

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
Permit 1154

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MACK ENERGY CORP PO Box 960 Artesia, NM 88211-0960		OGRID Number 13837
		API Number 30-015-33908
Property Code 34091	Property Name WALRUS STATE	Well No. 001

Surface Location

UL or Lot D	Section 29	Township 18S	Range 23E	Lot Idn D	Feet From 660	N/S Line N	Feet From 660	E/W Line W	County Eddy
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Proposed Pools

HOPE PENN, SOUTH (GAS) (ABANDONED) 78600
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4025
Multiple N	Proposed Depth 8500	Formation Morrow	Contractor	Spud Date 07/10/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1600	1200	0
Prod	7.875	4.5	17	8500	1700	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill to 1600, run 8 5/8 casing and cement. Drill to 8500 test morrow zone, run 4 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

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	2000	

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: 06/30/2004

Phone: 505-748-1288

OIL CONSERVATION DIVISION

Electronically Approved By: Bryan Arrant

Title: Geologist

Approval Date: 07/16/2004

Expiration Date: 07/16/2005

Conditions of Approval:

There are conditions. See Attached.