HIGH CAVEKARST

OCD-ARTESIA



Form 3160 -3

FORM APPROVED OMB No 1004-0137 Expires March 31, 2007 (April 2004) JAN 15 2008 UNITED STATES Lease Serial No M-114960 **OCD-ARTES** DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT 6 If Indian, Allotee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER 7 If Unit or CA Agreement, Name and No DRILL REENTER Ia Typeofwork-8, Lease Name and Well No Oil Well Gas Well Single Zone Multiple Zone lb Type of Well Robin Federal #2 2 Name of Operator Carlsbad Controlled Water Basin Mack Energy Corporation 3b PhoneNo (include area code) 3a Address 10 Field and Pool, or Exploratory P.O. Box 960 Artesia, NM 88211-0960 (505)748-1288 Wildcat Morrow 4 Location of Well (Report location clearly andinaccorounce with any State requirements*) I 1. Sec, T. R. M. or Blk and Survey or Area 2635 FSL & 2060 FWL At proposed prod. zone 1980 FSL & 1980 FWL Sec. 9 T23S R25E 12 County or Parish 13 State 14 Distance in miles and direction from nearest town or post office* 7 miles southwest of Carlsbad, NM NM Eddy 15 Distance from proposed 16 No of acres in lease 17 Spacing Unit dedicated to this well location to neares property or lease line, ft (Also to nearest drlg. unit line, if any) 5' 320 18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 19 Proposed Depth 20 BLM/BIA Bond No on file 1320' 11.500' NMB000286 2 1 Elevations (Show whether DF, KDB, RT, GL, etc.) 22 Approximate date work will start* 2.3. Estimated duration 6/25/2007 3719' GR 130 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form. 1 Well plat certified by a registered surveyor 4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above), 2 A Drilling Plan. 3 A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification SUPO shall be filed with the appropriate Forest Service Office) 6 Such other site specific information and/or plans as may be required by the authorized officer Name (Printed'/Typed) Date 25 Signature Jerry W. Sherrell 5/16/07 Title Production Clerk Name (Printedl/Typed) /s/ Don Peterson Approved by (Signature, Date IAN 1 1 2008

Application approval does not warrantor certify that the applicant holds lega or equitable title to those rights in the subject lease which conduct operations thereon APPROVAL FOR TWO YEARS

Office

Conditions of approval, if any, are attached

Title 18 U S C Section 1001 and Tide 43 U S C Section 1212, make it a crime for any person knowirilly 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 juris iction.

Title

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS **ATTACHED**

^{*(}Instructions on page 2)

DISTRICT I 1625 N. FRENCH DR . HOBBS, NM 68240

Energy, Minerals and Natural Resources Department

Form C-102

OIL CONSERVATION DIVISION

Revised October 12, 2005 Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

1301 W. GRAND AVENUE, ARTESIA, NM 86210 DISTRICT III 1000 Rio Brazos Rd., Aztec. NM 87410

1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

RECEIVED

DISTRICT IV

DISTRICT II

WELL LOCATION AND ACREAGE DEDICATION PLATY 1 5 2007

□ AMENDED REPORT

1220 S ST FRANCIS DR., SANTA PE, NM 87505	WELL EUCATION AND	ACREAGE DEDICATION FEAT	□ AMENDED REPORT
API Number	Pool Code	Pool Name	
	96070	Wildcat Mor	row
Property Code		erty Name	Well Number
36091	ROBIN	FEDERAL	2
OGRID No	Oper	ator Name	Elevation
013837	MACK ENERG	Y CORPORATION	3719'
	•		

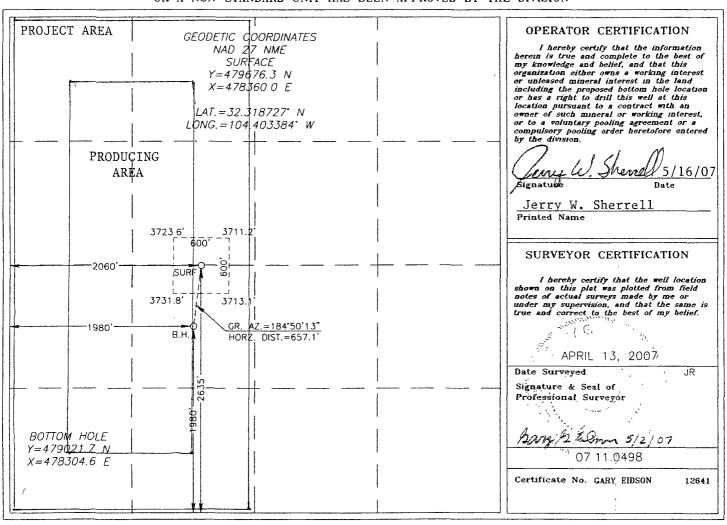
Surface Location

UL or	lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	K	9	23-S	25-E		2635	SOUTH	2060	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	9	23-S	25-E		1980	SOUTH	1980	WEST	EDDY
Dedicated Acres	s Joint o	r Infill Co	nsolidation (Code Or	ier No.				
320 .									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



