DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
12-9-05		Jones	12-13-05	SWD	pSEM0534729810

ABOVE THIS LINE FOR DIVISION USE ONLY

1019

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

RECEIVED

DEC 9 - 2005

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 _____

[2] **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

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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	Jerry W. Sherrell	Production Clerk	12/6/2005
Print or Type Name	Signature	Title	Date

jerrys@mackenergycorp.com
e-mail Address

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL
RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 SOUTH PACHECO
SANTA FE, NEW MEXICO 87505

FORM C- 108
Revised 4-1-98

APPLICATION FOR AUTHORIZATION TO INJECT

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

II. OPERATOR: **Chevron USA Inc. (Mack Energy Agent)**

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

CONTACTPARTY: **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 **X** No
If yes, give the Division order number authorizing the project: _____

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.

VIL 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 reinjected 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.).

*V111. 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/I 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).

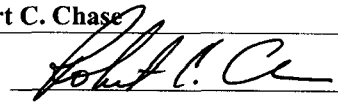
***XI. Attach a chemical analysis of freshwater from two or more freshwater wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.**

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: **Robert C. Chase** TITLE: **Vice President**

SIGNATURE:  DATE: **12/5/2005**

* **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:** _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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.

Side I

INJECTION WELL DATA SHEET

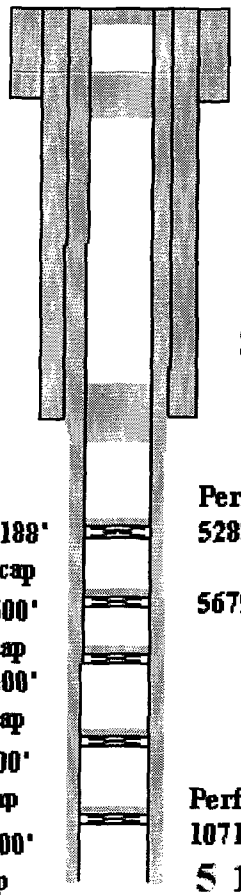
OPERATOR: **Chevron USA Inc. (Mack Energy Agent)**

WELL NAME & NUMBER: **Skelly Unit #905**

WELL LOCATION: **1100 FNL & 660 FEL** | **A** | **14** | **17S** | **31E**

FOOTAGE LOCATION | UNIT LETTER | SECTION | TOWNSHIP | RANGE

WELLBORE SCHEMATIC



11 3/4" casing set @ 750' w/440 sx

8 5/8" casing set @ 4200' w/2081 sx

Perfs from 5288-5360'

5679-6276'

CIBP @ 5188' w/35' cmt cap

CIBP @ 5600' w/35' cmt cap

CIBP @ 6600' w/35' cmt cap

CIBP @ 8600' w/35' cmt cap

CIBP @ 10600' w/35' cmt cap

Perfs from 10718-10844'

5 1/2" casing set @ 12387' w/3170 sx

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: **14 3/4** Casing Size: **11 3/4 set @ 750'**

Cemented with: **440** sx. or _____ ft

Top of Cement: **Surface** Method Determined: **Circulated**

Intermediate Casing

Hole Size: **11** Casing Size: **8 5/8 set @ 4200'**

Cemented with: **2081** sx. or _____ ft

Top of Cement: **Surface** Method Determined: **Circulated**

Production Casing

Proposed Casing

Hole Size: **7 7/8** Casing Size: **5 1/2 set @ 12387'**

Cemented with: **3170** sx. or _____ ft

Top of Cement: **Surface** Method Determined: **Circulated**

Total Depth: **12470'**

Injection Interval

9850 feet to **9902'**

(**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: **8850'**

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

Additional Data

1. Is this a new well drilled for injection? ☐ Yes ☒ No

   If no, for what purpose was the well originally drilled? **Morrow**

2. Name of the Injection Formation: **Cisco**

3. Name of Field or Pool (if applicable): **SWD; Cisco**

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. **Canyon 10718-10844', Blineberry 5679-6276', Glorietta 5288-5360'.**

