State of New Mexico

Form C-101 Permit 132262

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

MACK I	Name and Address NERGY CORP	OGRID Number 13837	
	Box 960 a, NM 88211	3. API Number 30-025-40157	
4. Property Code 38640	5. Property Name LOTUS STATE	6. Wett No. 001	

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	16	118	38E	K	1650	S	1650	W	LEA

8. Pool Information

ECHOLS;DEVONIAN, EAST

Additional Well Information

	No.	. Idditional II chi Intoll	IIIIII		
9. Work Type New Well	10. Wett Type OIL	10. Well Type 11. Cable Rotary OIL		13. Ground Level Elevation 3900	
14. Multiple N	15. Proposed Dep 12500	oth 16. Formation Devonian			
Depth to Ground	water	Distance from nearest fresh water	r well	Distance to nearest surface water	
Liner: Synthetic Closed Loop Syste	mils ti	tick Clay Pit Volume: bbl	s Drilling Method: Fresh Water X Brine I	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	17.5	13.375	48	450	500	0
Int1	12.25	8.625	32	4465	2200	0
Prod	7.875	5.5	17	12500	1800	0

Casing/Cement Program: Additional Comments

MACK ENERGY PROPOSES TO DRILL A 17 1/2" HOLE TO 450', RUN 13 3/8" CASING AND CEMENT TO SURFACE.

DRILL A 12 1/4" HOLE TO 4465', RUN 8 5/8" CASING AND CEMENT. DRILL A 7 7/8" HOLE TO 12,500', RUN 5 1/2"

CASING AND CEMENT TO SURFACE.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

of my knowledge and belief.	ion given above is true and complete to the best ng pit will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines , a gene OCD-approved plan .	eral permit , or an (attached) alternative	Approved By: Paul Kautz				
Printed Name: Electronical	lly filed by Jerry Sherrell	Title: Geologist				
Title: Production Clerk		Approved Date: 6/1/2011	Expiration Date: 6/1/2013			
Email Address: jerrys@ma	ackenergycorp.com					
Date: 5/26/2011	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 L

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

State of New Mexico

Form C-102 Permit 132262

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code		ool Name	
30-025-40157	20900 ECHOLS;I		DEVONIAN, EAST	
4. Property Code	5. Property Name		6. Well No.	
38640	LOTUS STATE		001	
7. OGRID No.	8. Operator	9. Elevation		
13837	MACK ENERGY CORP 3900			

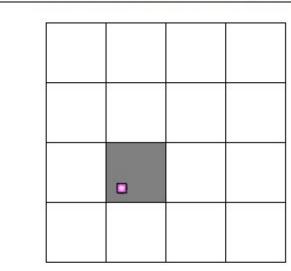
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	16	11S	38E	1	1650	S	1650	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S Lin	ne	Feet From	E/W Line	County
0.500 100 100	cated Acres	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: 5/26/2011

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 Edison Date of Survey: 5/13/2011 Certificate Number: 3239

Permit Comments

Operator: MACK ENERGY CORP , 13837 Well: LOTUS STATE #001

API: 30-025-40157

Created By	Comment	Comment Date	
DWEAVER	H2S CONCENTRATIONS OF WELLS IN THIS AREA FROM SURFACE TO to ARE LOW ENOUGH THT A CONTINGENCY PLAN IS NOT REQUIRED.	5/26/2011	
pkautz	Land P/S	5/27/2011	
DMULL	OCD Hobbs office has recieved form C-144 CLEZ. OCD Permit Number P1-03331.	6/1/2011	

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837 Well: LOTUS STATE #001

30-025-40157 API:

OCD Reviewer	Condition
pkautz	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