13 3/8 48# 8 5/8 24# 4 1/2 11.6#	423' 1992' 5491-10,014'	260 700 1115	circ circ 3553'	1705-1708' 1773-1778' 1795-1798' Producing
Red Lake Sand Unit 30-015-01615	9	330' FNL 330' FEL 17S-28E	1871'	Oil 10/19/1945	10 8	8 5/8 7	465' 1660'	35 50	134' 853'	Plugged 2004
Red Lake Sand Unit 30-015-01609	10	330' FNL 990' FWL 29-17S-28E	1890'	Oil 1/14/1945	10 8	8 5/8 7	480' 1697'	50 100	7' 84'	Plugged 2004
Red Lake Sand Unit 30-015-01605	11	990' FNL 1650' FWL 29-17S-28E	10,185	Oil 12/11/1954	17 1/2 12 1/2 7 7/8	13 3/8 54.5# 8 5/8 24# 5 1/2	543' 1996' 6000'-7505'	400 910 300	circ circ 6000'	Plugged 2004
Red Lake Sand Unit 30-015-01460	14	330' FSL 1650' FEL 19-17S-28E	1831' (1648')	Oil 7/19/1945	10 8	8 5/8 7	448' 1648'	50 100	circ 35'	Plugged 2004
Red Lake Sand Unit 30-015-01457	15	330' FSL 330' FEL 19-17S-28E	1840'	Oil 12/2/1944	10 8	8 5/8 7	446' 1704'	50 100	circ 482'	Plugged 2004
Red Lake Sand Unit 30-015-24000	16	660' FSL 660' FWL 20-17S-28E	10,020' (2560')	Oil 12/18/1981	17 1/2 12 1/4 7 7/8	13 3/8 48# 8 5/8 24# 4 1/2 11.6#	514' 2511' 6450-10,020'	550 1450 300	circ circ 8282'	Plugged 2004
Red Lake Sand Unit 30-015-01480	17	330' FSL 990' FWL 20-17S-28E	1863'	Oil 10/20/1944	10 8	8 5/8 32# 7 20#	487' 1676'	50 25	14' 1273'	Injection
Red Lake Sand Unit 30-015-01463	18	990' FSL 2310' FEL 20-17S-28E	1890'	Oil 1/7/1955	7 7/8	5 1/2 14#	1750'	175	417'	Plugged 2004
Red Lake Sand Unit 30-015-01479	19	330' FSL 2310' FEL 20-17S-28E	1899'	Oil 10/2/1944	10 8	8 5/8 32# 7 20#	525' 1742'	50 100	53' 129'	Injection
RLPSU Tr.1 30-015-01608	2	2310' FNL 330' FWL 29-17S-28E	1865'	Oil 11/19/1944	10 8	8 5/8 32# 7 20#	490' 1700'	50 50	17' 893'	Plugged 1985
RLPSU Tr.1 30-015-01458	6	1650' FSL 330' FEL 19-17S-28E	1892' (1855')	Oil 10/2/1945	10 8	8 5/8 28# 7 20#	456' 1718'	50 100	circ 105'	Plugged 1987
RLPSU Tr.9 30-015-01458	2	1650' FSL 990' FWL 20-17S-28E	1930'	Oil 8/22/1944	10 8	8 5/8 32# 7 24#	556' 1754'	50 100	83' 141'	Plugged 1987
Shufflebarger-State 30-015-01622	1	1650' FNL 990' FEL 30-17S-28E	578' (570')	Oil 5/12/1941	10 8	8 1/4 28# 7 17#	377' 540'	40 45	circ circ	Plugged 1943

Mack Energy Corporation

Red Lake Sand Unit #1

1650 FNL & 1650 FEL Sec. 30-T17S-R28E



Perf @ 60' sqz. w/20sx cmt. to surface

Tag plug @ 100'

Perf @ 200' sqz. w/35sx cmt.

Tag plug @ 248'

8 5/8" csg. set @ 315' w/50sx cmt.

Perf @ 365' sqz. w/35sx cmt.

Estimated top @ 840'

Tag plug @ 1570'

7" csg. set @ 1647' w/50sx cmt.

