District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101

APPLICATION FOR PERMIT TO DRILL

MACK ENERGY (Operator Name and Address MACK ENERGY CORP			
PO Box 960 Artesia, NM 8821	1-0960	API Number 30-015-33100		
Property Code 33009	Property Name RED LAKE SAND UNIT	Well No. 038		

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	29	17S	28E	D	330	N	330	W	Eddy

Proposed Pools

RED LAKE; QUEEN-GRAYBURG-SA 51300

	Work Type New Well	Well Type OIL	Cable/Rotary	Lease Type State	Ground Level Elevation 3583
-	Multiple	Proposed Depth	Formation	Contractor	Spud Date
	N	2100	Grayburg		11/18/2003

Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	375	250	0
Prod	7.875	5.5	17	2100	800	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill to 225, run 8 5/8 casing and cement. Drill to 2100 and test Grayburg Zone, run 5 1/2 casing and cement. Put well on production. Note: On production string a fluid caliper will be run and will figure cement with 25% excess, attempt to circulate.

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

APD Form Page 2 of 2

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Jerry Sherrell

Title: Production Clerk

Date: 11/17/2003 Phone: 505-748-1288

OIL CONSERVA	ATION DIVISION
Electronically Approved By:	Bryan Arrant
Title: Geologist	
Approval Date: 11/17/2003	Expiration Date: 11/17/2004
Conditions of Approval: There are conditions. See Att	ached.

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Ave., Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-33100	Pool Name RED LAKE;QUEEN-GRAYBURG-SA	Pool Code 51300
Property Code 33009	Property Name RED LAKE SAND UNIT	Well No. 038
OGRID No. 13837	Operator Name MACK ENERGY CORP	Elevation 3583

Surface And Bottom Hole Location

UL or Lot D	Section 29	Township 17S	Range 28E	Lot Idn D	Feet From 330	N/S Line N	Feet From 330	E/W Line W	County Eddy	
	ited Acres	Joint of	Infill	Consoli	dation Code		Order			

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OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Jerry Sherrell

Title: Production Clerk Date: 11/17/2003

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best

of my belief.

Surveyed By: Gary Eidson

Date of Survey: 11/11/2003

Certificate Number: 12641

Permit Comments

Operator: MACK ENERGY CORP, 13837
Well: RED LAKE SAND UNIT #038

User Name	Comment	Comment Date
 IWSHEKKELL	H2S concentrations of the wells within this unit are low enough that a contingency plan is not required for this well.	11/17/2003

Permit Conditions Of Approval

Operator: MACK ENERGY CORP, 13837
Well: RED LAKE SAND UNIT #038

-	OCD Reviewer	Condition	
1	BARRANT	Operator to set water protection string@ 375	