State of New Mexico

Form C-101 Permit 61781

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

ALL DICHTON TO	THE PERSON OF THE WITTER DELICE, THE CONTROL OF THE DELICE.							
	1. Operator Name and Address	2. OGRID Number						
	MACK ENERGY CORP	13837 3. API Number						
	PO BOX 960 ARTESIA , NM 88211							
	111(112)111,11111 00211	30-025-38579						
4. Property Code	5. Property Name	6. Well No.						
32681	MUSTANG STATE	005						

7. Surface Location

	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	K	18	17S	36E	K	1650	S	1650	W	LEA

8. Pool Information

WACUUM:GRAYBURG-SAN ANDRES 6218	VACUUM;GRAYBURG-SAN ANDRES	62180
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Additional Well Information

						0.6
9. Work Type New Well	2000	il Type IL	11. Cable/Rotar	у	12. Lease Type State	13. Ground Level Elevation 3899
14. Multiple N	15. Prop	osed Depth	16. Formation San Andre	5.01	17. Contractor	18. Spud Date 10/15/2007
Depth to Ground 47	water		Distance from neares	t fresh water well		Distance to nearest surface water
tit: Liner: Synthetic Closed Loop Syste	 m 🛚	mils thick	Clay Pit Volume:		lling Method: sh Water Brine 1	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

					-	
Туре	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	350	0
Int1	12.25	8.625	24	1870	1000	0
Prod	7.875	5.5	17	5400	1000	n

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 17 1/2 hole to 300', run 13 3/8 casing and cement. Drill a 12 1/4 hole to 1870', run 8 5/8 casing and cement. Drill a 7 7/8 hole to TD, 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

Í	Туре	Working Pressure	Test Pressure	Manufacturer
	DoubleRam	2000	2000	

I hereby certify that the information given above is true and of my knowledge and belief. I further certify that the drilling pit will be constructe	22 28	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit , or an (att OCD-approved plan .	ached) alternative	Approved By: Paul K	Cautz			
Printed Name: Electronically filed by Jerry Sher	rell	Title: Geologist				
Title: Production Clerk		Approved Date: 10/2/	2007	Expiration Date: 10/2/2008		
Email Address: jerrys@mackenergycorp.com						
Date: 10/1/2007 Phone: 505-74	8-1288	Conditions of Approv	val Attache	d		

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., Azzec, 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

State of New Mexico

Form C-102 Permit 61781

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

	LDD Do cittion in D inc.	CELICE DEDICATION	
1. API Number	2. Pool Code	3. P	ool Name
30-025-38579	62180	VACUUM;GRAY	BURG-SAN ANDRES
4. Property Code	5. Proper	ty Name	6. Well No.
32681	MUSTAN	G STATE	005
7. OGRID No.	8. Operato	or Name	9. Elevation
13837	MACK ENE	RGY CORP	3899

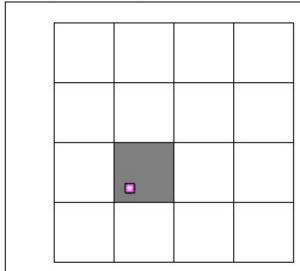
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	18	17S	36E		1650	S	1650	w	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Т	ownship	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
0.757.0753	ated Acres		13. 3	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: 10/1/2007

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: Ronald Eidson Date of Survey: 9/17/2007 Certificate Number: 3239

Permit Comments

Operator: MACK ENERGY CORP , 13837 Well: MUSTANG STATE #005

30-025-38579 API:

Created By	Comment	Comment Date
JJWSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	10/1/2007

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837 Well: MUSTANG STATE #005

30-025-38579 API:

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	Minimum surfaces casing setting depth in Lea County is 350'