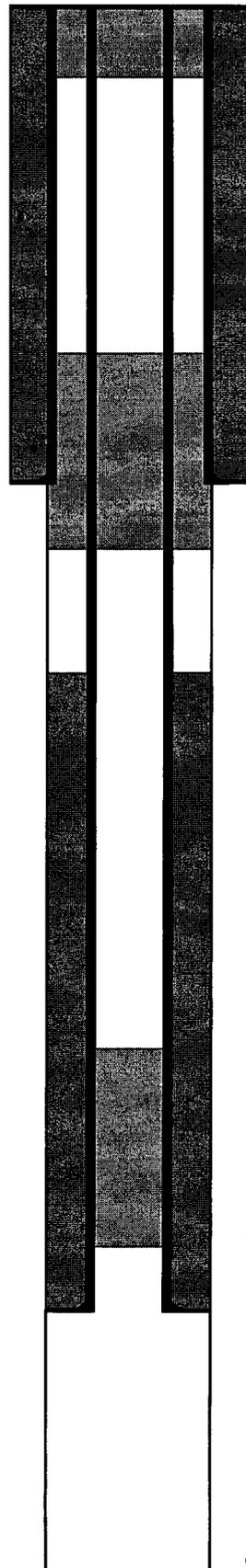
Set plug @ 1697' w/25sx cmt.

Openhole f/1647' - 1827'

Mack Energy Corporation

Red Lake Sand Unit #3

1650 FNL & 2310 FWL Sec. 29-T17S-R28E



Perf @ 60' sqz. w/25sx cmt. to surface

Tag plug @ 329'

8 5/8" csg. set @ 425' w/50sx cmt.

Perf @ 476' sqz. w/35sx cmt.

Estimated top @ 808'

Tag plug @ 1425'

Set plug @ 1570' w/25sx cmt.

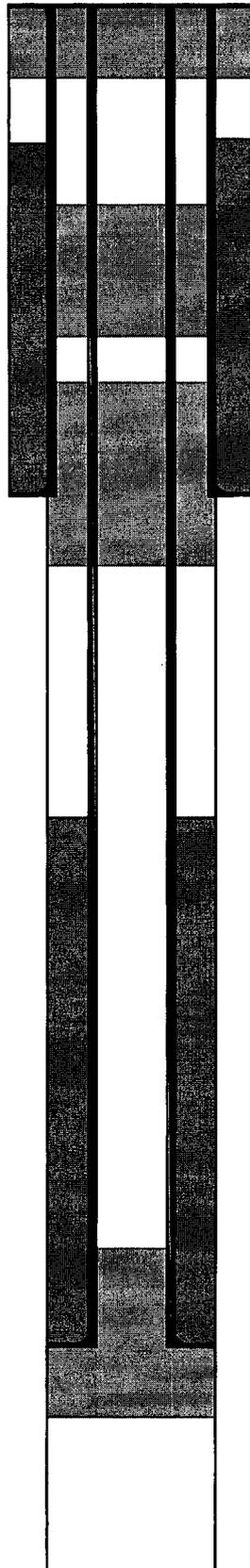
7" csg. set @ 1615' w/50sx cmt.

Openhole f/1615' - 1919'

Mack Energy Corporation

Red Lake Sand Unit #9

330 FNL & 330 FEL Sec. 30-T17S-R28E



Perf @ 60' sqz. w/20sx cmt. to surface

Estimated top @ 134'

Tag plug @ 250'

Perf @ 350' sqz. w/35sx cmt.

Tag plug @ 380'

8 5/8" csg. set @ 465' w/50sx cmt.

Perf @ 505' sqz. w/35sx cmt.

Estimated top @ 853'

Tag plug @ 1530'

7" csg. set @ 1660' w/50sx cmt.

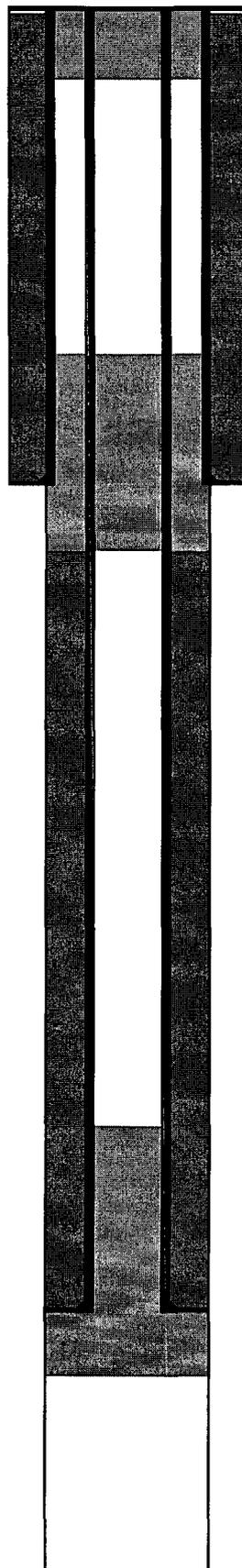
Set plug @ 1708' w/25sx cmt.

