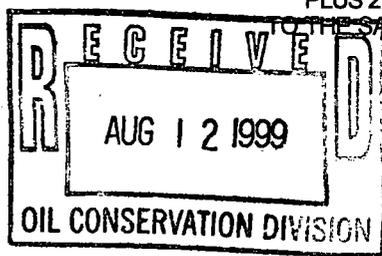


District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Mack Energy Corporation P.O. Box 960 Artesia, NM 88211-0960		OGRID Number 013837						
Contact Party Robert C. Chase		Phone (505)748-1288						
Property Name Schley Federal		Well Number 3	API Number 30-015-30450					
UL K	Section 29	Township 17S	Range 29E	Feet From The 2310	North/South Line South	Feet From The 1850	East/West Line West	County Eddy, NM

II. Date/Time Information

Spud Date 4/14/99	Spud Time 4:00 pm	Date Completed 6/3/99	Pool East Empire Yeso
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- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of New Mexico)
County of Eddy) ss.
Robert C. Chase, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature *Robert C. Chase* Title Vice President Date 8/9/99
SUBSCRIBED AND SWORN TO before me this 9th day of August, 1999.
My Commission expires: 12-9-99 Notary Public *Crista D. Cate*

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:
This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u><i>Mark Pablosky</i></u>	Title <u>P.O. Lopez</u>	Date <u>AUG 13 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: AUG 16 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006333801

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE (See other instruction on reverse side)

FOR APPROVED OMB NO. 1004-0137 Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO. NM-29281

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO. Schley Federal #3

9. API WELL NO.

30-015-30450

10. FIELD AND POOL, OR WILDCAT

East Empire Yeso

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec 29 T17S R29E

12. COUNTY OR PARISH Eddy

13. STATE NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL [X] GAS WELL [] DRY [] Other []
b. TYPE OF COMPLETION: NEW WELL [X] WORK OVER [] DEEPEN [] PLUG BACK [] DIFF. RESVR. [] Other []

2. NAME OF OPERATOR Mack Energy Corporation

3. ADDRESS AND TELEPHONE NO. P.O. Box 960, Artesia, NM 88211-0960 (505) 748-1288

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 2310 FSL & 1850 FWL
At top prod. interval reported below 2310 FSL & 1850 FWL
At total depth 2310 FSL & 1850 FWL

14. PERMIT NO. DATE ISSUED

15. DATE SPUNDED 4/14/99 16. DATE T.D. REACHED 4/27/99 17. DATE COMPL. (Ready to prod.) 6/3/99 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) 3623 RKB 19. ELEV. CASING HEAD 3611

20. TOTAL DEPTH, MD & TVD 5020 21. PLUG, BACK T.D., MD & TVD 5202 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY [] ROTARY TOOLS Yes CABLE TOOLS []

24. PRODUCING INTERVAL (S), OF THIS COMPLETION - TOP, BOTTOM, NAME (MD AND TVD)* 4047.5-4358 Yeso 25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN Gamma Ray, Neutron, Density, Lateralog, Spectral Gamma Ray 27. WAS WELL CORED None

Table with 6 columns: CASING SIZE/GRADE, WEIGHT, LB./FT, DEPTH SET (MD), HOLE SIZE, TOP OF CEMENT, CEMENTING RECORD, AMOUNT PULLED. Rows include 13 3/8, K-55; 8 5/8, K-55; 5 1/2, J-55.

Table with 8 columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Rows include 2 7/8, 4384.

Table with 3 columns: PERFORATION RECORD (Interval, size and number), ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows include 4047.5-4358', 1/2, 68; 2500 gals 15% NEFE; 32,000 gals 20% NE acid.

Table with 8 columns: DATE FIRST PRODUCTION, PRODUCTION METHOD, WELL STATUS, DATE OF TEST, HOURS TESTED, CHOKE SIZE, PROD'N FOR TEST PERIOD, OIL-BBL., GAS-MCF., WATER-BBL., GAS-OIL RATIO. Rows include 6/13/99, 2 X 2 1/2 X 20" RHBC HVR PAP BNC, Producing, 6/20/99, 24, 103, 126, 389, 1223.

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) Sold

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED [Signature] TITLE Production Analyst DATE 06/21/99

*(See Instructions and spaces for Additional Data on Reverse Side)

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):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS.DEPH	TRUE VERT.DEPH
East Empire Yeso	4048	4360		Queen	1722	
				San Andres	2457	
				Glorietta	3922	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

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

SUNDRY NOTICES AND REPORTS ON WELLS MAY 20 1999

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

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Designation and Serial No. NM-29281
2. Name of Operator Mack Energy Corporation		6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. Box 960, Artesia, NM 88211-0960 (505)748-1288		7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T. R., M. or Survey Description) Sec. 29-T17S-R29E 2310 FSL & 1850 FWL		8. Well Name and No. Schley Federal #3
		9. API Well No. 30-015-30450
		10. Field and Pool, or Exploratory Area East Empire Yeso
		11. County or Parish, State Eddy, NM

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

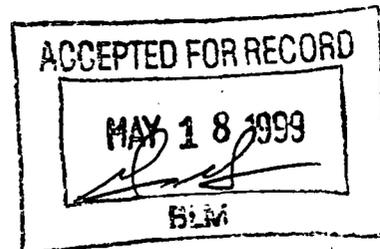
TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other Spud & Cement Casings
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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)*

4/14/1999 Spud 17 1/2" hole 4:00PM 4-13-99 (called J.Amos BLM), TD 17 1/2" hole 9:30PM, (call Whitcock BLM) did not witness, circ POH, RIH 7jts 13 3/8" 48# ST&C K-55 308' set @ 324', BJ cemented with 350 sacks Class C 2%CaCl, circ 105 sack, plug down 12:30AM.

4/15/1999 Spud 12 1/4" hole 4:30PM 4-14-99, TD 12 1/4" hole 9:30PM, Circ hole, POH(call BLM witness) RIH 19 jts 8 5/8" 24# J-55 ST&C, set at 802', BJ cemented with 200 sacks 35/65 6%Gel 1/4#CF 3#salt, tail in 250sacks Class C 2%CaCl, circ 182 sacks, plug down 1:00AM 4-15-99.



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

Signed Cessa D. Carter Title Production Analyst Date 05/13/1999

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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.

PROPERTY	DOI	MO/YR	PROPERTY NAME	OWNER SQ	OWNER NAME	INTEREST	INTEREST TYPE	LAST CHANGE
001720	003	J1	05/98	SCHLEY	FEDERAL 3			
				999101	00 CHASE OIL CORPORATION	.65000000	1 WOR	5/20/98
				999104	00 RICHARD L. CHASE	.03000000	1 WOR	5/20/98
				999105	00 GERENE DIANNE CHASE CROUCH	.02000000	1 WOR	5/20/98
				999106	00 ROBERT C. CHASE	.05000000	1 WOR	5/20/98
				999107	00 MACK C. CHASE TRUST	.25000000	1 WOR	5/20/98
TOTAL INTEREST						1.00000000		