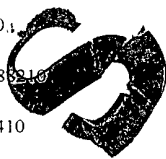


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505



State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
AUG 23 2007
OCD-ARTESIA
☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Mack Energy Corporation P.O. Box 960 Artesia, NM 88211-0960		OGRID Number 013837
		API Number 30-005-62648
Property Code 36691	Property Name Falcon State	Well No 1
Proposed Pool 1 Wildcat, Strawn		Proposed Pool 2

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	14S	29E		660	North	1980	East	Chaves

Proposed Bottom Hole Location If Different From Surface

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

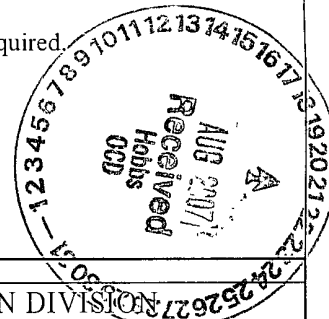
Work Type Code E	Well Type Code O	Cable/Rotary Rotary	Lease Type Code S	Ground Level Elevation 3727'
Multiple No	Proposed Depth 8900	Formation Strawn	Contractor	Spud Date 8/25/07
Depth to Groundwater 60'		Distance from nearest fresh water well 1000'		Distance from nearest surface water 1000'
Pit Liner Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/>		Pit Volume _____ bbls		
Closed-Loop System <input checked="" type="checkbox"/>		Drilling Method - Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	54.5	320'	376sx	Surface
11	8 5/8	24	2318	730sx	Surface
7 7/8	5 1/2	17	8900	1600sx	Surface

Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
Mack Energy Corporation proposes to Re-enter this well to a depth of 8900' drilling will be done with a pulling unit and reverse unit. No pits will be dug, this will be done using a closed loop system. Production casing will be run and cemented, put well on production.

H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.



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 NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan. <input type="checkbox"/>		OIL CONSERVATION DIVISION	
Signature <i>Jerry W. Sherrell</i>		Approved by: BRYAN G. ARRANT	
Printed name Jerry W. Sherrell		Title: DISTRICT II GEOLOGIST	
Title: Production Clerk		Approval Date: AUG 23 2007	Expiration Date: AUG 23 2008
E-mail Address: jerrys@mackenergycorp.com			
Date: 8/20/07	Phone: (505)748-1288	Conditions of Approval Attached <input type="checkbox"/>	

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-1
Supersedes C-12H
Effective 1-1-65

All distances must be from the outer boundaries of the Section

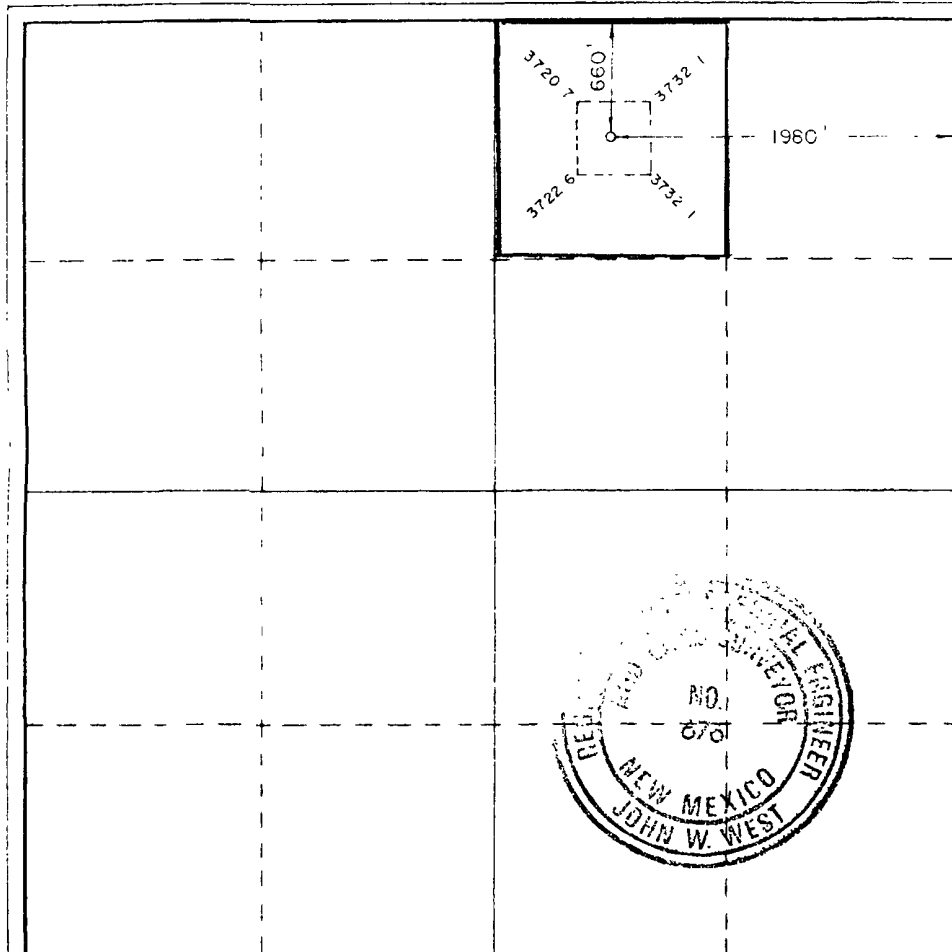
MACK ENERGY CORPORATION				FALCON STATE	
Section	Township	Range	County		
B	16	14 South	29 East		
Feet from the North line and 1980 feet from the East line					
Well Elev. Elev	Producing Formation	Foot	Feet from the East line		
3727.3	STRAWN	WILDCAT STRAWN 96081	10		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