Openhole f/1660' - 1871'

Mack Energy Corporation

Red Lake Sand Unit #10

330 FNL & 990 FWL Sec. 29-T17S-R28E



Estimated top @ 7'

Perf @ 60' sqz. w/20sx cmt. to surface

Tag plug @ 380'

8 5/8" csg. set @ 480' w/50sx cmt.

Perf @ 530' sqz. w/35sx cmt.

Estimated top @ 530'

Tag plug @ 1561'

7" csg. set @ 1697' w/100sx cmt.

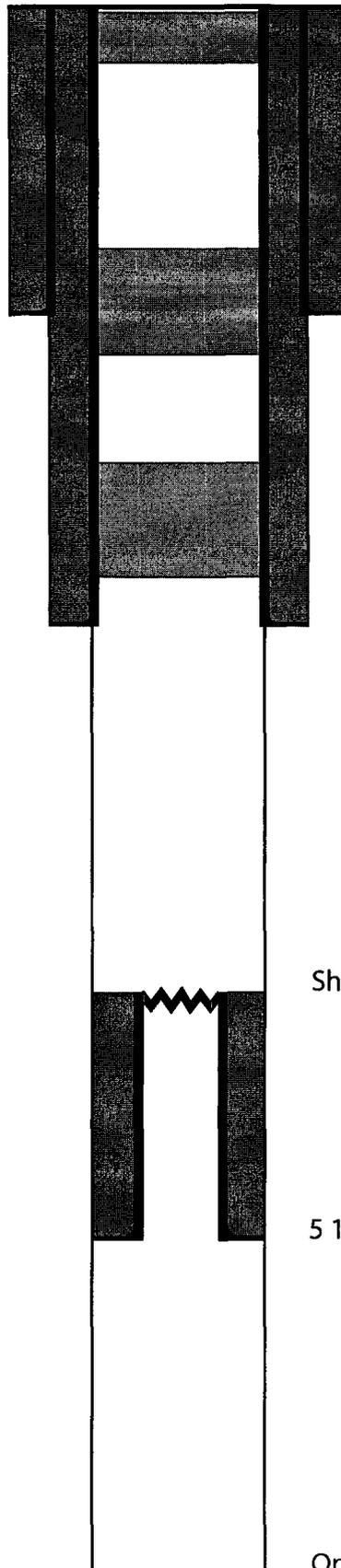
Set plug @ 1748' w/25sx cmt.

Openhole f/1697' - 1890'

Mack Energy Corporation

Red Lake Sand Unit #11

990 FNL & 1650 FWL Sec. 29-T17S-R28E



Tag plug @ 2'

Set surface plug @ 60' w/25sx cmt.

Tag plug @ 470'

13 3/8" csg. set @ 543' w/400sx cmt.
Set plug @ 593' w/35sx cmt.

Tag plug @ 1670'

Set plug @ 1802' w/35sx cmt.

8 5/8" csg. set @ 1996' w/910sx cmt.

Shot off 5 1/2" csg. @ 6000'

