

Santa Fe, NM 87505

1. Operator Name and Address MACK ENERGY CORP PO BOX 960 ARTESIA , NM 88211		2. OGRID Number 13837
		3. API Number 30-015-35814
4. Property Code 303847	5. Property Name STATE H	6. Well No. 002

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	2	18S	27E	H	2063	N	441	E	EDDY

CHALK BLUFF; WOLFCAMP GAS	96963
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9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3590
14. Multiple N	15. Proposed Depth	16. Formation Wolfcamp	17. Contractor	18. Spud Date 9/20/2007
Depth to Ground water 50		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	360	400	0
Prod	7.875	5.5	17	7313	1300	0

Mack Energy proposes to drill a 12 1/4 hole to 360', run 8 5/8 casing and cement. Drill a 7 7/8 hole to 7313', run 5 1/2 casing and cement. Note: On production string a fluid caliper will be run and will figure cement with 25% excess, attempt to circ.

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

Conditions of Approval Attached

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 60506

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-35814	2. Pool Code 96963	3. Pool Name CHALK BLUFF; WOLFCAMP GAS
4. Property Code 303847	5. Property Name STATE H	6. Well No. 002
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3590

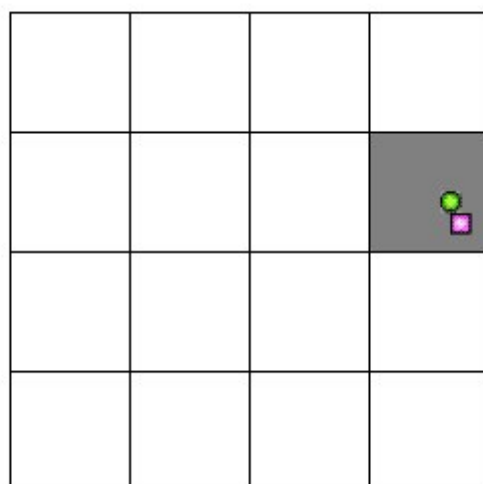
10. Surface Location

UL - Lot H	Section 2	Township 18S	Range 27E	Lot Idn	Feet From 2063	N/S Line N	Feet From 441	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 2	Township 18S	Range 27E	Lot Idn H	Feet From 2300	N/S Line N	Feet From 340	E/W Line E	County EDDY
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

E-Signed By: Jerry Sherrell

Title: Production Clerk

Date: 9/11/2007

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Surveyed By: Ronald Eidson

Date of Survey: 8/28/2007

Certificate Number: 3239

Permit Comments

Operator: MACK ENERGY CORP , 13837

Well: STATE H #002

API: 30-015-35814

Created By	Comment	Comment Date
JWSHERRELL	H2S concentrations of wells in this area from surface to TD are low enough that a contingency plan is not required.	9/11/2007

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837

Well: STATE H #002

API: 30-015-35814

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator to drill surface hole w/fresh water mud.
BArrant	Cement to cover all oil, gas and water bearing zones.