

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 30-025-37672
4. Property Code 301454	5. Property Name POGO NAPA	6. Well No. 002

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	14	16S	33E	L	2310	S	330	W	LEA

8. Pool Information

HUME;QUEEN, WEST	33560
HUME;GRAYBURG, WEST	97444

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4194
14. Multiple Y	15. Proposed Depth 4750	16. Formation Grayburg	17. Contractor	18. Spud Date 2/5/2006
Depth to Ground water 130		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: 3000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1520	800	0
Prod	7.875	5.5	17	4750	1000	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 12 1/4 hole to 1520', run 8 5/8 casing and cement. Drill a 7 7/8 hole to 4750 test Grayburg and Queen formations, run 5 1/2 casing and cement. Note: On production string a fluid caliper will be run and will figure cement with 25% excess, attempt to circ.

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 NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by Jerry Sherrell Title: Production Clerk Email Address: jerrys@mackenergycorp.com Date: 1/31/2006	<div style="text-align: center; border-bottom: 1px solid black; padding-bottom: 5px;">OIL CONSERVATION DIVISION</div> Approved By: Paul Kautz Title: Geologist Approved Date: 2/2/2006 Expiration Date: 2/2/2007 Conditions of Approval Attached
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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 22478

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37672	2. Pool Code 33560	3. Pool Name HUME;QUEEN, WEST
4. Property Code 301454	5. Property Name POGO NAPA	6. Well No. 002
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 4194

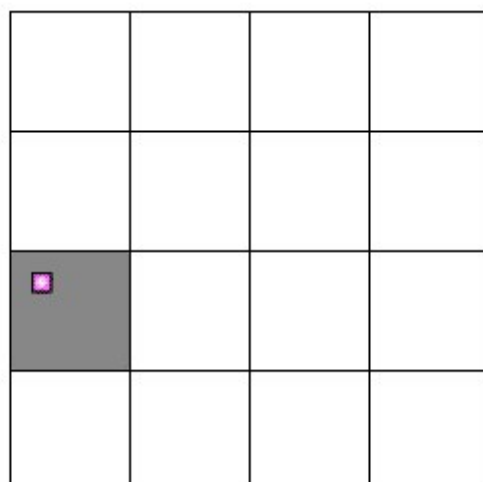
10. Surface Location

UL - Lot L	Section 14	Township 16S	Range 33E	Lot Idn	Feet From 2310	N/S Line S	Feet From 330	E/W Line W	County LEA
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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



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Jerry Sherrell
 Title: Production Clerk
 Date: 1/31/2006

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: 1/30/2006
 Certificate Number: 12641

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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4. Property Code 301454	5. Property Name POGO NAPA	6. Well No. 002
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 4194

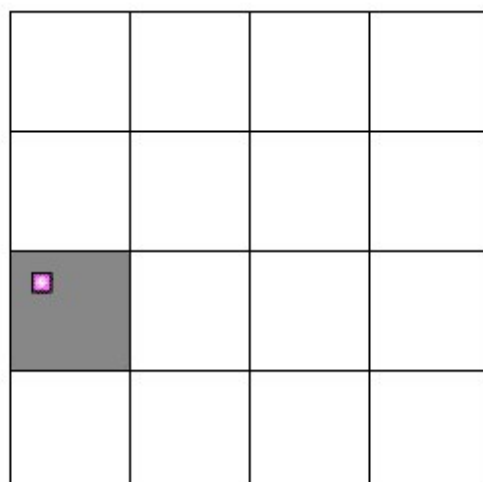
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Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: POGO NAPA #002

API: 30-025-37672

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.	1/31/2006

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: POGO NAPA #002

API: 30-025-37672

OCD Reviewer	Condition
pkautz	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
pkautz	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114
DMULL	Will require DHC administrative order for downhole commingling before multiple zones can be produced by commingling in the wellbore.