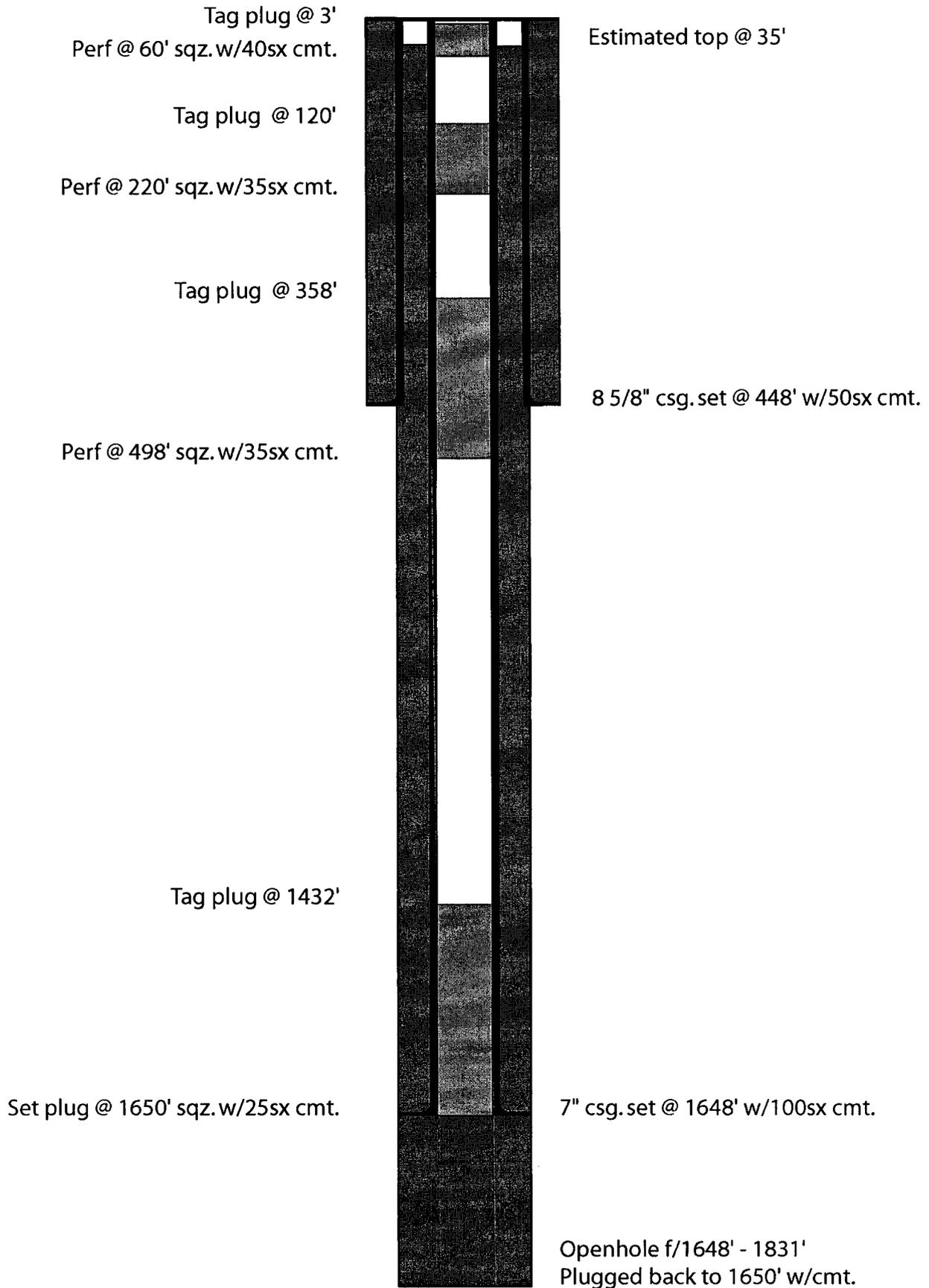
5 1/2" csg. set @ 7505' w/300sx cmt.

Openhole f/7505' - 10,185'

