

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 7402

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address MACK ENERGY CORP PO Box 960 Artesia, NM 88211-0960		OGRID Number 13837
		API Number 30-025-37153
Property Code 34702	Property Name GRACKLE STATE	Well No. 001

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	9	18S	34E	E	1842	N	860	W	Lea

Proposed Pools

VACUUM;MORROW (GAS) 86840

Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 4052
Multiple N	Proposed Depth 13800	Formation Morrow	Contractor	Spud Date 03/25/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	350	0
Int1	12.25	9.625	40	4875	1600	0
Prod	7.875	5.5	17	13800	1250	0

Casing/Cement Program: Additional Comments

Mack Energy Corporation proposes to drill a 17 1/2 hole to 350, run 13 3/8 casing and cement. Drill a 12 1/4 hole using the Lea County Alternative to 4875, run casing and cement. Drill a 7 7/8 hole to 13,800 test Morrow formation, run 5 1/2 casing and cement.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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: 03/22/2005

Phone: 505-748-1288

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 03/22/2005

Expiration Date: 03/22/2006

Conditions of Approval:

There are conditions. See Attached.