

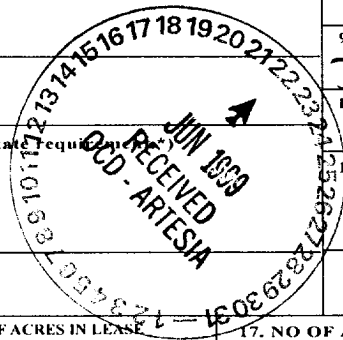
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

3110-187-87
ARTESIA, NM 88211
Reverse Side

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

| | | |
|---|--|--|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. LC-029342-H |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> OTHER <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 2. NAME OF OPERATOR Mack Energy Corporation | | 7. UNIT AGREEMENT NAME |
| 3. ADDRESS AND TELEPHONE NO. P.O. Box 960, Artesia, NM 88211-0960 (505) 748-1288 | | 8. FARM OR LEASE NAME, WELL NO. 18286 Brigham H #3 |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any state requirements) At surface 2600 FSL & 760 FWL At proposed prod. zone 2600 FSL & 760 FWL | | 9. API WELL NO. 30-015-30677 |
| 10. FIELD AND POOL, OR WILDCAT Loco Hills Paddock 96718 | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 21 T17S R30E |
| 12. COUNTY OR PARISH Eddy | | 13. STATE NM |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 1/10 mile North of Loco Hills | | 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 40' |
| 16. NO. OF ACRES IN LEASE 40 | | 17. NO. OF ACRES IN LEASE TO THIS WELL 40 |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 435 | | 19. PROPOSED DEPTH 5200 |
| 20. ROTARY OR CABLE TOOLS Rotary | | 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3641 |
| 22. APPROX. DATE WORK WILL START* 10/20/1999 | | |



| PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---------------------------------------|-----------------------|-----------------|---------------|--------------------|
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
| 17 1/2 | K-55, 13 3/8 | 48 | 425 | Circ |
| 12 1/4 | K-55, 8 5/8 | 24 | 1040 | Circ |
| 7 7/8 | J-55, 5 1/2 | 17 | 5200 | Suff to Circ |

Mack Energy proposes to drill to a depth sufficient to test the Paddock and San Andres formation for oil. If productive, 5 1/2" casing will be cemented. If non-productive, the well will be plugged and abandoned in a manner consistent with federal regulation. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

- | | | |
|--|--|---|
| 1. <u>Surveys</u> Exhibit #1- Well Location Plat Exhibit #2- Vicinity Map Exhibit #3- Location Verification Map | 4. <u>Certification</u> | 7. <u>Responsibility Statement</u> |
| 2. <u>Drilling Program</u> | 5. <u>Hydrogen Sulfide Drilling Operation Plan</u> Exhibit #7- H2S Warning Sign Exhibit #8- H2S Safety Equipment | APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED NSL~ |
| 3. <u>Surface Use & Operating Plan</u> Exhibit #4- One Mile Radius Map Exhibit #5- Production Facilities Layout Exhibit #6- Location Layout | 6. <u>Blowout Preventers</u> Exhibit #9- BOPE Schematic Exhibit #10- Blowout Preventer Requirements Exhibit #11- Choke Manifold | |

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Math F. Brewer TITLE Geological Engineer DATE 05/21/1999

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Action:

Assistant Field Office Manager,
Lands and Minerals

APPROVED BY Larry D. Bray TITLE _____ DATE 6 21 99

*See Instructions On Reverse Side

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RECEIVED
APR 27 1970
KOSTELL, NM