

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
DISTRICT I
P O Box 1980, Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

Form C-105
Revised 1-1-89

WELL API NO 30-015-35814
5 Indicate Type of Lease STATE ☒ FEE ☐
6 State Oil & Gas Lease No B-9391

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1 Type of Well OIL WELL ☒ GAS WELL ☐ DRY ☐ OTHER _____		7 Lease Name or Unit Agreement Name State H	
b Type of Completion NEW WELL ☒ WORK OVER ☐ Deepen ☐ PLUG BACK ☐ DIFF RESVR ☐ OTHER _____		8 Well No 2	
2 Name of Operator Mack Energy Corporation		9 Pool name or Wildcat Red Lake; Glorieta-Yeso, NE	
3 Address of Operator P.O. Box 960, Artesia, NM 88211-0960			
4 Well Location Unit Letter <u>H</u> : <u>2063</u> Feet From The <u>North</u> Line and <u>441</u> Feet From The <u>East</u> Line Section <u>2</u> Township <u>18S</u> Range <u>27E</u> NMPM <u>Eddy</u> County			
10 Date Spudded 10/31/2007	11 Date TD Reached 11/21/2007	12 Date Compl (Ready to Prod.) 1/11/08	13 Elevations (DF & RKB, RT, GR, etc) 3590' GR
14 Elev Casinghead			
15 Total Depth 7545'	16 Plug Back TD 5265'	17 If Multiple Compl How Many Zones? .	18 Intervals Drilled By Rotary Tools Yes
19 Producing Interval(s), of this completion - Top, Bottom, Name 4118.5-4197'			20 Was Directional Survey Made Yes
21 Type Electric and Other Logs Run Gamma Ray, Neutron, Density, Lateralog, Spectral Gamma Ray			22 Was Well Cored No

FEB 26 2008
OCD-ARTESIA

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	48	201	17 1/2	250 sx	None
8 5/8	32	1170	12 1/4	675 sx	None
5 1/2	17	7495	7 7/8	1415 sx	None

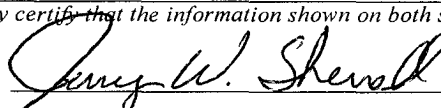
24 LINER RECORD					25 TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2 7/8	4243'	

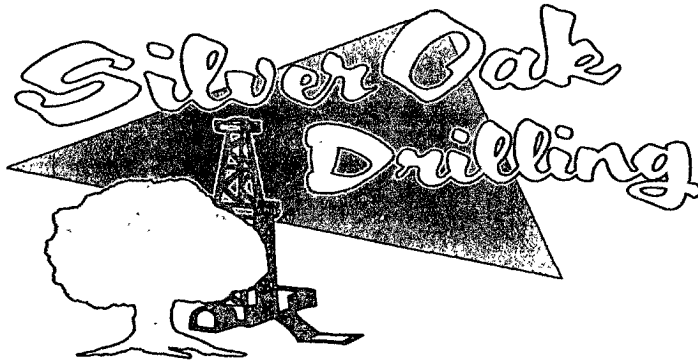
26 Perforation record (interval, size, and number) 6134.5-6434', .42, 57 CIBP @ 6020 w/35' cmt cap 5391-5957.5', .42, 92 CIBP @ 5300' w/35' cmt cap 4118.5-4197', .42, 40	27 ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
		See C-103 for detail

28 PRODUCTION							
Date First Production 1/14/2008		Production Method (Flowing, gas lift, pumping - Size and type pump) 2 1/2x2x20' Pump				Well Status (Prod. or Shut-in) Producing	
Date of Test 1/30/08	Hours Tested 24 hours	Choke Size	Prod'n For Test Period	Oil - Bbl 8	Gas - MCF 30	Water- Bbl 30	Gas - Oil Ratio 3750
Flow Tubing Press	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl 8	Gas - MCF 30	Water- Bbl. 30	Oil Gravity - API - (Corr.)	

29 Disposition of Gas (Sold, used for fuel, vented, etc) Sold	Test Witnessed By Robert C. Chase
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30 List Attachments Deviation Survey and Logs
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31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief			
Signature 	Printed Name Jerry W. Sherrell	Title Production Clerk	Date 2/25/08



PO Box 1370
Artesia, NM 88211-1370
(505) 748-1288

FEB 26 2008
OCD-ARTESIA

November 30, 2007

Mack Energy Corporation
PO Box 960
Artesia, NM 88211-0960

RE: State H #2
2310' FNL & 990' FEL
Sec. 2, T18S, R27E
Eddy County, New Mexico

Dear Sir,

The attached is the Deviation Survey for the above captioned re-entered well.

