

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. 7/14/01
1301 W. 1st St. Suite 100
Artesia, NM 88210

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

CISF

APPLICATION FOR PERMIT TO DRILL OR DEEPEN			LEASE DESIGNATION AND SERIAL NO. NM-14840	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME 22546	
2. NAME OF OPERATOR Mack Energy Corporation			8. FARM OR LEASE NAME, WELL NO. White Star Federal #26	
3. ADDRESS AND TELEPHONE NO. P.O. Box 960, Artesia, NM 88211-0960 (505) 748-1288			9. API WELL NO. 30-015-32531	
4. LOCATION OF WELL (Report location clearly and in accordance with any state requirement.)* At surface 1115 FNL & 330 FWL At proposed prod. zone UNORTHODOX LOCATION			10. FIELD AND POOL, OR WILDCAT East Empire Yeso	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6.25 miles West of Loco Hills			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 29 T17S R29E	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330			12. COUNTY OR PARISH Eddy	
16. NO. OF ACRES IN LEASE 280			13. STATE NM	
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			20. ROTARY OR CABLE TOOLS Rotary	
19. PROPOSED DEPTH 4400				
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3618' GR			22. APPROX. DATE WORK WILL START* 11/1/02	
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	325	Circ
12 1/4	J-55, 8 5/8	24	850	Sufficient to Circ
7 7/8	J-55, 5 1/2	17	4400	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:

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| 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 |
| 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 Cesar D. Lata TITLE Production Analyst DATE 10/4/02

(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 OCT 30 2002

*See Instructions On Reverse Side **APPROVAL FOR 1 YEAR**