United State Department of the Interior

BUREAU OF LAND MANAGEMENT Roswell Resource Area P.O. Drawer 1857 Roswell, New Mexico 88202-1857

Statement Accepting Responsibility for Operations

Operator name: N	Mack E	3
------------------	--------	---

Mack Energy Corporation

Street or box :

P.O. Box 960

City, State

Artesia, NM

Zip Code, : 88211-0960

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No .:

NM-114960

Robin Federal #2

Legal Description of land:

Sec. 9 T23S R25E

NE/4 SW/4

Formation(s) (if applicable):

Morrow

Bond Coverage: (State if individually bonded or another's bond)

Statewide Bond

BLM Bond File No.:

NMB000286

Authorized Signature:

Jerry W. Sherrell

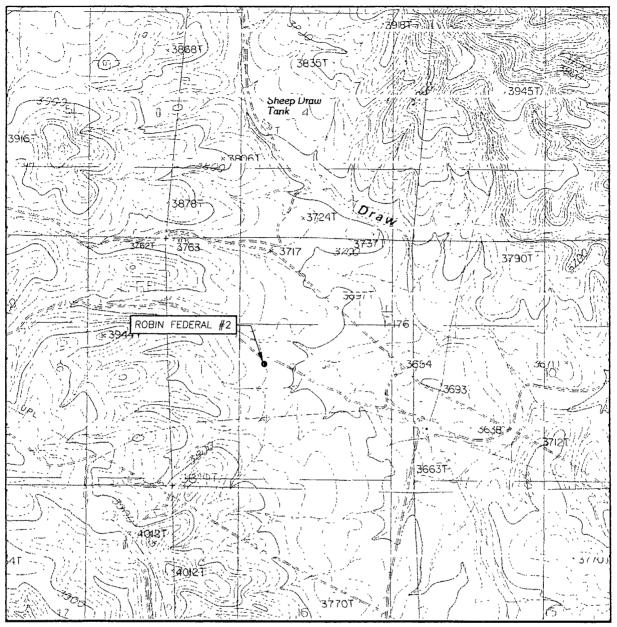
Title:

Production Clerk

Date:

5/16/2007

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: CARNERO PEAK, N.M. - 20'

SEC. 9 TWP. 23-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2635' FSL & 2060' FWL

ELEVATION 3719'