Very truly yours,

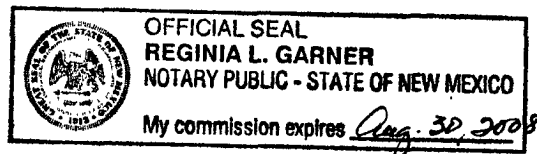
A handwritten signature in cursive script that reads "Leroy Curry".

Leroy Curry
Drilling Superintendent

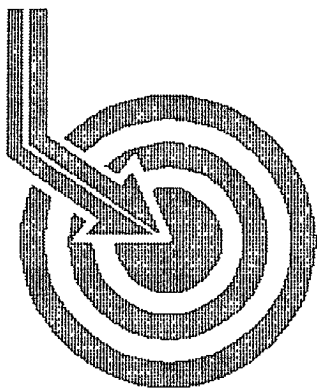
State of New Mexico }
County of Eddy }

The foregoing was acknowledged before me this 30th day of November, 2007.

A handwritten signature in cursive script that reads "Regina L. Garner".

Notary Public

Date	Depth	Dev	Dir
11/01/2007	133.00	0.50	0.00
11/02/2007	431.00	0.75	0.00
11/03/2007	700.00	0.50	0.00
11/04/2007	975.00	1.00	0.00
11/04/2007	1134.00	0.50	0.00
11/06/2007	1301.00	1.66	164.90
11/06/2007	1396.00	3.41	161.90
11/07/2007	1492.00	5.19	159.10
11/07/2007	1587.00	7.21	156.40
11/07/2007	1683.00	8.51	155.20
11/07/2007	1778.00	9.94	158.10
11/07/2007	1873.00	9.56	157.60
11/08/2007	1968.00	10.53	159.60
11/08/2007	2064.00	9.83	160.00
11/08/2007	2159.00	9.69	160.50
11/08/2007	2350.00	10.78	156.20
11/08/2007	2445.00	10.67	156.40
11/08/2007	2540.00	10.54	155.40
11/08/2007	2604.00	10.43	156.30
11/09/2007	2699.00	8.58	156.50
11/09/2007	2794.00	7.39	158.60
11/09/2007	2984.00	4.30	162.00
11/09/2007	3080.00	2.86	157.10
11/09/2007	3175.00	1.50	150.00
11/09/2007	3270.00	0.67	256.70
11/09/2007	3365.00	0.82	280.50
11/10/2007	3460.00	0.48	176.00
11/10/2007	3556.00	0.51	181.00
11/10/2007	3651.00	0.65	173.10
11/10/2007	3746.00	0.67	157.20
11/10/2007	3841.00	0.59	154.20
11/10/2007	3936.00	0.24	309.30
11/11/2007	4031.00	0.30	302.30
11/11/2007	4126.00	0.45	322.60
11/11/2007	4222.00	1.06	337.40
11/11/2007	4602.00	1.01	348.10
11/12/2007	4666.00	1.10	18.68
11/12/2007	4729.00	0.53	71.05
11/12/2007	4824.00	0.27	38.14
11/12/2007	4920.00	0.71	12.94
11/12/2007	5015.00	1.19	5.48
11/12/2007	5110.00	0.82	20.33
11/12/2007	5206.00	0.28	132.80
11/13/2007	5301.00	0.54	23.07
11/13/2007	5396.00	0.34	49.15
11/13/2007	5491.00	1.12	153.70
11/13/2007	5586.00	2.14	189.30
11/13/2007	5660.00	1.31	189.40
11/13/2007	5681.00	1.09	194.70
11/13/2007	5745.00	0.67	318.40
11/13/2007	5839.00	0.24	221.30
11/14/2007	5935.00	1.41	161.10
11/15/2007	5998.00	1.01	182.35
11/16/2007	6188.00	0.34	306.90
11/16/2007	6474.00	0.11	334.80
11/16/2007	6570.00	0.15	314.50
11/17/2007	6664.00	0.27	304.50
11/17/2007	6759.00	0.45	295.50
11/17/2007	6854.00	0.46	296.60
11/17/2007	6949.00	0.59	290.10
11/17/2007	7044.00	1.09	134.40
11/18/2007	7140.00	0.38	89.52
11/18/2007	7235.00	0.57	122.40
11/18/2007	7382.00	0.81	125.40