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: **Overlying Wolfcamp Underlying Morrow**

SKELLY UNIT #905

PROCEDURE TO CONVERT TO DISPOSAL WELL

1 Move in Pulling unit, NU 5 1/2" TYPE 92 well head, BOP, off load 10,600' 2 7/8" L-80 Workstring on pipe racks , Move in PAP pump and reverse unit, Power Swivel, Frac tank, dig working pit, fence and line w/20mill, rig up RIH w/ 4 3/4" LH-1 bit, 6-3 1/2" Drill collars, drill out surface plug.

2 Drill out cmt plug @ 620'-25 sk plug, drill out cmt plug @ 4110'-25sk plug, drill out cmt plug and CIBP @ 5188' run to cmt plug and CIBP @ 5600', circ hole clean, POH.

3 Rig up Schlumberger RIH set SV Retainer @ 5188' 100' above perfs, RIH w/ SV tool and 2 7/8" workstring, rig up BJ Service pump water to establish rate and pump 150sks cmt to squeeze perfs from 5288-5630'-34holes, sting out, reverse cmt POH WOC.

4 RIH 4 3/4" bit, 6-drill collars and workstring drill out SV retainer and cmt down to 5600', pressure up csg to 1000PSI check squeeze job, if OK, tag plug at 5600' drill out cmt and CIBP run to plug at 6600', circ hole clean , POH.

5 Rig up Schlumberger RIH set SV retainer @ 5569' 100' above perfs, RIH w/SV tool and 2 7/8" workstring, rig up BJ Service pump water to establish rate and pump 150sks cmt to squeeze perfs from 5679-6276' 69-holes, sting out reverse cmt, POH. WOC

6 RIH 4 3/4" bit 6-drill collars and workstring drill out SV retainer and cmt down to 8600', pressure up csg to 1000PSI check squeeze job, if OK tag plug at 8600' drill out cmt and CIBP @ 8600' run to 10,600' tag cmt, circ hole clean, POH.

7 Rig up Schlumberger RIH w/Gamma/CL on depth w/open hole log, Perforate Cisco @9850-9902 52' with 4SPF, rig wireline down.

8 RIH with 5 1/2" RTTS PKR, and 2 7/8" worksting, rig up BJ Service spot acid across perfs pull up set above perfs and acidize zone with 5000gals 15% acid, check injection rate, unset Pkr POH.

9 RIH with 5 1/2" Stainless Steel Trump PKR with on/off tool and 2 7/8" EUE 8rd Plastic Coated tubing, circ 2% KCL w/ packer fluid set PKR, ND BOP and flange up well head, pressure up backside to 500PSI for 30min w/ chart, nipple up tubing rig up pump and establish rate and injection pressure, nipple up tubing for injection, clean up location and rig down.

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; **Dolomite**
2. Geological Name; **Cisco**
3. Thickness; **52'**
4. Depth; **9850-9902'**