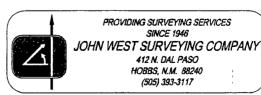
MACK ENERGY

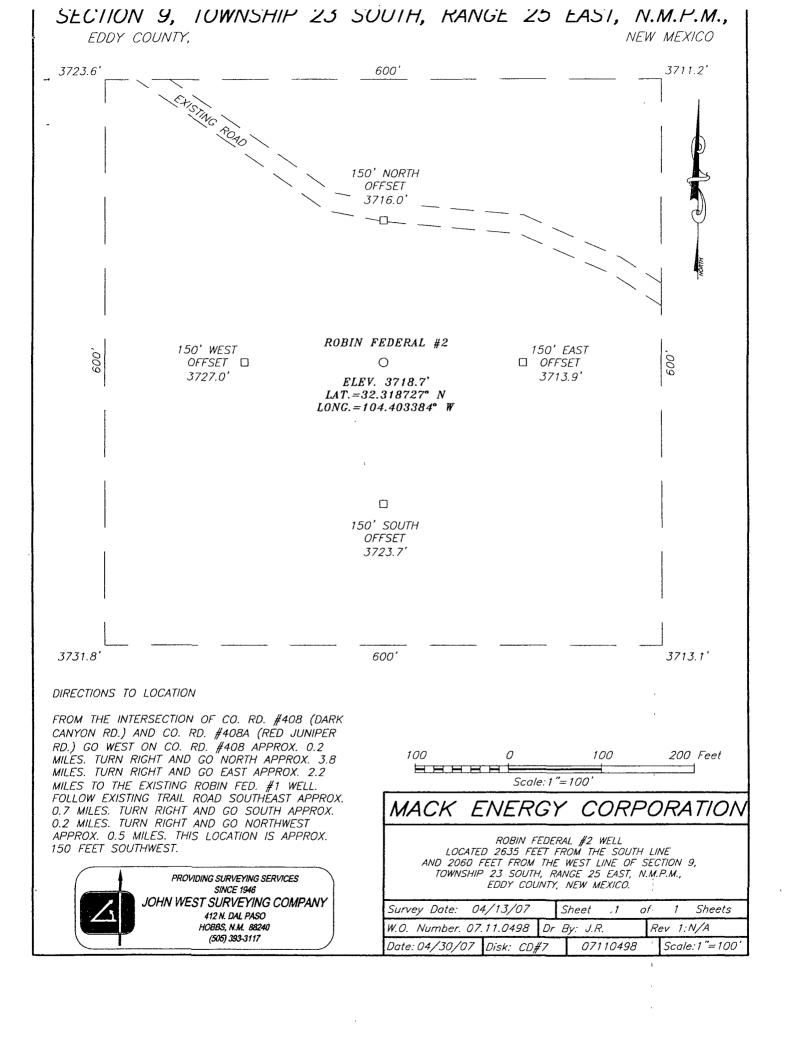
OPERATOR CORPORATION

LEASE ROBIN FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

CARNERO PEAK, N.M.





Attached to Form 3160-3
Mack Energy Corporation
Robin Federal #2
SHL 2635 FSL & 2060 FWL, BHL 1980 FSL & 1980 FWL
NE/4 SW/4, Sec 9 T23S R25E
Eddy County, NM

DRILLING PROGRAM

1. Geologic Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geologic Markers:

Quaternary	Surface		
Wolfcamp	8638'	Atoka	10433'
Penn	9750'	Morrow	10882'
Strawn	9952'		

3. Estimated Depths of Anticipated Fresh Water, Oil and Gas:

Water Sand	450'	Fresh Water
Strawn	9952'	Gas
Atoka	10433'	Gas
Morrow	10882'	Gas

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 13 3/8" casing to 325' and circulating cement back to surface will protect the surface fresh water sand. Capitan Reef Section will be protected by setting 9 5/8" casing to 1590' and circulating cement back to surface. Optional 7" casing could be run prior to TD should hole problems occur. Any shallower zones above TD, which contain commercial quantities of oil and/or gas, will have cement circulated across them by cementing 5 1/2" production casing, which will be run at TD.

4. Casing Program:

Hole Size	Interval	Casing OA	Wt, Grade, Jt, burst/collapse/tension
	1		
WITNE\$57 1/2"	0-325'	13 3/8"	48#, H-40, ST&C, 3.92/1.676/6.71
10111NE32:14"	0-1 590 °/650	9 5/8"	36#, J-55, ST&C, 2.95/2.877/7.91
83/4"	0-11500	5 1/2"	17#, L-80, LT&C, 1.54/1.478/1.81
- /Optional	0-9200	7"	26#, HCL-80, LT&C, 1.26/1.569/2.38
OF Optional	0-11,500	4 ½	11.6#, N-80, LT&C, 1.30/1.15/1.83

5. Cement Program:

13 3/8" Surface Casing: with Class C, 300sx, yield 1.32.

9 5/8 Intermiate Casing: with Class C, 1180sx, yield 1.32.

7" Optional Casing: with Class C, 1350sx, yield 1.32

Attached to Form 3160-3 Mack Energy Corporation Robin Federal #2 SHL 2635 FSL & 2060 FWL, BHL 1980 FSL & 1980 FWL NE/4 SW/4, Sec 9 T23S R25E Eddy County, NM

5 1/2" Production Casing: with Class C, 2500sx, yield 1.32.

6. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #9 will consist of a double ram-type (3000 psi WP) preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on top of 4 1/2" drill pipe rams on bottom. The BOP will be nippled up on the 13 3/8" surface casing and tested to 2000 psi by a 3rd party. The BOP will then be nippled up on the 9 5/8" intermediate casing and tested by a 3rd party to 2000 psi and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 2000 psi before drilling out of intermediate casing. Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment (Exhibit #10) will include a Kelly cock and floor safety valve and choke lines and choke manifold (Exhibit #11) with 3000 psi WP rating.

7. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with a combination of brine, cut brine and polymer mud system. The applicable depths and properties of this system are as follows:

	DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
	0-300'	Fresh Water	8.5	28	N.C.
see Cot-	₹ 300-1590'	Fresh Water	8.5	30	N.C.
	1590'-TD	Cut Brine	10	29	N.C.

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept at the well site at all times.

8. Auxiliary Well Control and Monitoring Equipment:

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill pipe connections will be on the rig floor at all times.