Scientific Drilling

FEB 26 2008
OCD-ARTESIA

MACK ENERGY

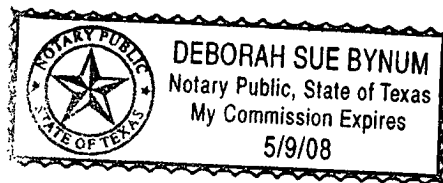
Field: Chalk Bluff
Site: Eddy County, NM
Well: State H #2
Wellpath: DH - Job #32D11071006
Survey: 11/05/07-11/14/07

This survey is correct to the best of my knowledge
and is supported by actual field data.

.....*L. Wharton*.....Company Representative

Notorized this date 19th of December, 2007.

Deborah Sue Bynum
Notary Signature
County of Midland
State of Texas





Scientific
Drilling

Scientific Drilling International Survey Report

Company: MACK ENERGY	Date: 12/16/2007	Time: 18:34.47	Page: 1
Field: Chalk Bluff	Co-ordinate(NE) Reference:	Site: Eddy County, NM, Grid North	
Site: Eddy County, NM	Vertical (TVD) Reference:	SITE 0.0	
Well: State H #2	Section (VS) Reference:	Well (0.00N,0.00E,156.92Azi)	
Wellpath: VH - Job #32K11071013	Survey Calculation Method: Minimum Curvature	Db: Sybase	

Survey: 11/06/07	Start Date: 11/06/2007
KSRG 0'-1143'	
Company: Scientific Drilling Internatio	Engineer: Madrid w/P&M
Tool: Keeper;Keeper Gyro	Tied-to: From Surface

Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
0.00	0.00	359.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.62	77.45	100.00	0.10	0.12	0.53	0.62	0.54	77.45
200.00	0.42	110.33	199.99	0.45	0.11	1.40	0.35	1.40	85.60
300.00	0.37	96.72	299.99	0.86	-0.06	2.06	0.11	2.07	91.59
400.00	0.38	143.78	399.99	1.35	-0.36	2.58	0.30	2.61	98.00
500.00	0.26	212.14	499.99	1.80	-0.82	2.66	0.37	2.78	107.20
600.00	0.28	250.72	599.99	1.91	-1.10	2.30	0.18	2.55	115.41
700.00	0.44	271.18	699.99	1.74	-1.17	1.69	0.20	2.05	124.64
800.00	0.40	74.03	799.98	1.62	-1.06	1.64	0.83	1.96	122.94
900.00	1.01	96.02	899.98	2.09	-1.06	2.85	0.66	3.04	110.38
1000.00	0.95	87.15	999.96	2.81	-1.11	4.56	0.16	4.69	103.70
1100.00	0.56	76.15	1099.95	3.17	-0.95	5.86	0.41	5.94	99.24
1143.00	0.26	86.43	1142.95	3.24	-0.90	6.16	0.72	6.23	98.28



Scientific Drilling International Survey Report

Company: MACK ENERGY
Field: Chalk Bluff
Site: Eddy County, NM
Well: State H #2
Wellpath: DH - Job #32D11071006

Date: 12/16/2007 Time: 19:33:59 Page: 1
Co-ordinate(NE) Reference: Site: Eddy County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N,0.00E,156.92Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey: 11/05/07-11/14/07
MWD 1206'-7367'