Andrew L. Prestridge

Andrew L. Prestridge

Petroleum Engineer

Santa Fe Exploration, Co.

11 NOV 88

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 knowledge and belief

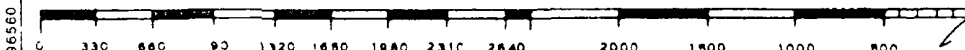
Date Surveyed

November 4, 1988

Registered Professional Engineer and/or Land Surveyor

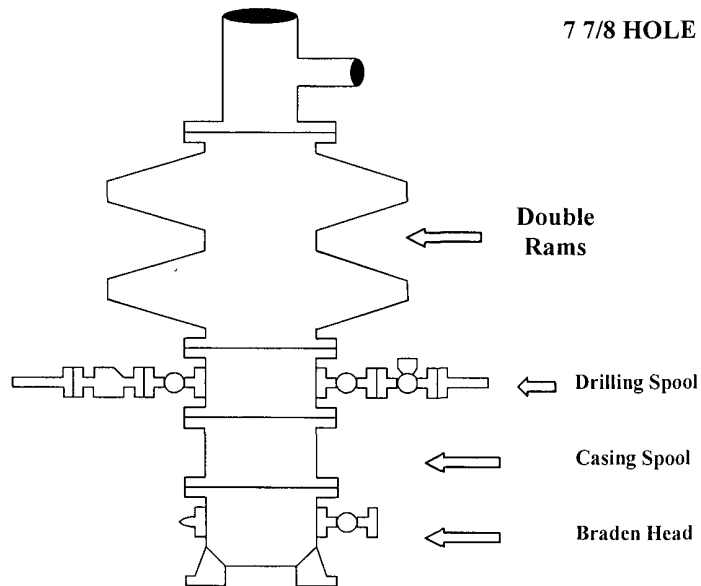
John W. West

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

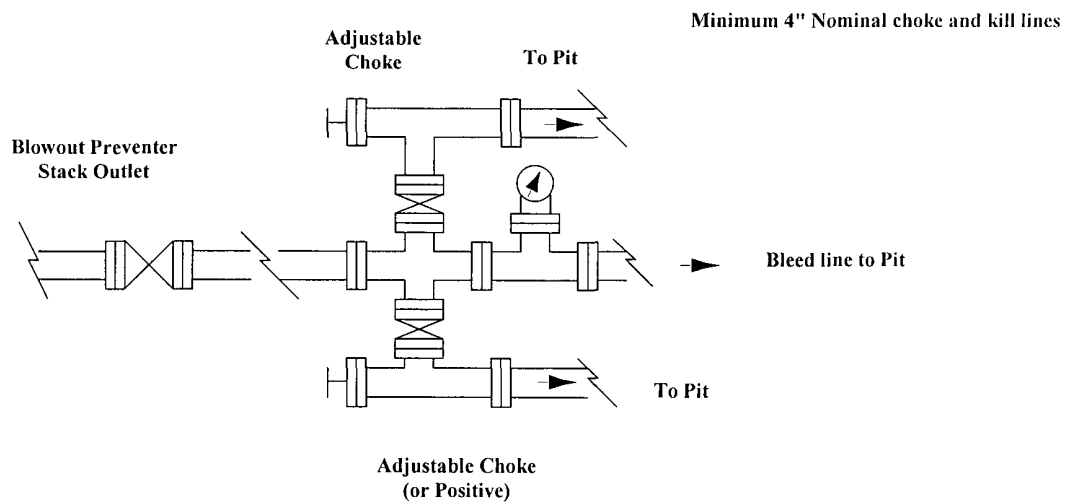


Mack Energy Corporation

Exhibit #1-A BOPE Schematic



Choke Manifold Requirement (2000 psi WP)
No Annular Required



Mack Energy Corporation

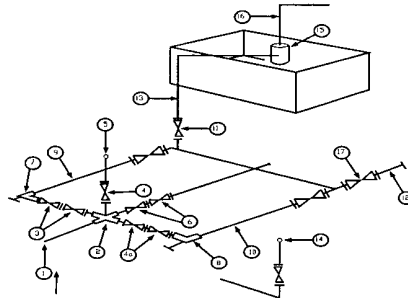
Exhibit #1-A

MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

2 M will be used or greater

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

* Location of separator optional

Below Substructure

Minimum requirements

No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
1	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			3,000			5,000			
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
4	Valve Gate Plug	1 13/16		3,000	1 13/16		5,000	1 13/16		10,000
4a	Valves (1)	2 1/16		3,000	2 1/16		5,000	2 1/16		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure quage			3,000			5,000			10,000
15	Gas Separator		2' x5'			2' x5'			2' x5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000

- (1) Only one required in Class 3M
- (2) Gate valves only shall be used for Class 10 M
- (3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

1. All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating
2. All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP
3. All lines shall be securely anchored
4. Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available
5. Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes
As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.
6. Line from drilling spool to choke manifold should be as straight as possible. Lines downstream from chokes shall make turns by large bends or 90 degree bends using bull plugged tees.