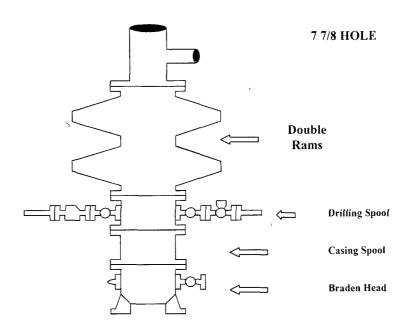
9. Logging, Testing and Coring Program:

- A. The electric logging program will consist of GR-Dual Laterolog, Spectral Density, Dual Spaced Neutron, CSNG Log and will be ran from T.D. to 9 5/8 casing shoe.
- B. Drill Stem test is not anticipated.
- C. No conventional coring is anticipated.

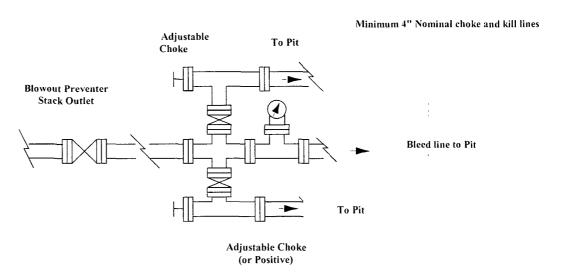
Drilling Program Page 2

Mack Energy Corporation

Exhibit #9 BOPE Schematic



Choke Manifold Requirement (2000 psi WP) No Annular Required



Mack Energy Corporation

Minimum Blowout Preventer Requirements

3000 psi Working Pressure 3 MWP EXHIBIT #1-A

Stack Requirements

	Stack Requireme	.,	
NO	Items	Min	Min.
		ID.	Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated		
	rams		
6a	Drilling spool with 2" min. kill line and 3" min		2"
	choke line outlets		Choke
6b	2" min, kill line and 3" min, choke line outlets		
	ın ram. (Alternate to 6a above)	ļ	
7	Valve Gate	3 1/8	,
	Plug		
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate	2 1/16	
	Plug		
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate	1 13/16	
	Plug		
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"



-	16	Flanged Valve	1 13/16	

CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3000 psi minimum
- 2 Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- 3 BOP controls, to be located near drillers' position
- 4. Kelly equipped with Kelly cock.
- 5 Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used
- 6 Kelly saver-sub equipped with rubber casing protector at all times
- 7 Plug type blowout preventer tester.
- 8. Extra set pipe rams to fit drill pipe in use on location at all times
- 9 Type RX ring gaskets in place of Type R

MEC TO FURNISH.

- 1 Bradenhead or casing head and side valves.
- 2 Wear bushing If required

GENERAL NOTES.

- Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager
- All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
- 3 Controls to be of standard design and each marked, showing opening and closing position
- Chokes will be positioned so as not to hamper or delay changing of choke beans Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use
- All valves to be equipped with handwheels or handles ready for immediate
 use
- 6 Choke lines must be suitably anchored.

- ANNULAR
 PREVENTER

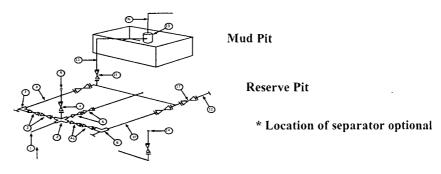
 Blind Rams

 Pipe Rams

 Orilling
 Spool
 Head
 Casing
 - 7. Handwheels and extensions to be connected and ready for use.
 - Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency
 - All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
 - 10 Casinghead connections shall not be used except in case of emergency.
 - 11 Do not use kill line for routine fill up operations.

Mack Energy Corporation Exhibit #11

Exhibit #11
MIMIMUM CHOKE MANIFOLD
3,000, 5,000, and 10,000 PSI Working Pressure
2 M will be used or greater
3 MWP - 5 MWP - 10 MWP



Below Substructure

Mimimum requirements

			N	/limimun	n require	ments				
3,000 MWP 5,000 MWP 10,000 MWP										
No.		I.D.	NOMINAL	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
l	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			3,000			5,000			
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
4	Valve Gate Plug	1 13/16		3,000	1 13/16		5,000	1 13/16		10,000
4a	Valves (1)	2 1/16		3,000	2 1/16		5,000	2 1/16		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	["		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8	-	3,000	3 1/8		5,000	3 1/8		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure quage			3,000			5,000			10,000
15	Gas Separator		2' x5'			2' x5'			2' x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000

- (1) Only one required in Class 3M
- (2) Gate valves only shall be used for Class 10 M
- (3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

- 1 All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating
- 2 All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX Use only BX for 10 MWP
- 3 All lines shall be securely anchored.
- 4 Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- 5 Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge
- 6 Line from drilling spool to choke manifold should bee as straight as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees

