

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Artesia, NM 88210

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

Gas Well ☐

OTHER

2. NAME OF OPERATOR

Mack Energy Corporation

3. ADDRESS AND TELEPHONE NO.

P.O. Box 960, Artesia, NM 88211-0960

(505) 748-1288

4. LOCATION OF WELL (Report location clearly and in accordance with any state requirement.)

At surface

W.C. 330 FNL & 1525 FWL

At proposed location
NSL-4752 (SD) SUBJECT TO LIKE APPROVAL BY STATE

4. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

.25 miles west of Loco Hills

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

330

16. NO. OF ACRES IN LEASE

120

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.

660

19. PROPOSED DEPTH

5500

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3638' GR

Known Controlled Water Basin

22. APPROX. DATE WORK WILL START*

7/10/02

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	J-55, 13 3/8	48	425	Circ
12 1/4	J-55, 8 5/8	24	1040	Sufficient to Circ
7 7/8	J-55, 5 1/2	17	5500	Sufficient 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. Surveys

Exhibit #1- Well Location Plat
Exhibit #2- Vicinity Map
Exhibit #3- Location Verification Map

4. Certification

5. Hydrogen Sulfide Drilling Operation Plan

Exhibit #7- H2S Warning Sign
Exhibit #8- H2S Safety Equipment

7. Responsibility Statement

2. Drilling Program

3. Surface Use & Operating Plan

Exhibit #4- One Mile Radius Map
Exhibit #5- Production Facilities Layout
Exhibit #6- Location Layout

6. Blowout Preventers

Exhibit #9- BOPE Schematic
Exhibit #10- Blowout Preventer Requirements
Exhibit #11- Choke Manifold

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

NSL-4752 (SD)

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

Cristina S. Galt

TITLE

Production Analyst

DATE

6/13/02

(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:

APPROVED BY

/s/ JOE G. LARA

TITLE

FIELD MANAGER

DATE

JUL 10 2002

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

11 11 11

BUREAU OF POSTAL SERVICE
U.S. DEPARTMENT OF COMMERCE

2002 JUN 17 AM 9:27

RECEIVED

121 JOE G. LARA