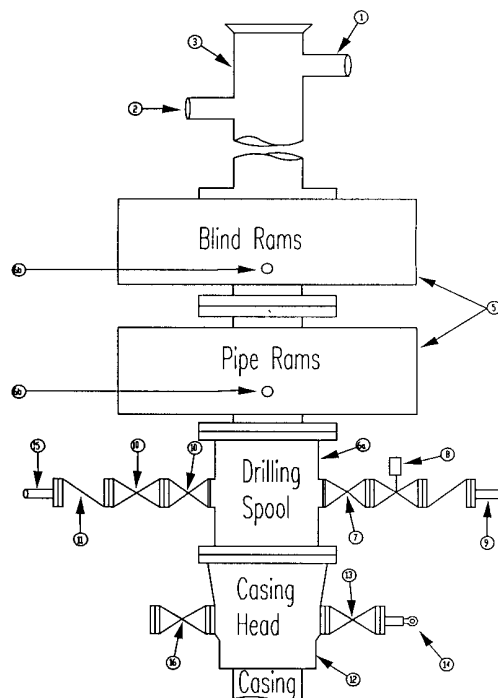
Mack Energy Corporation
Minimum Blowout Preventer Requirements
 2000 psi Working Pressure
 2 MWP
 EXHIBIT #1-A

Stack Requirements

NO	Items	Min. I.D.	Min Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min kill line and 3" min choke line outlets		2" Choke
6b	2" min kill line and 3" min. choke line outlets in ram (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

16	Flanged Valve	1 13/16	
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CONTRACTOR'S OPTION TO FURNISH:

- All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 2000 psi minimum.
- Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
- BOP controls, to be located near drillers' position.
- Kelly equipped with Kelly cock
- Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
- Kelly saver-sub equipped with rubber casing protector at all times.
- Plug type blowout preventer tester.
- Extra set pipe rams to fit drill pipe in use on location at all times.
- Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

- Bradenhead or casing head and side valves.
- Wear bushing. If required

GENERAL NOTES:

- Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
- All connections, valves, fittings, piping, etc , subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service
- Controls to be of standard design and each marked, showing opening and closing position
- Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, or bean sizes, retainers, and choke wrenches to be conveniently located for immediate use
- All valves to be equipped with handwheels or handles ready for immediate use.
- Choke lines must be suitably anchored.

- Handwheels and extensions to be connected and ready for use
- Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency
- All seamless steel control piping (2000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
- Casinghead connections shall not be used except in case of emergency
- Do not use kill line for routine fill up operations