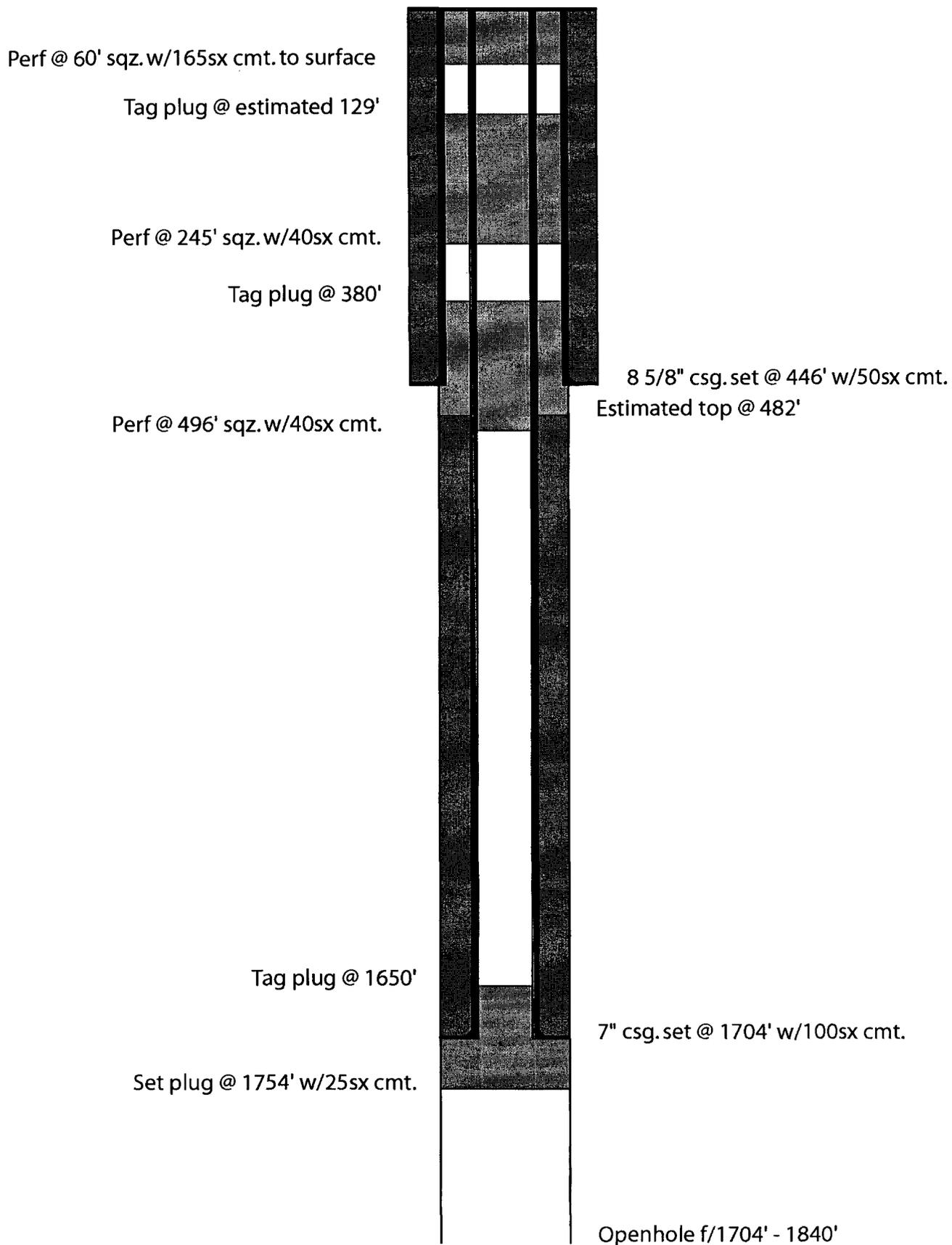
Mack Energy Corporation

Red Lake Sand Unit #14

330 FSL & 1650 FEL Sec. 19-T17S-R28E



Mack Energy Corporation
Red Lake Sand Unit #15
330 FSL & 330 FEL Sec. 19-T17S-R28E



Mack Energy Corporation
Red Lake Sand Unit #16
660 FSL & 660 FWL Sec. 20-T17S-R28E

Set surface plug @ 60' w/25sx cmt.

Tag plug @ 460'

Set plug @ 560' w/40sx cmt.

Tag plug @ 1110'

Set plug @ 1217' w/40sx cmt.

Set plug @ 5300' w/35sx cmt.

Set plug @ 5300' w/35sx cmt.

