

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 88211		2. OGRID Number 13837
4. Property Code 34770		3. API Number 30-025-38505
5. Property Name GAR STATE		6. Well No. 004

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	23	16S	33E	B	990	N	1650	E	LEA

8. Pool Information

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

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4187
14. Multiple Y	15. Proposed Depth	16. Formation Grayburg	17. Contractor	18. Spud Date 9/1/2007
Depth to Ground water 150		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic ☐ mils thick Clay ☐ Pit Volume: bbls Drilling Method: Closed Loop System ☒ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				

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	32	1520	900	0
Prod	7.875	5.5	17	4600	1200	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 4500' and test Grayburg formation, 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 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 ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐ .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Jerry Sherrell	Approved By: Paul Kautz
Title: Production Clerk	Title: Geologist
Email Address: jerrys@mackenergycorp.com	Approved Date: 8/30/2007 Expiration Date: 8/30/2008
Date: 8/29/2007 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 59932

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-38505	2. Pool Code 97444	3. Pool Name HUME,GRAYBURG, WEST
4. Property Code 34770	5. Property Name GAR STATE	6. Well No. 004
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 4187

10. Surface Location

UL - Lot B	Section 23	Township 16S	Range 33E	Lot Idn G	Feet From 990	N/S Line N	Feet From 1650	E/W Line E	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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

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4. Property Code 34770	5. Property Name GAR STATE	6. Well No. 004
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 4187

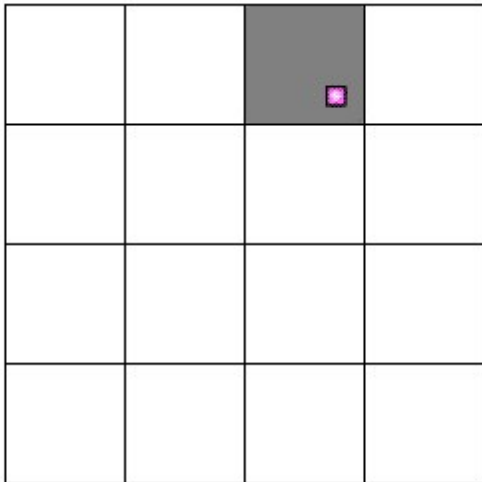
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Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: GAR STATE #004

API: 30-025-38505

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.	8/28/2007

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: GAR STATE #004

API: 30-025-38505

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