IX. PROPOSED STIMULATION PROGRAM

1. To be treated with 5000 gallons 15% acid

X. LOGS AND TEST DATA

1. Well data has been filed with the OCD

XI. ANALYSIS OF FRESHWATER WELLS

1. Attached

Additional Information
Waters Injected: Paddock

XII. AFFIRMATIVE STATEMENT

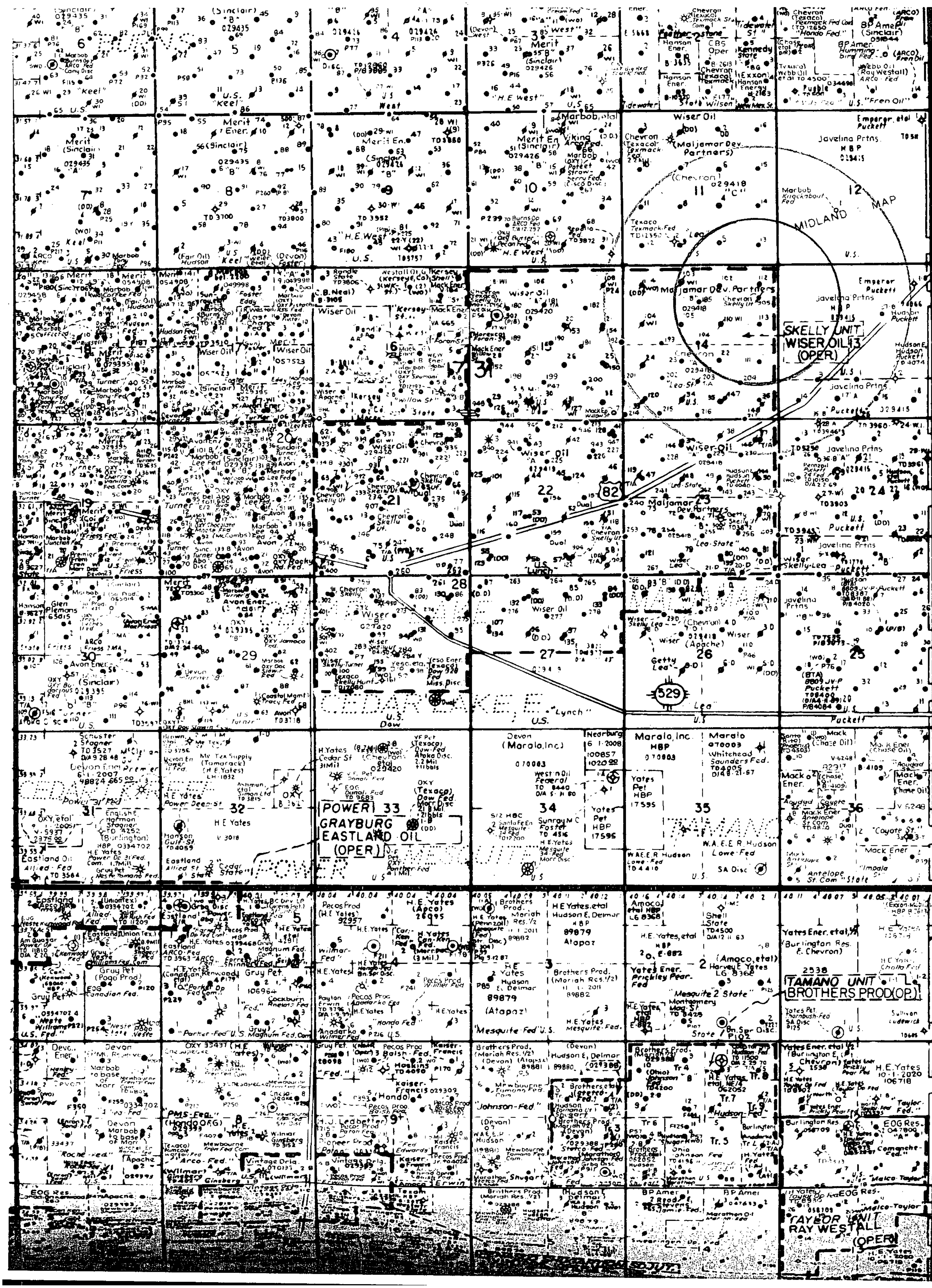
RE: Skelly Unit #905 SWD

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:_____

Robert C Chase, Vice President


SKELLY UNIT
WISER OIL 13
(OPER)
MIDLAND MAP
To Lovington
82
529
POWER 33
GRAYBURG
EASTLAND OIL
(OPER)
TAMANO UNIT
BROTHERS PROD(OP.)
TAYLOR UNIT
RAY WESTALL
(OPER)