Rinwarit Pravantars . Dana 16

Attachment to Exhibit #9 NOTES REGARDING THE BLOWOUT PREVENTERS Robin Federal #2 Eddy County, New Mexico

- 1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
- 2. Wear ring to be properly installed in head.
- 3. Blow out preventer and all fittings must be in good condition, 2000 psi WP minimum.
- 4. All fittings to be flanged.
- 5. Safety valve must be available on rig floor at all times with proper connections, valve to be full 2000 psi WP minimum.
- 6. All choke and fill lines to be securely anchored especially ends of choke lines.
- 7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
- 8. Kelly cock on Kelly.
- 9. Extension wrenches and hands wheels to be properly installed.
- 10. Blow out preventer control to be located as close to driller's position as feasible.
- 11. Blow out preventer closing equipment to include minimum 40-gallon accumulator, two independent sources of pump power on each closing unit installation all API specifications.

H2S Plan Page 13

Mack Energy Corporation

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- 1. The hazards an characteristics of hydrogen sulfide (H2S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H2S detectors alarms warning systems, briefing areas, evacuation procedures, and prevailing winds.
- 4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

- 1. The effects of H2S on metal components. If high tensile tubular are to be used, personnel well be trained in their special maintenance requirements.
- 2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- 3. The contents and requirements of the H2S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S Drilling Operations Plan and the Public Protection Plan. The concentrations of H2S of wells in this area from surface to TD are low enough that a contingency plan is not required.

II. H2S SAFETY EQUIPMENT AND SYSTEMS

Note: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H2S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

2. Protective equipment for essential personnel:

A. Mark II Survive air 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

A. 1 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram (Exhibit #8).
- B. Caution/Danger signs (Exhibit #7) shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

H2S Plan Page 10

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communication at Office.

8. Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safely and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H2S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

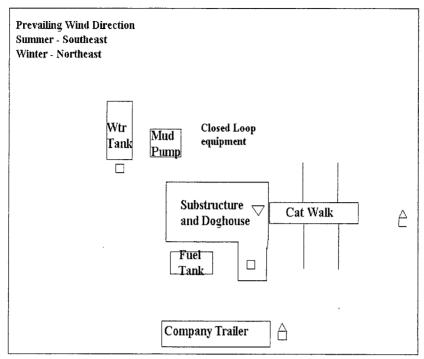
EXHIBIT #7

WARNING YOU ARE ENTERING AN H2S AUTHORIZED PERSONNEL ONLY

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED
- 2. HARD HATS REQUIRED
- 3. SMOKING IN DESIGNATED AREAS ONLY
- 4. BE WIND CONSCIOUS AT ALL TIMES
- 5. CHECK WITH MACK ENERGY FOREMAN AT OFFICE

MACK ENERGY CORPORATION 1-505-748-1288

DRILLING LOCATION H2S SAFTY EQUIPMENT Exhibit # 8



- \bigvee H2S Monitors with alarms at the bell nipple
- ☐ Wind Direction Indicators
- Safe Briefing areas with caution signs and breathing equipment min 150 feet from



Mack Energy Corp.

Eddy County, NM (NAD 27 NME) Robin Federal #2 Robin Federal #2 OH

Plan: Plan #1

Standard Planning Report

31 May, 2007





Scientific Drilling

Planning Report



Database: EDM 2003 16 Single User Db

Company: Mack Energy Corp

Project: Eddy County, NM (NAD 27 NME)

Robin Federal #2 Site Well: Robin Federal #2

Wellbore ОН Design: Plan #1 Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well Robin Federal #2 WELL @ 3742.00ft (KB Elev) WELL @ 3742 00ft (KB Elev)

Grid

Minimum Curvature

Project: Eddy County, NM (NAD 27 NME)

Map System:

US State Plane 1927 (Exact solution)

Geo Datum:

NAD 1927 (NADCON CONUS)

Map Zone:

Site

From:

New Mexico East 3001

System Datum:

Robin Federal #2

Site Position:

Мар

Northing: Easting: Slot Radius: 479,676 30 ft

478,360 00ft Longitude: 104° 24' 12 184 W Grid Convergence:

-0 04 °

Wells Robin Federal #2

Well Position

+N/-S

0 00 ft

0 00 ft

Northing:

479,676 30 ft

Latitude: Longitude: 32° 19' 7 417 N

Position Uncertainty

Position Uncertainty:

0 00 ft +E/-W 0 00 ft

Easting: Wellhead Elevation: 478,360 00 ft 3,742 00 ft

Ground Level:

104° 24' 12 184 W 0 00 ft

Wellbore ОН

Magnetics

Dip Angle

Field Strength.

