

**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<br>MACK ENERGY CORP<br>PO BOX 960<br>ARTESIA, NM 88211 |                                       | 2. OGRID Number<br>13837      |
|                                                                                     |                                       | 3. API Number<br>30-025-39926 |
| 4. Property Code<br>38331                                                           | 5. Property Name<br>ROOSTER STATE COM | 6. Well No.<br>001H           |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D        | 8       | 15S      | 32E   | D       | 355       | N        | 330       | W        | LEA    |

**8. Pool Information**

|               |       |
|---------------|-------|
| TULK,WOLFCAMP | 60420 |
|---------------|-------|

**Additional Well Information**

|                                                                                                                                                                                                                                                                                                                                              |                      |                                        |                         |                                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------------------------|-------------------------|------------------------------------|
| 9. Work Type<br>New Well                                                                                                                                                                                                                                                                                                                     | 10. Well Type<br>OIL | 11. Cable/Rotary                       | 12. Lease Type<br>State | 13. Ground Level Elevation<br>4342 |
| 14. Multiple<br>N                                                                                                                                                                                                                                                                                                                            | 15. Proposed Depth   | 16. Formation<br>Wolfcamp              | 17. Contractor          | 18. Spud Date<br>10/15/2010        |
| 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:<br>Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input 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 | 12.25     | 9.625       | 36               | 1400          | 1200            | 0             |
| Int1 | 8.75      | 7           | 26               | 8750          | 1025            | 0             |
| Prod | 6.125     | 4.5         | 11.6             | 13272         | 0               | 0             |

**Casing/Cement Program: Additional Comments**

Mack Energy proposes to drill a 12 1/4 hole to 1400' run 9 5/8 casing and cement to surface. Drill 8 3/4 hole to 8750' run 7" casing and cement to surface. Drill 6 1/8 hole to 13,272' run 4 1/2 casing from 8100 to TD, set with liner hanger and Peak Completion Packers.

**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.<br>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> |                            |
|                                                                                                                                                                                                                                                                                                                                                          | Approved By: Paul Kautz          |                            |
|                                                                                                                                                                                                                                                                                                                                                          | Title: Geologist                 |                            |
|                                                                                                                                                                                                                                                                                                                                                          | Approved Date: 10/4/2010         | Expiration Date: 10/4/2012 |
|                                                                                                                                                                                                                                                                                                                                                          | Conditions of Approval Attached  |                            |

Printed Name: Electronically filed by Jerry Sherrell  
 Title: Production Clerk  
 Email Address: jerrys@mackenergycorp.com  
 Date: 9/28/2010      Phone: 505-748-1288

**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 120703

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                       |                               |
|-------------------------------|---------------------------------------|-------------------------------|
| 1. API Number<br>30-025-39926 | 2. Pool Code<br>60420                 | 3. Pool Name<br>TULK;WOLFCAMP |
| 4. Property Code<br>38331     | 5. Property Name<br>ROOSTER STATE COM | 6. Well No.<br>001H           |
| 7. OGRID No.<br>13837         | 8. Operator Name<br>MACK ENERGY CORP  | 9. Elevation<br>4342          |

**10. Surface Location**

|               |              |                 |              |         |                  |               |                  |               |               |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>D | Section<br>8 | Township<br>15S | Range<br>32E | Lot Idn | Feet From<br>355 | N/S Line<br>N | Feet From<br>330 | E/W Line<br>W | County<br>LEA |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|

**11. Bottom Hole Location If Different From Surface**

|                               |              |                     |              |                        |                  |               |                  |               |               |
|-------------------------------|--------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>A                 | Section<br>8 | Township<br>15S     | Range<br>32E | Lot Idn<br>A           | Feet From<br>355 | N/S Line<br>N | Feet From<br>330 | E/W Line<br>E | County<br>LEA |
| 12. Dedicated Acres<br>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: 9/28/2010

**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: 9/3/2010

Certificate Number: 3239

## Permit Comments

**Operator:** MACK ENERGY CORP , 13837

**Well:** ROOSTER STATE COM #001H

**API:** 30-025-39926

| 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. | 9/23/2010    |
| DMULL      | OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-02517.                                           | 10/4/2010    |

# Permit Conditions of Approval

**Operator:** MACK ENERGY CORP , 13837

**Well:** ROOSTER STATE COM #001H

**API:** 30-025-39926

| OCD<br>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                                                                                                                                                                                                                     |