

**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 6212		3. API Number 30-025-39890
5. Property Name STATE GS-16		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
P	16	17S	34E	P	660	S	860	E	LEA

**8. Pool Information**

VACUUM; ABO, NORTH	61760
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4066
14. Multiple N	15. Proposed Depth 12593	16. Formation Abo	17. Contractor	18. Spud Date 9/1/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick    Clay <input type="checkbox"/> Pit Volume:      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	1600	325	0
Int1	12.25	9.625	36	3000	1000	0
Int2	8.75	7	26	8750	900	0
Prod	6.125	4.5	11.6	12593	0	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 to surface. Drill 12 1/4 hole to 3000, run 9 5/8 casing and cement to surface. Drill 8 3/4 hole to 8750 run 7" casing and cement to surface. Reduce to 6 1/8 hole and drill to TD, run 4 1/2 casing from 12593-8100, 4 1/2 set w/isolation packers and liner hanger.

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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 type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by Jerry Sherrell	Approved By: Paul Kautz	
Title: Production Clerk	Title: Geologist	
Email Address: jerrys@mackenergycorp.com	Approved Date: 9/1/2010	Expiration Date: 9/1/2012
Date: 8/26/2010	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 118049

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-39890	2. Pool Code 61760	3. Pool Name VACUUM; ABO, NORTH
4. Property Code 6212	5. Property Name STATE GS-16	6. Well No. 002
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 4066

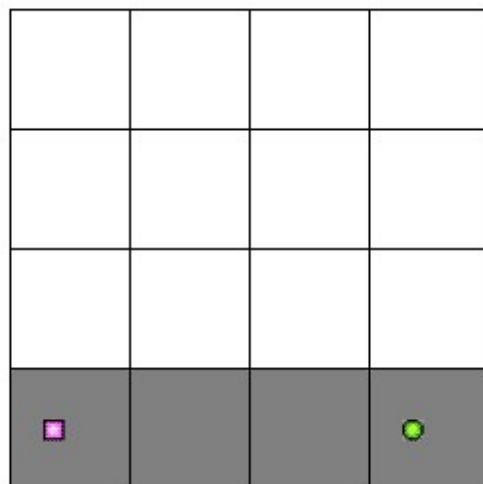
**10. Surface Location**

UL - Lot P	Section 16	Township 17S	Range 34E	Lot Idn	Feet From 660	N/S Line S	Feet From 860	E/W Line E	County LEA
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**11. Bottom Hole Location If Different From Surface**

UL - Lot M	Section 16	Township 17S	Range 34E	Lot Idn M	Feet From 660	N/S Line S	Feet From 460	E/W Line W	County LEA
12. Dedicated Acres 160.00		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: 8/26/2010

**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: 8/7/2010

Certificate Number: 3239

## Permit Comments

**Operator:** MACK ENERGY CORP , 13837

**Well:** STATE GS-16 #002

**API:** 30-025-39890

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.	8/26/2010
DMULL	OCD Hobbs has received form C-144CLEZ. OCD Permit Number P1-02407.	8/31/2010

# Permit Conditions of Approval

**Operator:** MACK ENERGY CORP , 13837

**Well:** STATE GS-16 #002

**API:** 30-025-39890

OCD Reviewer	Condition
DMULL	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
DMULL	Will require a directional survey with the C-104
pkautz	In southern Lea County the surface casing must be set 25 feet below top of Rustler Anhydrite. Top Rustler Anhydrite should be at +/- 1600 feet