



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 748-7374

August 30, 2011

VIA CERTIFIED MAIL

Mr. Tom M. Ragsdale
P.O. Box 10303
Midland, Texas 79702

RECEIVED SEP 06 2011

RE: AFE to Re-Complete
Cockburn A State #5
1990' FNL and 1980' FWL
Sec. 32, T17S, R33E
Lea County, New Mexico

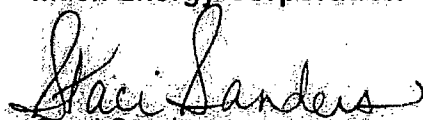
Dear Mr. Ragsdale:

Mack Energy Corporation proposes to re-complete the Cockburn A State #5 well in an attempt to increase production. The well was not frac'd in the initial completion so Mack Energy plans to frac the existing producing zone being the Abo formation. Our AFE (in duplicate) has been enclosed for your review and approval.

If you wish to join, please execute and return one AFE to the undersigned keeping the other for your records. If you have any questions regarding this AFE please contact Lee Livingston at (575) 748-1288.


Sincerely,

Mack Energy Corporation


Staci Sanders
Land Department

/ss

Enclosures

NMOCD CASE #14763
January 5, 2012
SIANA EXH 

MACK ENERGY CORPORATION
AUTHORIZATION FOR EXPENDITURE
 Cockburn State #5
 PBTD 10,804'
 1980' FNL & 1980' FWL
 Sec. 32, T17S, R33E, Lea County, New Mexico

Code	Drilling Intangible	Dry Hole Without Pine	Completed Well	Actual Cost
502-015	Administrative Overhead Drilling	\$0.00	\$0.00	\$0.00
502-020	Location, Roads, Pits, & Damages	\$0.00	\$0.00	\$0.00
502-100	Footage	\$0.00	\$0.00	\$0.00
502-110	Daywork \$0 \$0.00	\$0.00	\$0.00	\$0.00
502-114	Rental Equipment Surface	\$0.00	\$0.00	\$0.00
502-115	Rental Equipment SubSurface	\$0.00	\$0.00	\$0.00
502-116	Bits	\$0.00	\$0.00	\$0.00
502-120	Water-Drilling	\$0.00	\$0.00	\$0.00
502-125	Mud Materials	\$0.00	\$0.00	\$0.00
502-200	Cement-- Surface and Intermediate	\$0.00	\$0.00	\$0.00
502-201	Cement-- Production	\$0.00	\$0.00	\$0.00
502-204	Fuel & Power	\$0.00	\$0.00	\$0.00
502-205	Supplies & Misc.	\$0.00	\$0.00	\$0.00
502-500	Testing, Coring, & Mud Logging	\$0.00	\$0.00	\$0.00
502-600	Open Hole Logs/Wireline	\$0.00	\$0.00	\$0.00
502-650	Directional Drillers	\$0.00	\$0.00	\$0.00
502-681	Supervision	\$0.00	\$0.00	\$0.00
502-682	Trailer Rentals & Other Camp Equip.	\$0.00	\$0.00	\$0.00
	Miscellaneous and Contingency	\$0.00	\$0.00	\$0.00

Code	Total Drilling Intangibles	\$0.00	\$0.00	\$0.00
------	----------------------------	--------	--------	--------

Completion Intangibles				
502-015	Administrative Overhead Completion	\$0.00	\$1,000.00	\$1,000.00
502-021	Battery Construction-Dirt Work,Etc	\$0.00	\$0.00	\$0.00
502-103	Completion Unit	\$0.00	\$20,100.00	\$20,100.00
502-210	Fuel, Water, Power	\$0.00	\$14,900.00	\$14,900.00
502-350	Completions Surface Rentals	\$0.00	\$20,713.00	\$20,713.00
502-360	Completions SubSurface Rentals	\$0.00	\$2,307.00	\$2,307.00
502-601	Perforating and Logging	\$0.00	\$10,500.00	\$10,500.00
502-610	Frac and/or Acid Treatment	\$0.00	\$133,602.00	\$133,602.00
502-680	Professional Services	\$0.00	\$6,250.00	\$6,250.00
502-700	Miscellaneous Services	\$0.00	\$0.00	\$0.00
	Contingency	\$0.00	\$20,837.20	\$20,837.20

Code	Total Completion Intangibles	\$0.00	\$230,209.20	\$230,209.20
	Total Intangibles	\$0.00	\$230,209.20	\$230,209.20

Drilling and Completion Tangibles				
170-105	Surface Casing 456' 13 3/8"	\$0.00	\$0.00	\$0.00
170-110	Intermediate Casing 5270' 9 5/8"	\$0.00	\$0.00	\$0.00
170-115	Production Casing 10817' 5 1/2" 17# N-80	\$0.00	\$0.00	\$0.00
170-115	Production Liner 0 0	\$0.00	\$0.00	\$0.00
170-120	Production Tubing 8922' 2 7/8" 6.5# L-80	\$0.00	\$0.00	\$0.00
170-125	Wellhead Equipment-- Long String	\$0.00	\$0.00	\$0.00
170-126	Wellhead Equipment-- Surface & Intermediate	\$0.00	\$0.00	\$0.00
170-130	Floating Equipment-- Long String	\$0.00	\$0.00	\$0.00
170-131	Floating Equipment-- Surface & Intermediate	\$0.00	\$0.00	\$0.00
170-135	Rods	\$0.00	\$0.00	\$0.00
170-140	Subsurfaces Equipment	\$0.00	\$3,500.00	\$3,500.00
170-145	Linepipe	\$0.00	\$0.00	\$0.00
170-150	Tanks, Treater, Separators	\$0.00	\$0.00	\$0.00
170-155	Pumping Unit And Engine	\$0.00	\$0.00	\$0.00
170-160	Other Miscellaneous Equipment	\$0.00	\$0.00	\$0.00
	Contingency	\$0.00	\$350.00	\$350.00

Total Tangible	\$0.00	\$3,850.00	\$3,850.00
----------------	--------	------------	------------

TOTAL WELL COSTS	\$0.00	\$234,059.20	\$234,059.20
------------------	--------	--------------	--------------

Prepared By: Kevin Garrett

Total Contingency: \$21,187.20
 Total w/o Contingency: \$212,872.00

Interest Owner: TOM M. RAGSDALE

Interest: 6.25% WI

Approved By: _____

Date: _____