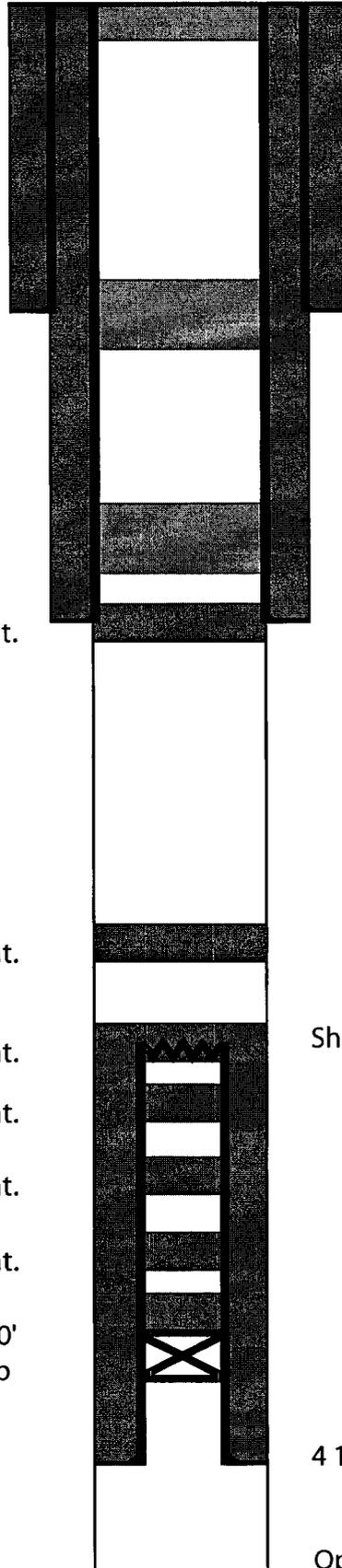
Set plug @ 6500' w/35sx cmt.

Set plug @ 7000' w/35sx cmt.

Set plug @ 7800' w/35sx cmt.

Set plug @ 9550' w/35sx cmt.

Set CIBP @ 9850'
w/35' cmt. cap



13 3/8" csg. set @ 510' w/550sx cmt.

8 5/8" csg. set @ 2511' w/1450sx cmt.

Shot off 4 1/2" csg. @ 6450'

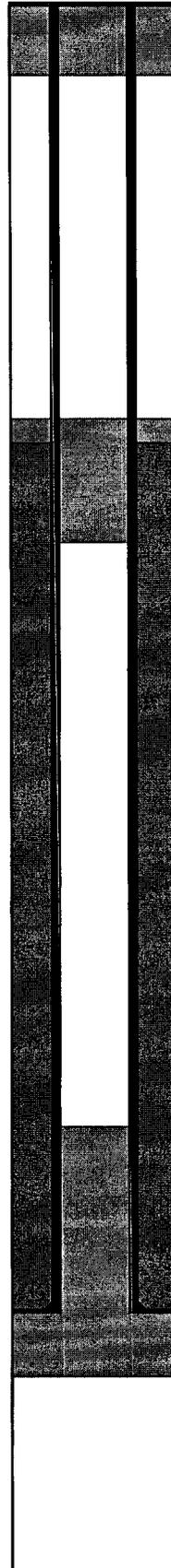
4 1/2" csg. set @ 10,020' w/300sx cmt.

Openhole f/10,020' - 10,202'

Mack Energy Corporation

Red Lake Sand Unit #18

990 FSL & 1650 FWL Sec. 20-T17S-R28E



Perf @ 60' sqz. w/40sx cmt. to surface

Tag plug @ 400'
Estimated top @ 417'

Perf @ 500' sqz. w/25sx cmt.

Tag plug @ 1565'

5 1/2" csg. set @ 1750' w/175sx cmt.

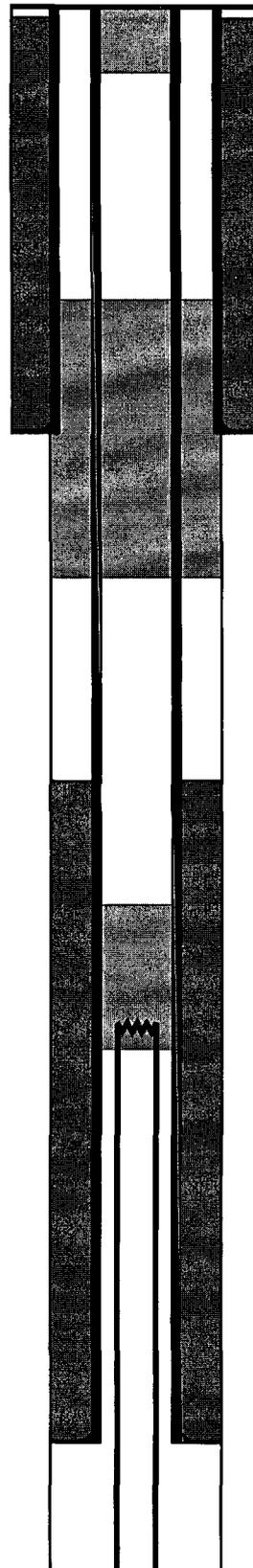
Set plug @ 1800' w/25sx cmt.

