

**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 30-025-37989
4. Property Code 35811	5. Property Name EAGLE STATE COM	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	18	15S	32E	B	660	N	1800	E	LEA

**8. Pool Information**

FEATHER,MORROW, NORTH (GAS)	96195
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**Additional Well Information**

9. Work Type New Well	10. Well Type GAS	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4336
14. Multiple N	15. Proposed Depth 12800	16. Formation Mississippi Limestone	17. Contractor	18. Spud Date 7/10/2006
Depth to Ground water 200		Distance from nearest fresh water well > 1000		Distance to nearest surface water > 1000
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 _____ mls 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	17.5	13.375	48	400	400	0
Int1	12.25	9.625	36	4000	1200	0
Prod	8.75	5.5	17	12800	2300	0

**Casing/Cement Program: Additional Comments**

Mack Energy proposes to drill a 17 1/2" hole to 400', run 13 3/8 casing and cement. Drill a 12 1/4" hole to 4000', run 9 5/8 casing and cement. Drill a 8 3/4 hole to 12,800' test the morrow formation, run 5 1/2" casing and cement. 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	5000	5000	

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"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul Kautz	
Printed Name: Electronically filed by Jerry Sherrell	Title: Geologist	
Title: Production Clerk	Approved Date: 7/3/2006	Expiration Date: 7/3/2007
Email Address: jerrys@mackenergycorp.com		
Date: 6/29/2006	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 33377

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-37989	2. Pool Code 96195	3. Pool Name FEATHER,MORROW, NORTH (GAS)
4. Property Code 35811	5. Property Name EAGLE STATE COM	6. Well No. 001
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 4336

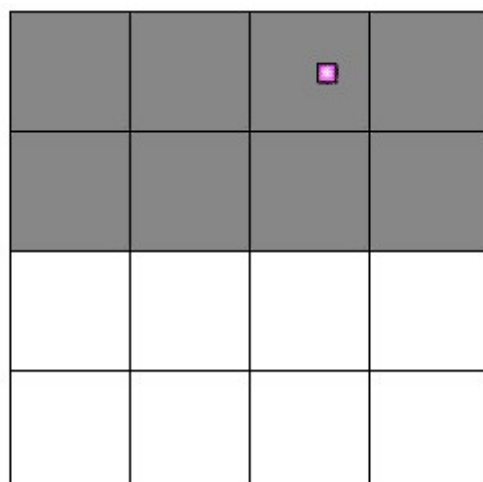
**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	18	15S	32E		660	N	1800	E	LEA

**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 331.71		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: 6/29/2006

**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: 6/29/2006  
 Certificate Number: 12641

## Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: EAGLE STATE COM #001

API: 30-025-37989

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.	6/29/2006
DMULL	Holding for acreage correction. Notified Santa Fe.	6/30/2006

# Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: EAGLE STATE COM #001

API: 30-025-37989

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