Start Date: 11/05/2007

Company: Scientific Drilling Internatio
Tool: MWD;MWD

Engineer: Hernandez/Biggs/Elger
Tied-to: From: Definitive Path

Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
1143.00	0.26	86.43	1142.95	3.24	-0.90	6.16	0.00	6.23	98.28
1206.00	0.17	46.81	1205.95	3.26	-0.82	6.37	0.27	6.43	97.37
1301.00	1.66	164.91	1300.94	4.57	-2.06	6.83	1.84	7.14	106.75
1396.00	3.41	161.92	1395.84	8.75	-6.07	8.07	1.85	10.10	126.96
1492.00	5.19	159.14	1491.57	15.93	-12.84	10.50	1.87	16.59	140.73
1587.00	7.21	156.46	1586.01	26.19	-22.32	14.41	2.15	26.57	147.15
1682.00	8.51	155.25	1680.11	39.18	-34.17	19.74	1.38	39.46	149.99
1778.00	9.94	158.14	1774.87	54.56	-48.32	25.80	1.57	54.77	151.90
1873.00	9.56	157.67	1868.50	70.65	-63.22	31.85	0.41	70.79	153.26
1968.00	10.53	159.64	1962.04	87.21	-78.66	37.86	1.08	87.30	154.30
2064.00	9.83	160.07	2056.53	104.15	-94.59	43.71	0.73	104.20	155.20
2159.00	9.69	160.58	2150.15	120.23	-109.75	49.13	0.17	120.25	155.88
2255.00	10.79	160.25	2244.62	137.26	-125.83	54.86	1.15	137.27	156.45
2350.00	10.78	156.23	2337.95	155.02	-142.33	61.44	0.79	155.02	156.65
2445.00	10.67	156.45	2431.29	172.70	-158.52	68.54	0.12	172.70	156.62
2540.00	10.54	155.44	2524.66	190.18	-174.49	75.66	0.24	190.18	156.56
2604.00	10.43	156.37	2587.60	201.82	-185.12	80.42	0.32	201.83	156.52
2699.00	8.58	156.51	2681.29	217.51	-199.50	86.69	1.95	217.52	156.51
2794.00	7.39	158.65	2775.36	230.71	-211.69	91.74	1.29	230.71	156.57
2889.00	5.58	158.12	2869.75	241.43	-221.66	95.68	1.91	241.43	156.65
2984.00	4.30	167.04	2964.40	249.55	-229.42	98.20	1.57	249.55	156.83
3080.00	2.86	157.16	3060.21	255.49	-235.14	99.94	1.63	255.49	156.97
3175.00	1.50	150.04	3155.14	259.10	-238.40	101.48	1.46	259.10	156.94
3270.00	0.67	256.00	3250.13	260.24	-239.61	101.56	1.90	260.24	157.03
3365.00	0.82	280.00	3345.12	259.79	-239.63	100.35	0.36	259.79	157.28
3460.00	0.48	176.03	3440.12	259.79	-239.90	99.71	1.10	259.80	157.43
3556.00	0.51	181.08	3536.11	260.56	-240.73	99.73	0.06	260.57	157.50
3651.00	0.65	173.19	3631.11	261.46	-241.69	99.79	0.17	261.48	157.57
3746.00	0.67	157.21	3726.10	262.54	-242.74	100.07	0.19	262.55	157.60
3841.00	0.59	154.21	3821.10	263.58	-243.69	100.50	0.09	263.60	157.59
3936.00	0.24	309.36	3916.09	263.89	-244.00	100.55	0.86	263.91	157.60
4031.00	0.30	302.31	4011.09	263.51	-243.74	100.19	0.07	263.53	157.66
4126.00	0.45	322.60	4106.09	262.95	-243.32	99.75	0.21	262.97	157.71
4222.00	1.06	337.45	4202.08	261.69	-242.20	99.18	0.66	261.72	157.73
4317.00	0.86	37.93	4297.07	260.47	-240.82	99.29	1.03	260.49	157.59
4412.00	0.59	7.90	4392.06	259.70	-239.78	99.79	0.48	259.71	157.40
4507.00	1.14	0.19	4487.05	258.42	-238.35	99.86	0.59	258.42	157.27
4602.00	1.01	346.16	4582.04	256.72	-236.59	99.66	0.31	256.72	157.16
4667.00	1.10	18.68	4647.03	255.69	-235.44	99.73	0.92	255.69	157.04
4729.00	0.53	71.05	4709.02	255.27	-234.78	100.19	1.42	255.27	156.89
4824.00	0.28	38.14	4804.02	255.19	-234.46	100.75	0.35	255.19	156.75
4920.00	0.71	12.94	4900.01	254.59	-233.69	101.03	0.49	254.60	156.62
5015.00	1.19	5.48	4995.00	253.25	-232.14	101.25	0.52	253.26	156.43
5110.00	0.82	20.33	5089.99	251.89	-230.52	101.58	0.47	251.91	156.22
5206.00	0.28	132.80	5185.98	251.60	-230.03	101.99	1.00	251.63	156.09
5301.00	0.54	23.07	5280.98	251.51	-229.78	102.34	0.72	251.54	155.99
5396.00	0.34	49.15	5375.98	251.11	-229.18	102.73	0.29	251.15	155.86
5491.00	1.12	153.76	5470.97	251.95	-229.83	103.35	1.32	252.00	155.79
5586.00	2.14	189.33	5565.94	254.38	-232.42	103.47	1.46	254.41	156.00