Openhole f/1750' - 1890'

Kersey & Company

Red Lake Premier Sand Unit Tr. 1 #2

330 FNL & 2310 FWL Sec. 29-T17S-R28E



Estimated top @ 17'

Set surface plug w/10sx cmt.

Tag plug @ 405'

8 5/8" csg. set @ 490' w/50sx cmt.

Perf @ 650' sqz. w/25sx cmt.

Estimated top @ 893'

Tag plug @ 1070'

Casing collapsed on tubing @ 1200'
Cmt. w/125sx

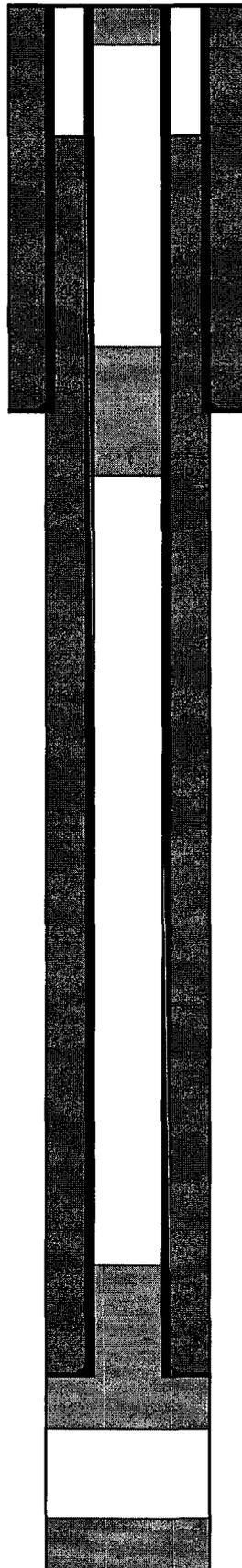
7" csg. set @ 1700' w/50sx cmt.

Openhole f/1700' - 1865'

Kersey & Company

Red Lake Premier Sand Unit Tr. 1 #6

1650 FNL & 330 FEL Sec. 19-T17S-R28E



Set surface plug @ 30'

Estimated top @ 105'

Tag plug @ 393'

8 5/8" csg.set @ 456' w/50sx cmt.

Set 105' cmt.plug @ 498'

Tag plug @ 1625'

7" csg.set @ 1718' w/100sx cmt.

Set 129' cmt.plug @ 1754'

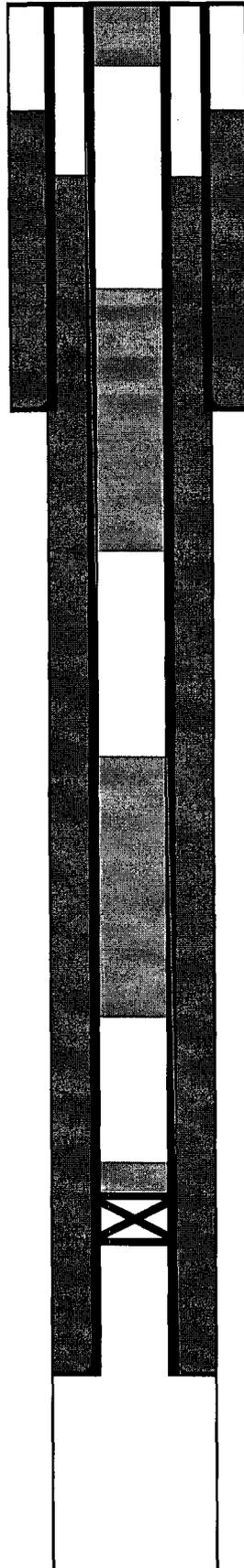
Tag plug @ 1855'

Set 40' cmt.plug @ 1895'

Kersey & Company

Red Lake Premier Sand Unit Tr. 9 #2

1650 FSL & 990 FWL Sec. 20-T17S-R28E



Set surface plug w/10sx cmt.

Estimated top @ 83'

Estimated top @ 141'

Tag plug @ 470'

8 5/8" csg. set @ 556' w/50sx cmt.

Perf @ 650' sqz. w/35sx cmt.

