

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address MACK ENERGY CORP PO BOX 960 ARTESIA, NM 882110960		2. OGRID Number 13837
		3. API Number 30-015-34497
4. Property Code 23810	5. Property Name MESQUITE STATE	6. Well No. 016

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	20	17S	29E	L	2310	S	330	W	EDDY

8. Pool Information

EMPIRE; YESO, EAST	96610
GRAYBURG JACKSON SR-Q-G-SA	28509

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3647
14. Multiple Y	15. Proposed Depth 4350	16. Formation Yeso Formation	17. Contractor	18. Spud Date 12/25/2005
Depth to Ground water 110		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mils thick Clay <input type="checkbox"/> Pit Volume: 2000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input checked="" type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	375	0
Int1	12.25	8.625	24	800	500	0
Prod	7.875	5.5	17	4350	900	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill to 350, run 13 3/8 casing and cement. Drill to 800, run 8 5/8 casing and cement. Drill to 4350 and test Paddock zone, run 5 1/2 casing and cement. Put well on production. Note: On production string, a fluid caliper will be run, will figure cement with 25% excess, attempt to circulate.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Jerry Sherrell	Approved By: Bryan Arrant
Title: Production Clerk	Title: Geologist
Email Address: jerrys@mackenergycorp.com	Approved Date: 12/27/2005 Expiration Date: 12/27/2006
Date: 12/22/2005 Phone: 505-748-1288	Conditions of Approval Attached

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720
District II
1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
Permit 20465

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34497	2. Pool Code 96610	3. Pool Name EMPIRE; YESO, EAST
4. Property Code 23810	5. Property Name MESQUITE STATE	6. Well No. 016
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3647




10. Surface Location

UL - Lot L	Section 20	Township 17S	Range 29E	Lot Idn	Feet From 2310	N/S Line S	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. Order No.						

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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4. Property Code 23810	5. Property Name MESQUITE STATE	6. Well No. 016
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Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: MESQUITE STATE #016

API: 30-015-34497

Created By	Comment	Comment Date
JWSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	12/22/2005

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: MESQUITE STATE #016

API: 30-015-34497

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator to drill surface hole w/ fresh water mud.