Scientific Drilling International Survey Report

Company: MACK ENERGY
Field: Chalk Bluff
Site: Eddy County, NM
Well: State H #2
Wellpath: DH - Job #32D11071006

Date: 12/16/2007 Time: 19:33:59 Page: 2
Co-ordinate(NE) Reference: Site: Eddy County, NM, Grid North
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0 00N,0.00E,156.92Azi)
Survey Calculation Method: Minimum Curvature Db: Sybase

Survey

MD ft	Incl deg	Azim deg	TVD ft	VS ft	N/S ft	E/W ft	DLS deg/100ft	ClsD ft	ClsA deg
5681.00	1.09	194.79	5660.90	256.59	-235.04	102.96	1.12	256.60	156.34
5745.00	0.67	318.43	5724.89	256.71	-235.35	102.55	2.44	256.72	156.45
5839.00	0.24	221.30	5818.89	256.28	-235.08	102.06	0.79	256.28	156.53
5935.00	1.41	161.10	5914.88	257.54	-236.35	102.31	1.36	257.55	156.59
5998.00	1.01	182.35	5977.87	258.82	-237.64	102.54	0.94	258.82	156.66
6093.00	0.20	294.46	6072.86	259.45	-238.41	102.35	1.16	259.45	156.77
6189.00	0.34	306.99	6168.86	259.08	-238.17	101.97	0.16	259.08	156.82
6284.00	0.45	287.60	6263.86	258.59	-237.89	101.39	0.18	258.59	156.92
6379.00	1.01	331.75	6358.85	257.51	-237.04	100.64	0.79	257.51	157.00
6474.00	0.11	334.85	6453.84	256.59	-236.22	100.20	0.95	256.59	157.01
6570.00	0.15	314.50	6549.84	256.38	-236.04	100.07	0.06	256.38	157.02
6665.00	0.27	304.58	6644.84	256.08	-235.83	99.80	0.13	256.08	157.06
6760.00	0.45	295.56	6739.84	255.61	-235.54	99.28	0.20	255.61	157.14
6855.00	0.46	296.68	6834.84	255.04	-235.21	98.60	0.01	255.04	157.26
6950.00	0.51	281.73	6929.83	254.50	-234.95	97.85	0.14	254.51	157.39
7046.00	1.09	134.41	7025.83	255.10	-235.50	98.08	1.61	255.11	157.39
7140.00	0.38	89.52	7119.82	256.05	-236.13	99.03	0.92	256.05	157.25
7235.00	0.57	122.42	7214.82	256.56	-236.38	99.75	0.34	256.56	157.12
7330.00	0.81	125.40	7309.81	257.52	-237.02	100.69	0.26	257.52	156.98
7367.00	0.87	128.12	7346.81	257.99	-237.35	101.13	0.19	257.99	156.92



