

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 30-015-34620
4. Property Code 35448	5. Property Name RED RIVER FEE	6. Well No. 001

7. Surface Location

UL - Lot P	Section 5	Township 18S	Range 24E	Lot Idn P	Feet From 660	N/S Line S	Feet From 660	E/W Line E	County EDDY
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8. Pool Information

PENASCO DRAW,PERMO PENN (GAS)	82775
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Additional Well Information

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3788
14. Multiple N	15. Proposed Depth 4900	16. Formation Wolfcamp	17. Contractor	18. Spud Date 2/20/2006
Depth to Ground water 475		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 3000 _____ bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input checked="" 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	9.625	36	1200	850	0
Prod	7.875	5.5	17	8660	1200	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 12 1/4 hole to 1200', run 9 5/8 casing and cement. Drill a 7 7/8 hole to a MD of (+or-) 8660', run 5 1/2 casing and cement.

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 ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Jerry Sherrell

Title: Production Clerk

Email Address: jerrys@mackenergycorp.com

Date: 2/14/2006 Phone: 505-748-1288

OIL CONSERVATION DIVISION

Approved By: Bryan Arrant

Title: Geologist

Approved Date: 2/16/2006 Expiration Date: 2/16/2007

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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Santa Fe, NM 87505

Form C-102
 Permit 23404

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-34620	2. Pool Code 82775	3. Pool Name PENASCO DRAW PERMO PENN (GAS)
4. Property Code 35448	5. Property Name RED RIVER FEE	6. Well No. 001
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3788

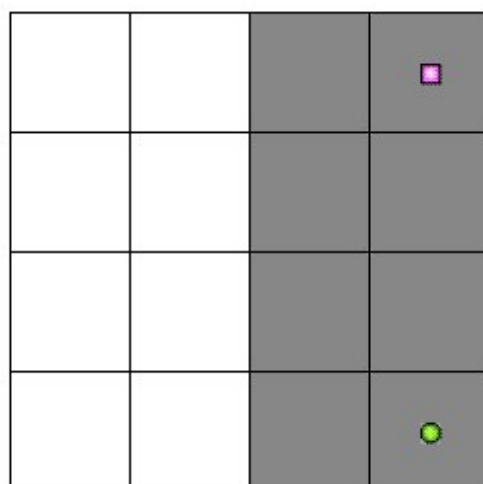
10. Surface Location

UL - Lot P	Section 5	Township 18S	Range 24E	Lot Idn	Feet From 660	N/S Line S	Feet From 660	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

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UL - Lot P	Section 5	Township 18S	Range 24E	Lot Idn P	Feet From 660	N/S Line N	Feet From 660	E/W Line E	County EDDY
12. Dedicated Acres 319.68		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: 2/14/2006

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: 1/16/2006
 Certificate Number: 12641

Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: RED RIVER FEE #001

API: 30-015-34620

Created By	Comment	Comment Date
JWSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that contingency plan is not required.	2/14/2006

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: RED RIVER FEE #001

API: 30-015-34620

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 proposed in APD, operator is to drill surface hole with fresh water mud.
BArrant	Please notify OCD time of spud and time to witness the cementing to surface of all casing strings.