Tag plug @ 1070'

Set plug @ 1300' w/25sx cmt.

CIBP set @ 1600'
w/20' cmt. cap

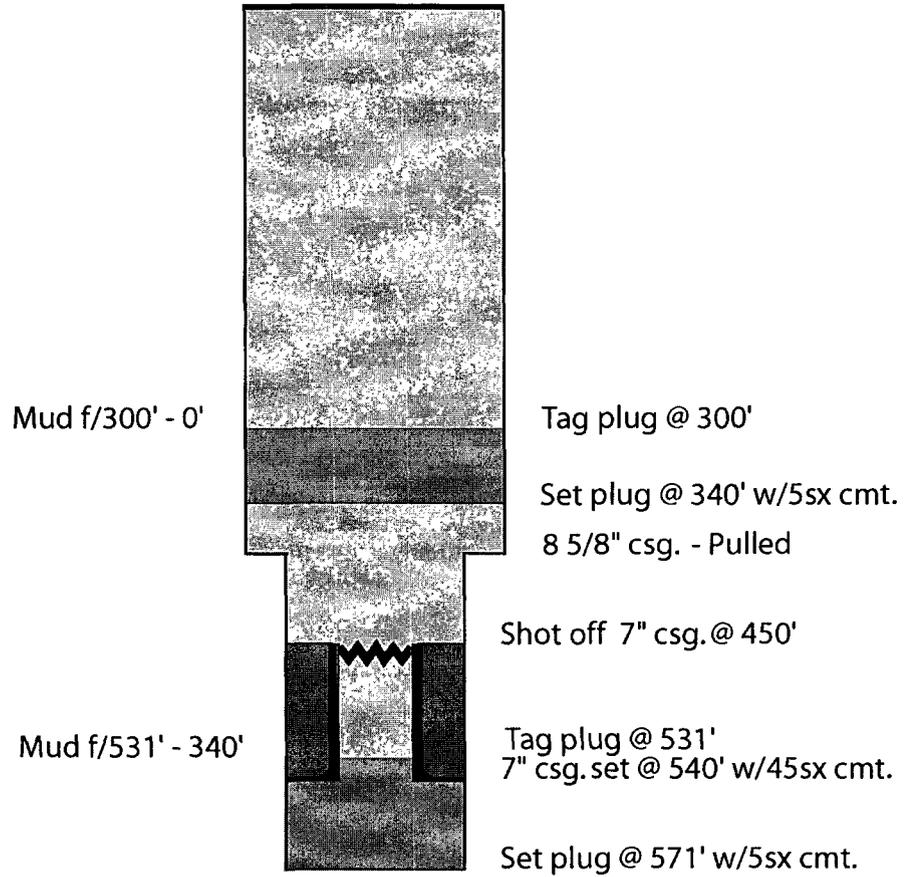
7" csg. set @ 1754' w/100sx cmt.

Openhole f/1754' - 1930'

McNutt & Ployhar

Shufflebargar-State #1

1650 FNL & 990 FEL Sec. 30-T17S-R28E





P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

April 23, 2004

VIA CERTIFIED MAIL 7002 2030 0001 8265 5922
RETURN RECEIPT REQUESTED

States, Inc.
P.O. Box 911
Breckenridge, TX 76424

Gentlemen:

Enclosed for your review is a copy of Mack Energy Corporation's application for Authorization to Inject for the purpose of secondary recovery in the Red Lake Sand Unit #38.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD. If you have any objections, you must notify the Oil Conservation Division in Santa Fe at 1220 South St. Francis Dr. Santa Fe, NM 87505, in writing within fifteen (15) days of receiving this letter.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style.

*Jerry W. Sherrell
Production Clerk*

JWS

Enclosures



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

April 23, 2004

VIA CERTIFIED MAIL 7002 2030 0001 8265 5939
RETURN RECEIPT REQUESTED

Atofina Petrochemical Inc.
800 Gessner #700
Houston, TX 77204

Gentlemen:

Enclosed for your review is a copy of Mack Energy Corporation's application for Authorization to Inject for the purpose of secondary recovery in the Red Lake Sand Unit #38.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to convert this well into an Injection well. If you have any objections, you must notify the Oil Conservation Division in Santa Fe in writing within fifteen (15) days of receiving this letter.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style.

Jerry W. Sherrell
Production Clerk

JWS

Enclosures