T 17 S

AREA OF REVIEW WELL DATA

LEASE	WELL#	LOCATION	TD (PBTD)	TYPE & DATE DRILLED	HOLE SIZE	CASING SIZE & WEIGHT	SETTING DEPTH	SX CMT	TOC	PERFS
		1100' FNL			14 3/4	11 3/4, 42#	750'	440	Circ	10718-10844'
Selly Unit SWD		660' FEL	12470'	Gas	11	8 5/8, 32#	4200'	2081	Circ	5679-6276'
30-015-31371	905	14-17S-31E	0'	6/24/2001	7 7/8	5 1/2, 17#	12387'	3170	Circ	5288-5360'

P.01

TRANSACTION REPORT

DEC-05-2005 MON 01:16 PM

FOR: mack energy 15057469539

SEND DATE START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
DEC-05 01:16 PM	97468795	21″	2	FAX TX	OK	555	

TOTAL : 21S PAGES: 2

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

Mack Energy Corporation

Fax

To: Artesia Daily Press-Barbara **From:** Jerry W. Sherrell

Fax: 505-746-8795 **Pages:** 2

Phone: 505-746-3524 **Date:** 12/5/2005

Re: Legal Notice Publication **CC:**

☐ **Urgent** x **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments:** Barbara, would you please bill Mack Energy Corporation for this publication. If you have any questions give me a call at 505-748-1288.

Thanks

Jerry W. Sherrell

Legal Notice

Chevron USA Inc.(Mack Energy Agent), has filed an Application with the New Mexico Oil Conservation Division seeking authorization to inject produced salt water in the Skelly Unit #905, Section 14, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. The water will be injected into the Cisco formation at a disposal depth of 9850-9902'. Water will be injected at a maximum surface pressure of 300 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.

MACK Energy Corporation

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

December 6, 2005

VIA CERTIFIED MAIL 7004 2510 0004 3033 0020
RETURN RECEIPT REQUESTED

Hudson Oil
616 Texas Street
Fort Worth, TX 88201

Gentlemen:

Enclosed for your review is a copy of Chevron USA Inc.'s(Mack Energy Agent) application for approval to complete the Skelly Unit #905, Sec. 14 T16S R31E well as a produced water disposal well in the Cisco formation.

This letter will serve as a notice that Chevron USA Inc.(Mack Energy Agent) has requested administrative approval from the NMOCD to convert this well into a water disposal 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

Jerry W. Sherrell

Jerry W. Sherrell
Production Clerk

JWS\

MACK Energy Corporation

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

December 6, 2005

VIA CERTIFIED MAIL 7004 2510 0004 3033 0112
RETURN RECEIPT REQUESTED

Martin Ranch
P.O. Box 706
Artesia, NM 88210

Gentlemen:

Enclosed for your review is a copy of Chevron USA Inc.'s(Mack Energy Agent) application for approval to complete the Skelly Unit #905, Sec. 14 T16S R31E well as a produced water disposal well in the Cisco formation.

This letter will serve as a notice that Chevron USA Inc.(Mack Energy Agent) has requested administrative approval from the NMOCD to convert this well into a water disposal 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

Jerry W. Sherrell

Jerry W. Sherrell
Production Clerk

JWS\

MACK Energy Corporation

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

December 6, 2005

VIA CERTIFIED MAIL 7004 2510 0004 3033 0129
RETURN RECEIPT REQUESTED

Patrick H. Lyons
State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Gentlemen:

Enclosed for your review is a copy of Chevron USA Inc.'s(Mack Energy Agent) application for approval to complete the Skelly Unit #905, Sec. 14 T16S R31E well as a produced water disposal well in the Cisco formation.