Scientific
Drilling

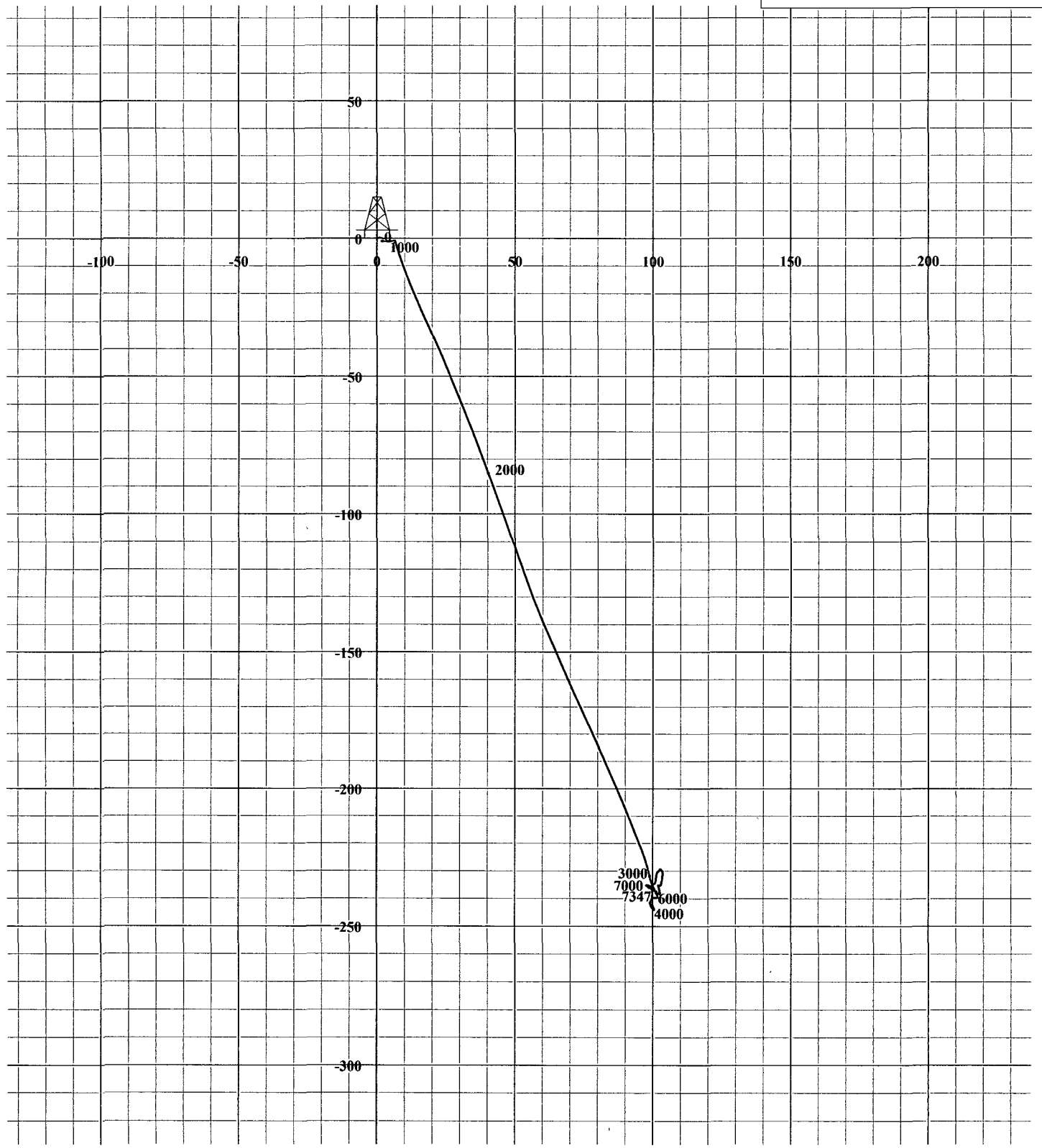
Field: Chalk Bluff
Site: Eddy County, NM
Well: State H #2
Wellpath: DH - Job #32D11071006
Survey: 11/05/07-11/14/07

G/T/M

Azimuths to Grid North
True North 0.00°
Magnetic North 0.00°

Magnetic Field
Strength 0.01
Dip Angle 0.00°
Date 12/16/2007
Model igr2000

South(-)/North(+) [50ft/in]



West(-)/East(+) [50ft/in]

Wilson, Kimberly M, EMNRD

From: Jerry Sherrell [jerrys@mackenergycorp.com]
Sent: Wednesday, March 05, 2008 3:37 PM
To: Wilson, Kimberly M, EMNRD
Subject: FW: Financial Assurance/Rule 40- Mack
Importance: High

From: Altomare, Mikal, EMNRD [mailto:Mikal.Altomare@state.nm.us]
Sent: Tuesday, March 04, 2008 11:03 AM
To: Mull, Donna, EMNRD
Cc: Rebecca Groh; Jerry Sherrell; Phillips, Dorothy, EMNRD
Subject: Financial Assurance/Rule 40- Mack
Importance: High

Donna –

I have received a pdf version of what appears to be a properly and fully executed single well bond for the state h no. 001, 03-015-00745, which Mack has assured me that they are over-nighting to our office. Everything appears to be in order, and I expect that, upon receipt of the original in our office, it will be reviewed and accepted and Mack will no longer be listed as being out of compliance with financial assurance requirements. That being said, and given that Mack has posted all other necessary financial assurances for all other properties, if there are no other violations or issues with approval of pending Mack applications, consider them to be in compliance for purposes of pending permit applications with your office.

Please contact me if you have any questions.

Thanks,

Mikal



Mikal M. Altomare

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