Form 3160-3 (December 1990)

## **UNITED STATES**

SUBMIT IN TRIP. TE\* (Other Instructions on reverse side)

Form approved. Budget Bureau No. 1004-0136

Expires: December 31, 1991

| DEPARTMENT OF THE INTERIOR  |   |                             |          |   |  | 5. LEASE DESIGNATION                                | 5. LEASE DESIGNATION AND SERIAL NO.       |  |  |
|---|---|-----------------------------|----------|---|--|---|---|--|--|
|   |   | 936 86025                   |          |   |  |   |   |  |  |
| APPL  | <b>ICATION FOR P</b>                                  | ERMIT TO I                  | DRILL    | OR DEEF   | PEN  | 6. IF INDIAN, ALLOTTEE                              | OR TRIBE NAME                             |  |  |
| 1a. TYPE OF WORK  DRILL  b. TYPE OF WELL  |   | DEEPEN 🗵                    |          |   | 7. UNIT AGREEMENT N.                           | 7. UNIT AGREEMENT NAME                              |   |  |  |
| OIL X   | Gas OTHER   |                             |          | NGLE X  | MULTIPLE ZONE                                  | 8. FARM OR LEASE NAME, WEI                          | L NO.                                     |  |  |
| 2. NAME OF OPERATOR   |   |                             |          |   | zone   | McIntyre DK 1                                       | ederal #1                                 |  |  |
| Mack Energy Corp  | oration   |                             |          |   |  | 9. API WELL NO.                                     |   |  |  |
| 3. ADDRESS AND TELEPHON   | E NO.   | DECEMBER                    |          |   | 30-015-04                                      | 30-015-04184  |   |  |  |
| P.O. Box 960 Artesi   | (505) 7748-1288                                       |                             |          |   | 10. FIELD AND POOL, OR WILDCAT                 |   |   |  |  |
| 4. LOCATION OR WEL  | Grayburg Jcksn, S                                     | Grayburg Jcksn, SR,QN,GB,SA |          |   |  |   |   |  |  |
| At surface  | 330 FSL 330 FEL MAY - 7 1997                          |                             |          |   | 11. SEC., T., R., M., OR E<br>AND SURVEY OR AR | 11. SEC., T., R., M., OR BLK.<br>AND SURVEY OR AREA |   |  |  |
| At proposed prod. zo  | ne  | 330 FSL 330 FEL 00          |          |   |  | Sec 17-T17S   | Sec 17-T17S-R30E                          |  |  |
| 14. DISTANCE IN MILES A   | ND DIRECTION FROM NEAR                                | EST TOWN OR POST            | r overci | L CO.   | 4//  | 12. COUNTY OR PARISH                                | I 13. STATE                               |  |  |
|   | .6 miles Nor  | rth of Loco Hill            | s, NM    | (Fallstern)   | ing and the second second                      | Eddy  | NM  |  |  |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) |   | 330                         | 16. NO.  | 16. NO. OF ACRES IN LEAS  16. NO. OF ACRES IN LEAS TO THIS WELL |  | THIS WELL   | 10  |  |  |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.          |   | 990                         | 19. PRO  | POSED DEPTH<br>4900   | 20. RO   | 20. ROTARY OR CABLE TOOLS  Rotary                   |   |  |  |
| 21. ELEVATIONS (Show v  | 1. ELEVATIONS (Show whether DF, RT, GR, etc.) 3653 GR |                             |          |   |  | I   | 22. APPROX. DATE WORK WILL START* 5/29/97 |  |  |
| 23.   |   | PROPOSED CASI               | NG AND   | CEMENTING PR  | ROGRAM   |   |   |  |  |
| SIZE OF HOLE  | GRADE, SIZE OF CASING                                 | WEIGHT PER FO               | тос      | SETTING DEP   | тн   | QUANTITY OF CEMEN                                   | T   |  |  |
| 12 1/4  | 9 5/8   | 36                          |          | 526   |  | 50  |   |  |  |
| 7 7/8   | 7   | 24                          |          | 2878  |  | 100   |   |  |  |
| 6 1/8   | 4 1/2, J-55   | 11.6                        | 11.6     |   |  | Circ  |   |  |  |
|   |   |                             |          |   | -  | and run 4 1/2 J-55 line                             |   |  |  |

and cement liner from 4900 to 2000. Perf liner and test for commercial production. Mack Energy requests a workover pit for this proposed work.

> SEE ATTACHED FOR CONDITIONS OF APPROVAL

| GNED             | TITLE _  | Production Clerk  | DATE                    | 4/23/97            |
|------------------|--|---|-------------------------|--------------------|
| his space for    | Federal or State office use)   |   |                         |                    |
| ERMIT NO         |  | APPROVAL DATE   |                         |                    |
| olication approv | al does not warrant or certify that the applicant holds legal or equitab | ole title to those rights in the subject lease which wo | uld entitle the applica | nt to conduct oper |