This letter will serve as a notice that Chevron USA Inc.(Mack Energy Agent) has requested administrative approval from the NMOCD to convert this well into a water disposal 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

Jerry W. Sherrell

Jerry W. Sherrell
Production Clerk

JWS\

Injection Permit Checklist

SWD Order Number 1019 Dates: Division Approved 12/29/05 District Approved _____

Well Name/Num: Skelly UNIT #905 Date Spudded: 2001

API Num: (30-) 015-31371 County: Eddy

Footages 1100 FNL 660 FEL Sec 14 Tsp 17S Rge 31E

Operator Name: CHEVRON USA INC (Mack Energy Agent) Contact Jerry W. Sherrell

Operator Address: PO Box 960 Artesia NM 88211-0960

	Hole/Pipe Sizes	Depths	Cement	Top/Method
Surface	14 3/4 11 3/4	750'	440	CIRC
Intermediate	11 8 5/8	4200	2081	~~CIRC~~ 620 T.S.
Production	7 7/8 5 1/2	12387	3170	CIRC
Last DV Tool				
Open Hole/Liner				
Plug Back Depth				

CM. Tops after

Diagrams Included (Y/N): Before Conversion ✓ After Conversion NO

Checks (Y/N): ELogs in Imaging ✓ Well File Reviewed ✓

9850
.2
1970.0

Intervals:	Depths	Formation	Producing (Yes/No)
~~Salt/Potash~~	-2569		
Capitan Reef			
In Reef, Cliff House, Etc:			
Formation Above	5679	Bluebird	
Top Inj Interval	9850	CISCO	
Bottom Inj Interval	9902	"	
Formation Below	10718	CANYON	

1,970 PSI Max. WHIP

___ Open Hole (Y/(N))

___ Deviated Hole (Y/(N))

Water Analysis Included (Y/N): Fresh Water NO Injection Zone NO Disposal Waters NO

Affirmative Statement Included (Y/N): ✓

Surface Owner SLO Mineral Owner(s) _____

Checks (Y/N): Newspaper Notice ✓ Well Table ✓ Adequate Well Table —

Adequate Certified Notice: Surface Owner ___ AOR Owners ___ CID/Potash/Others ___

AOR Num Active Wells 0 Repairs? — Producing in Injection Interval —

AOR Number of P&A Wells 0 Diagrams Included? — Repairs Required? — ✓

Data to Generate New AOR Table ___ New Table Generated? (Y/N)

	STR	E-W Footages	N-S Footages
Wellsite	14/17S/31E	5280	5280
Northeast	12 " "	"	"
North	11 " "	"	"
Northwest			
West			
Southwest			
South			
Southeast			
East	13 " "	5280	5280

Conditions of Approval: 5288–6276

1. SQZ upper perfs
2. Set CIBP within 200'
3. Get water Sample

Saw " " (5) of IVFM

RBDMS Updated (Y/N) ___

UIC Form Completed (Y/N) ✓

This Form completed ___

30-015-31371

Geol. Tops /per /BGY

Rustler	613	Wolfcamp.	9008
Yates	1952	Cisco	9671
Rivers	2296	Canyon	10177
Bowers	2682	Strawn	11260
Queen	2905	Atoka	11560
Grayburg	3326	Morrow	11870
San Andres	3684	Miss	12~~414~~
Lovington Sd	3795		
Glorieta	5198		
Tubb	6667		
Abo	7329		

5-24-02

PE/High Res-LLA/MCFL/NGT 4194-12120

PE/3D-LD/CN/NGT 200-12~~415~~0

8-15-01

Borehole Comp Sonic/Nat. GR 4194-12402

Micro Log/Nat. GR 4194-12~~4~~0

Natural Gamma Ray 4194-12402

Mech. Sidewell/Coring Tool/GR 4194-12471

Plat Exp/3D-LD/Comp Neut/NGT 200-12456

Plat Exp/High Res. LLA/Micro-CFL/NGT 4194-12420

NSL. 474C

DRILLING PROGRAM

SKELLY UNIT WELL No. 905

SURFACE DESCRIPTION:

See Item 11 (other information) in the attached Surface Use and Operations Plan.