IGRF200510

5/31/2007

Audit Notes:

Version:

Phase:

PLAN

Tie On Depth:

0 00

Vertical Section:

Depth From (TVD) (ft)

0 00

0 00

(ft) 0 00

185 62

Plan Sections		re-established falls substitution with	governing rich and distributed and distributed and program of the Control of the	LL A MERCENIA (A) A A AND LA AND CONTRACT POR	phospital statement and the property	Partie (Report Foreitt - Falk Charter Special)	kaller the stern all translate the	Lifethauge of the part of the	Appendix a Maderial and Control	CARROLLING & REMANDA TOWNERS & \$1.00 "ROLLING &	- F
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5,500 00	0 00	0 00	5,500 00	0 00	0 00	0.00	0 00	0 00	0 00		
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											- 1



Scientific Drilling

Planning Report



EDM 2003 16 Single User Db

Mack Energy Corp

Eddy County, NM (NAD 27 NME)

Robin Federal #2 Robin Federal #2

Database: Company: Project: Site: Well: Wellbore: Design: ОН Plan #1

Local Co-ordinate Reference:

TVD Reference:

MD.Reference: North Reference: Survey, Calculation Method:

Well Robin Federal #2

WELL @ 3742 00ft (KB Elev) WELL @ 3742 00ft (KB Elev)

Grid

Minimum Curvature

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6,400 00	14 43	185 62	6,381 72	-163 86	-16 12	164 65	0 00	0 00	0 00
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Scientific Drilling

Planning Report



EDM 2003 16 Single User Db Mack Energy Corp

Eddy County, NM (NAD 27 NME)

Database: EDM 20
(Company: Mack Er
Project: Eddy Cc
Site: Robin F
Well: Robin F
Wellbore: OH
Design: Plan #1 Robin, Federal #2 Robin Federal #2 LocaliCo-ordinateiReference:
TVDiReference:
MDiReference:
NorthiReference:
Survey/Calculation;Method:

Well Robin Federal #2 WELL @ 3742 00ft (KB Elev) WELL @ 3742 00ft (KB Elev)

Grid

Minimum Curvature

			···						
TargetName Shape	/Angle Di	p Dir. ((3)	TVD (ft)	+N/-S = 1 (ft)	+E/-W ((ft))	Northing I. (ft)	Easting (ft)	Latitude	Longitude
North HL-RF #2 - plan misses by 656 94ft - Rectangle (sides W0 00			0 00 D, 0 00 N, 0.0	-654 60 0 E)	-55 40	479,021 70	478,304 60	32° 19' 0 938 N	104° 24' 12 824 W
East HL-RF #2 - plan misses by 656 94ft - Rectangle (sides W500			0 00 D, 0 00 N, 0 0	-654 60 0 E)	-55 40	479,021 70	478,304 60	32° 19' 0 938 N	104° 24' 12 824 W
PBHL-RF #2 - plan hits target - Circle (radius 10 00)	0 00	0 00 1	1,500 00	-664 60	-65 40	479,011 70	478,294 60	32° 19' 0 839 N	104° 24′ 12 941 W

Post Control of the State of th	Casing Points Measured Vertical Depth Depth (ft) (ft) Name	Casing Diameter ((ft)	Hole Diameter.	
	1,575 00 1,575 00 9 5/8" Casing	9 62500	12.25000	

Plan Annotations	ergente Berlicheriche in der der der Belle in die Arch	Market - Na Yaki a barka kata kata kata kata kata kata kata	KARAMAN T MAKAMATUMUMUKINGKANA C	S MONOWING MAN THE WAS THE MAN THE MEN AND THE MEN AND THE MAN AND THE MEN AND THE MAN AND
Measured ***	i Vertical :	Local Coordii	nates 💮	
Depth T	Depth	+N/S	**+E/-W	
(ft)	(% (ft)) (#)	(ft)	ένς (ft). 👸	Comment 0/4 / 1/2
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5,971 30	5,966 53	-57 58	-5 67	EOC hold 14 14°
8,068 50	7.997 60	-577 58	-56 84	Start drop 2°/100'
· ·	,	-664 60		
8,775.46	8,697 32	-004 60	-65 40	EOC hold 0 0°

