State of New Mexico PO Box 1980, Hobbs, NM 88241-1980 Revised February Energy, Minerals & Natural Resourses Departmen Instructions on back District II 811 S. 1st Street Artesia, NM 88210-1404 OIL CONSERVATION DIVISION Submit to Appropriate District Office PO Box 2088 State Lease - 6 Copies District III 1000 Rio Brazos Rd, Aztec, NM 87410 Santa Fe, NM 87504-2088 Fee Lease - 5 Copies District IV PO Box 2088, AMENDED REPORT R PERMIT TO DRILL, RE-ENTER, UGBACK, OR ADD A ZONE OGRID Number Operator Name and Address Mack Energy Corporation 013837 P.O. Box 960 API Number Artesia, NM 88211-0960 30-015-3061 Property Code Property Name Continental A State 3 021044 Surface Location Lot Idn Feet from the North/South line Feet from the East/West line Township Range County UL or lot no. Section 330 North 583 West 17S 29E Eddy 30 D Proposed Bottom Hole Location If Different From Surface Feet from the North/South line Lot Idn Feet from the East/West line County Township Range UL or lot No. Section Proposed Pool 1 Proposed Pool 2 Empire; Yeso 96210 Work Type Code Well Type Code Cable/Rotary Lease Type Code Ground Level Elevation R S 3660 0 Ν Contractor Formation Spud Date Proposed Depth Multiple 6/10/99 4200' Paddock LaRue No Proposed Casing and Cement Program Casing weight/foot Setting Depth Sacks of Cement Estimated TOC Casing Size Hole Size 13 3/8 54.5 350' Circ 17 1/2 800' Sufficient to Circ 8 5/8 24# 12 1/4 4200' Sufficient to Circ 5 1/2 17# 7 7/8 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Mack Energy Corporation proposes to drill to 350', run 13 3/8" casing and cement. Drill to 800', run 8 5/8" casing and cement. Drill to 4200" and test Paddock Zone, run 5 1/2" casing and cement. Put well on production. Note: On Production string, a fluid caliber will be run, will figure cement, with 25% excess, attempt to circulate. I hereby certify that the information given above is true and complete to the best OIL CONSERVATION DIVISION of my knowledge and belief ORIGINAL SIGNED BY TIM W. GUI Approval by: Signature DISTRICT II SUPERVISOR Printed name Matt J. Brewer Approval Date Title: 5-00 Geological Engineer Conditions of Approval: Date:

Attached

(505)748-1288

03/24/1999