State of New Mexico

Form C-101 Permit 124886

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator	Name and Address	2. OGRID Number		
	NERGY CORP	13837		
100	Box 960 a. NM 88211	3. API Number 30-025-39993		
221000	, 1111 00211			
4. Property Code	5. Property Name	6. Wett No.		
17335	LEA KG STATE	010		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	35	17S	33E	P	330	S	990	E	LEA

8. Pool Information

VACUUM:GRAYBURG-SAN ANDRES 62:	VACUUM:GRAYBURG-SAN ANDRES	62180
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Additional Well Information

9. Work Type	10. Well Type	11. Cable/Rotary	12. Lesse Type	13. Ground Level Elevation
New Well	OIL		State	4118
14. Multiple	15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
N	5500	San Andres		1/22/2011
Depth to Ground	water	Distance from nearest fre	sh water well	Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Syste	mils thick	Clay Pit Volume:	bbls Drilling Method: Fresh Water X Brine	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1500	350	0
Int1	12.25	8.625	32	2850	1200	0
Prod	7.875	5.5	17	5500	1100	0

Casing/Cement Program: Additional Comments

Mack Energy proposes to drill a 17 1/2 hole to 350', run 13 3/8 casing and cement. Drill a 12 1/4 hole to 2,850', run 8 5/8 casing and cement. Drill a 7 7/8 hole to 5500 test San Andres formation, 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 circulate.

Proposed Blowout Prevention Program

		8	
Туре	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

of my knowledge and belief.	ation given above is true and complete to the best ling pit will be constructed according to	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist				
	neral permit , or an (attached) alternative					
Printed Name: Electronic	ally filed by Jerry Sherrell					
Title: Production Clerk		Approved Date: 12/23/2010	Expiration Date: 12/23/2012			
Email Address: jerrys@n	nackenergycorp.com					
Date: 12/22/2010	Phone: 505-748-1288	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

Form C-102 Permit 124886

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

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1. API Number	2. Pool Code	3. Pool Name AYBURG-SAN ANDRES			
30-025-39993	62180 VACUUM;GRA				
4. Property Code	5. Property Name		6. Well No.		
17335	LEA KG	010			
7. OGRID No.	8. Operat	9. Elevation			
13837	MACK ENE	MACK ENERGY CORP			

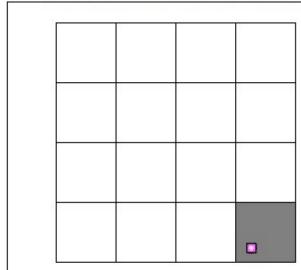
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	35	17S	33E	1.	330	S	990	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
25.00	cated Acres	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: 12/22/2010

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: 12/16/2010 Certificate Number: 3239

Permit Comments

Operator: MACK ENERGY CORP , 13837 Well: LEA KG STATE #010

API: 30-025-39993

Created By	Comment	Comment Date	
pkautz	Land S/S	12/23/2010	

Permit Conditions of Approval

Operator: MACK ENERGY CORP , 13837 Well: LEA KG STATE #010

API: 30-025-39993

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string