Site. Eddy County, NM (NAD 27 NME) Well Robin Federal #2 Scientific Drilling Wellbore: OH Design Plan #1 4000 250-4200 4200 200 4400 150 Robin Federal #2 - SHL 4600 4600 100 4800 4800 50 5000 5000 5800 KOP 5500' build 3°/100 5200 -5200 -50-6000 5400 -5400 -100 5200 1° 50 6° 5800 12° 6000 600 6000 -119 5600 -150 6400 5800 -200 6600 6000 -250 6800 6200 6200 -300 EOC hold 14 14° 7000)/North(+) (50 6400 6400 -350 7200 6600 6600 -400 7400 South(6800 -450 7600 7000 -500 Δ° 7800 7200 7200 -550 8000 7400 7400 -600 8200 7600 -650 少 1578 7800 Start drop 2°/100° 7800 -700 Robin Federal #2 8000 200 8000 -750 12° 8200 Depth (8200 10° -800 PBHL-RF #2 8° 9400 tical 8400 -850 40 8600 -900 ۰0° 8800 8800 -950 9000 EOC hold 0 0° 9200 West(-)/East(+) (50 ft/in) 9200 9400 9400 Azimuths to Grid North True North 0 04° Magnetic North 8 47° AZIMUTH CORRECTIONS
ALL AZIMUTHS MUST BE CORRECTED TO GRID 9600 9600 GRID CORRECTIONS MUST BE APPLIED BEFORE PLOTTING Magnetic Field Strength 48997 4snT Dip Angle 60.23° Date 5/31/2007 Model, IGRF200510 9800 To convert a Magnetic Direction to a Grid Direction, Add 8 47°
To convert a True Direction to a Grid Direction, Add 0 04° 9800 10000 SECTION DETAILS 10200 10200 DLeg 0 00 0 00 3 00 0 00 MD Azı TVD +N/-S +E/-W TFace VSec Target 1 0 00 2 5500 00 3 5980 94 4 8056 72 0.00 0 00 14 43 14 43 0 00 0 00 185 62 185 62 0 00 5500.00 5975 88 7986 18 0 00 0 00 -59 95 -574 68 0 00 0.00 -5 90 -56 55 0 00 0 00 185 62 0 00 0 00 0 00 60 24 577 46 10400 10400 10600 5 8778 14 180 00 10600 8700.00 -664 60 -664 60 -65 40 2 00 PBHL-RF #2 10800 10800 WELL DETAILS Robin Federal #2 11000 11000 0 00 Ground Level Easting 478360 00 Longitude 104° 24' 12 184 W +F/-W Northine Latittude Slot 11200 479676 30 32° 19' 7 417 N 11200 11400 11400 PROJECT DETAILS Eddy County, NM (NAD 27 NME) Plan Plan #1 (Robin Federal #2/OH) 11578 Geodetic System US State Plane 1927 (Exact solution)
Datum NAD 1927 (NADCON CONUS) Created By Julio Pina Date 31-May-07 11600 Ellipsoid Clarke 1866 Zone New Mexico East 3001 Checked _ Date _ 11800 System Datum: Mean Sea Level Reviewed. Date, 12000 PBHL-RF #2 Robin Federal #2 12200 WELLBORE TARGET DETAILS (MAP CO-ORDINATES) Name TVD +N/-S East HL-RF #2 0.00 -654.60 North HL-RF #2 0.00 -654.60 PBHL-RF #211500.00 -664.60 -400 -200 Ó 200 400 600 800 1000 1200 1400 1600 1800 2000 Vertical Section at 185 62° (200 ft/in)

Attached to Form 3160-3 Mack Energy Corporation Robin Federal #2 SHL 2635 FSL & 2060 FWL, BHL 1980 FSL & 1980 FWL NE/4 SW/4, Sec 9 T23S R25E Eddy County, NM

- B. There is no permanent or live water in the immediate area.
- C. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

12. Lessee's and Operator's Representative:

The Mack Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

Jerry W. Sherrell Mack Energy Corporation P.O. Box 960 Artesia, NM 88211-0960 Phone (505) 748-1288 (office)

CERTIFICATION

I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Mack Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 5-16-2007

Signed: Jerry W. Sherrell

Surface Use Plan Page 8

Conditions of Approval Cave and Karst

EA#: NM-520-07-941 Lease #: NM-114960 Mack Energy Corporation Robin Federal # 2

Cave/Karst Surface Mitigation

The following stipulations will be applied to minimize impacts during construction, drilling and production.

Berming:

Any tank batteries will be constructed and bermed large enough to contain any spills that may occur.

Bermed areas will be lined with rip-stop padding to prevent tears or punctures in liners and lined with a permanent 20 mil plastic liner.

Closed Mud System Using Steel Tanks with All Fluids and Cuttings Hauled Off.

Cave/Karst Subsurface Mitigation

The following stipulations will be applied to protect cave/karst and ground water concerns:

Rotary Drilling with Fresh Water:

Rotary drilling techniques in cave or karst areas will include the use of fresh water as a circulating medium in zones where caves or karst features are expected. Use depth to the deepest expected fresh water as listed in the geologist report.