FORMATION TOPS: Estimated KB Elevation: 3963'

Formation	Depth	Lithology	Fluid Content
Rustler	1314'	Anhy, Salt	----
Yates	2569'	Anhy	----
Queen	3414'	Ss, Dolomite	Oil
San Andres	4207'	Dolo, Limestone	----
Glorieta	5679'	Dolomite	----
Tubb	6862'	Sandstone	----
Abo	7403'	Dolomite	----
Wolfcamp Limestone	8939'	Limestone	Oil
Strawn	11054'	Limestone	Gas
Atoka	11455'	Sandstone	Gas
Morrow Limestone	11709'	Limestone	----
Morrow Sand	12730'	Sandstone	Gas
Chester	12580'	Sandstone	----
Total Depth:	12550'		

The base of the salt section is the top of the Yates at 2569'. No abnormal pressures or temperatures are anticipated to be encountered in this well. The Bottom Hole pressure at T.D. is estimated to be 7.9 PPG EMW (5135 PSI).

H2S in the San Andres formation is possible. H2S RADIUS OF EXPOSURE: 100ppm = 199', 500ppm = 91', based on 4300 ppm H2S and 692 MCF (see attached H2S Drilling Operations Plan. H2S equipment to be operational prior to drilling out Surface Casing Shoe.)

Duration of Operation: 46 Days to Drill & 8 Days to Complete

PRESSURE CONTROL EQUIPMENT:

A 3000 psi (or 5000 psi at drilling contractor's option) Dual Ram BOP with rotating head (See Exhibit C) will be installed after surface casing is set. A 5000 psi Dual Ram BOP with a rotating head and annular preventer will be used. (See Exhibit D). It will be installed after intermediate casing is set at 4200'. BOP will be tested each time it is installed on a casing string and at least every 29 days, and operated at least once each 24 hour period during drilling.

37. SUMMARY OF POROUS ZONES- (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Fren Paddock	5288	5360	

38. GEOLOGIC MARKERS

NAME	TOP MEAS.DEPTH	TOP TRUE VERT.DEPTH
Yates	1950	
Seven Rivers	2265	
Queen	2905	
San Andres	3685	
Glorietta	5201	
Tubb	6672	
Abo	7328	
Wolfcamp	8670	
Atoka	11560	
Morrow	11982	
Mississippian	12414	

C15 F

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

5. Lease Designation and Serial No.: NM-98120

6. If Indian, Allottee or Tribe Name:

7. If Unit or CA, Agreement Designation:

1 Type of Well: [X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.: Skelly Unit #905

2 Name of Operator: Mack Energy Corporation

9. API Well No.: 30-015-31371

3. Address and Telephone No.: P.O. Box 960, Artesia, NM 88211-0960 (505)748-1288

10. Field and Pool, or Exploratory Area: Fren Paddock East

4. Location of Well (Footage, Sec., T. R., M. or Survey Description): 1100 FNL & 660 FEL, Sec. 14 T17S R31E, A

11. County or Parish, State: Eddy, NM

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
[ ] Notice of Intent	[X] Abandonment	[ ] Change of Plans
[X] Subsequent Report	[ ] Recompletion	[ ] New Construction
[ ] Final Abandonment Notice	[ ] Plugging Back	[ ] Non-Routine Fracturing
	[ ] Casing Repair	[ ] Water Shut-Off
	[ ] Altering Casing	[ ] Conversion to Injection
	[ ] Other _____	[ ] Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

09/19/2002 RIH set CIBP @ 5188' w/35' cement cap. (CALLED J AMOS BLM FOR APPROVAL)
09/20/2002 RIH tag cement @ 5141', (CALLED BLM C. Queen witnessed) set 100' plug @ 4252', WOC and tag @ 4110', set 25 sx plug @ 850', WOC and tag @ 620', RIH w/2 joints and circulate cement to surface. Install dry hole marker.

Approved as to plugging of the well bore.
Liability under bond is retained until
surface restoration is completed.

Post Plug

14. I hereby certify that the foregoing is true and correct

Signed Susan D. Cantrell for NMOCD Title Production Analyst Date 10/14/02

(This space for Federal or State office use)

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA Title PETROLEUM ENGINEER Date OCT 16 2002

Conditions of approval, if any:

Accepted for record

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

•See Instruction on Reverse Side