Directional Drilling:

Kick off for directional drilling will occur at least 100 feet below the bottom of the cave occurrence zone as identified in the geologic report.

Casing:

All casing will meet or exceed National Association of Corrosion Engineers specifications pertaining to the geology of the location and be run to American Petroleum Institute and BLM standards.

Lost Circulation:

ALL lost circulation zones from the surface to the base of the cave occurrence zone will be logged and reported.

Regardless of the type of drilling machinery used, if a void (bit drops) of four feet or more and circulation losses greater then 75 percent occur simultaneously while drilling in

any cave-bearing zone, drilling operations will immediately stop and the BLM will be notified by the operator. The BLM will assess the consequences of the situation and work with operator on corrective actions to resolve the problem.

Delayed Blasting:

Any blasting will be a phased and time delayed.

Abandonment Cementing:

Upon well abandonment the well bore will be cemented completely from 100 feet below the bottom of the cave bearing zone to the surface.

Pressure Tests:

Annual pressure tests will be performed by the Operator on all casing annuli. If the test results indicated a casing failure, remedial actions approved by the BLM will be undertaken to correct the problem.

Differential Shut-off Systems:

A leak detection system and differential shut off systems will be installed for pipelines and tanks used in production or drilling.

Record Keeping:

The Operator will track customary drilling activities, including the rate of penetration, pump pressure, weight on bit, bit drops, percent of mud returns, and presence of absence of cuttings returning to the surface. As part of customary record keeping, each detectable void or sudden increase in the rate of penetration not attributable to a change in the formation type should be documented and evaluated as it is encountered.

CONDITIONS OF APPROVAL - DRILLING

Operator's Name:

MACK ENERGY CORPORATION

Well Name & No.

2 – ROBIN FEDERAL

Location:

2635' FSL & 2060' FWL – SEC 9 – T23S – R25E – EDDY (SHL)

1980' FSL & 1980' FWL – SEC 9 – T23S – R25E – EDDY (BHL)

Lease:

NM-114960

I. DRILLING OPERATIONS REQUIREMENTS:

- A. The Bureau of Land Management (BLM) is to be notified a minimum of 4 hours in advance for a representative to witness:
 - 1. Spudding well
 - 2. Setting and/or Cementing of all casing strings
 - 3. BOPE tests
 - Eddy County call the Carlsbad Field Office, 620 East Greene St., Carlsbad, NM 88220, (505) 361-2822
- **B.** Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
- C. If floor controls are required, (3M or Greater) controls will be on the rig floor, unobstructed, readily accessible to the driller and will be operational at all times during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the dog house or stairway area.

II. CASING:

- A. The 13-3/8 inch surface casing shall be set at 325 feet and cemented to the surface.
 - 1. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with a surface log readout will be used or a cement bond log shall be run to verify the top of the cement.
 - 2. Wait on cement (WOC) time for a primary cement job will be a minimum of 12 hours for a non-water basin, 18 hours for a water basin, 24 hours in the potash area, or 500 pounds compression strength, whichever is greater. (This is to include the lead cement)
 - 3. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compression strength, whichever is greater.
 - 4. If cement falls back, remedial action will be done prior to drilling out that string.
- B. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is circulate cement to the surface. If cement does not circulate see A.1 thru 4. Casing to be set at approximately 1650 feet near the base of the Capitan and before the Delaware Mountain Group is encountered.
- C. The minimum required fill of cement behind the <u>5-1/2</u> inch production casing is <u>tie back 200 feet into the 9-5/8 inch casing.</u>

D. If hardband drill pipe is rotated inside casing; returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool I joints of the drill pipe will be installed prior to continuing drilling operations.

III. PRESSURE CONTROL:

- **A.** All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and Chap. 17 API RP 53.
- **B.** Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be <u>2000 (2M)</u> PSI.
- C. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the 9-5/8 surface / Intermediate casing shoe shall be 5000 (5M) PSI.
- **D.** The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - 1. The tests shall be done by an independent service company.
 - 2. The results of the test shall be reported to the appropriate BLM office.
 - 3. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.
 - **4.** The BOP/BOPE test shall include a low pressure test from 250 to 300 psi in accordance with API RP 53. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

IV. DRILLING MUD:

Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the **Wolfcamp** formation, and shall be used until production casing is run and cemented.

- 1. Recording pit level indicator to indicate volume gains and losses.
- 2. Mud measuring device for accurately determining the mud volumes necessary to fill the hole during trips.
- 3. Flow-sensor on the flow line to warn of abnormal mud returns from the well

LBabyak / /07