

6/12/08
DATE IN

SUSPENSE

W Jones
ENGINEER

6/12/08
LOGGED IN

SWD
TYPE
587A

PKVR0816452696
APP NO.

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jerry W. Sherrell
Print or Type Name

Jerry W. Sherrell
Signature

Production Clerk
Title

6/10/08
Date

jerrys@mackenergycorp.com
e-mail Address

RECEIVED
2008 JUN 12 PM 2 31

APPLICATION FOR AUTHORIZATION TO INJECT

I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance X _____ Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: Mack Energy Corporation

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

CONTACT PARTY: Jerry W. Sherrell PHONE: (505)748-1288

III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X _____ No
If yes, give the Division order number authorizing the project: _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (if well logs have been filed with the Division, they need not be resubmitted).

*XI. Attach a chemical analysis of freshwater from two or more freshwater wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Jerry W. Sherrell TITLE: Production Clerk

SIGNATURE: Jerry W. Sherrell DATE: 6/10/08

* if the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

Side I

INJECTION WELL DATA SHEET

OPERATOR: Mack Energy Corporation

WELL NAME & NUMBER: Peery SWD #4

WELL LOCATION: 660 FNL & 990 FEL

UNIT LETTER A SECTION 29 TOWNSHIP 15S RANGE 30E

FOOTAGE LOCATION

WELL CONSTRUCTION DATA
Surface Casing

WELLBORE SCHEMATIC

Peery Federal #4 30-005-20333
Sec. 29 T15S R30E

Hole Size: 15" Casing Size: 11 3/4" @ 454'

Cemented with: 290sx sx. or _____ ft

11 3/4 casing @ 454'; cem w /
290 sx; circ

Top of Cement: Surface Method Determined: Circulated

Intermediate Casing

5 1/2 tie back liner @ 0-4791', cem
w/550sx; cem

Hole Size: 10 5/8" Casing Size: 8 5/8" @ 5000'

Cemented with: 1100sx sx. or _____ ft

8 5/8 casing @ 5000'; cem w/
1100 sx; circ

Top of Cement: Surface Method Determined: Partial circ.

Production Casing

Hole Size: 7 7/8 Casing Size: 5 1/2" @ 11,150'/split string

Cemented with: Total 1330sx sx. or _____ ft

5 1/2 liner @ 4791-11150'; cem w/1800sx;
TOC @ 7875'

Top of Cement: Surface Method Determined: Circulated

Packer Set @ 11,050'

Open Hole
11150 -11796'

Total Depth: ~~11,150'~~ 11,796'

Injection Interval

11,150' feet to 11,796' Open Hole

(Perforated or Open Hole; indicate which)

INJECTION WELL DATA SHEET

Tubing Size: 2 7/8" Lining Material: Plastic Coated

Type of Packer: Halliburton Trump Packer

Packer Setting Depth: 11,050

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? Yes No

If no, for what purpose was the well originally drilled? Devonian

2. Name of the Injection Formation: Devonian

3. Name of Field or Pool (if applicable): SWD;Devonian

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. Morrow 9883-9994'

squeezed w/100sx, Morrow 10,024-10,038' squeezed w/75sx

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: Overlying-Bone Spring, Underlying-Pennsylvanian

VII. DATA SHEET: PROPOSED OPERATIONS

1. Proposed average and maximum daily rate and volume of fluids to be injected;
4000 BWPD
2. The system is closed or open;
Closed
3. Proposed average and maximum injection pressure;
0-2230#
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than re-injected produced water;
We will be re-injecting produced water
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water;

N/A

VIII. GEOLOGICAL DATA

Devonian

1. Lithologic Detail; **Carbonate**
2. Geological Name; **SWD;Devonian**
3. Thickness; **646'**
4. Depth; **11,150-11796'**

IX. PROPOSED STIMULATION PROGRAM

1. To be treated with 10,000 gallons 15% acid

X. LOGS AND TEST DATA

1. Well data has been previously filed with the OCD, new data will be filed with OCD.

XI. ANALYSIS OF FRESHWATER WELLS

1. To be sent when completed.

Additional Information
Waters Injected: Devonian

XII. AFFIRMATIVE STATEMENT

RE: Peery SWD #4

We have examined the available geologic and engineering data and find no evidence of open faults or any other hydraulic connection between the disposal zone and any underground source of drinking water.

Mack Energy Corporation

Date: 06/22/28

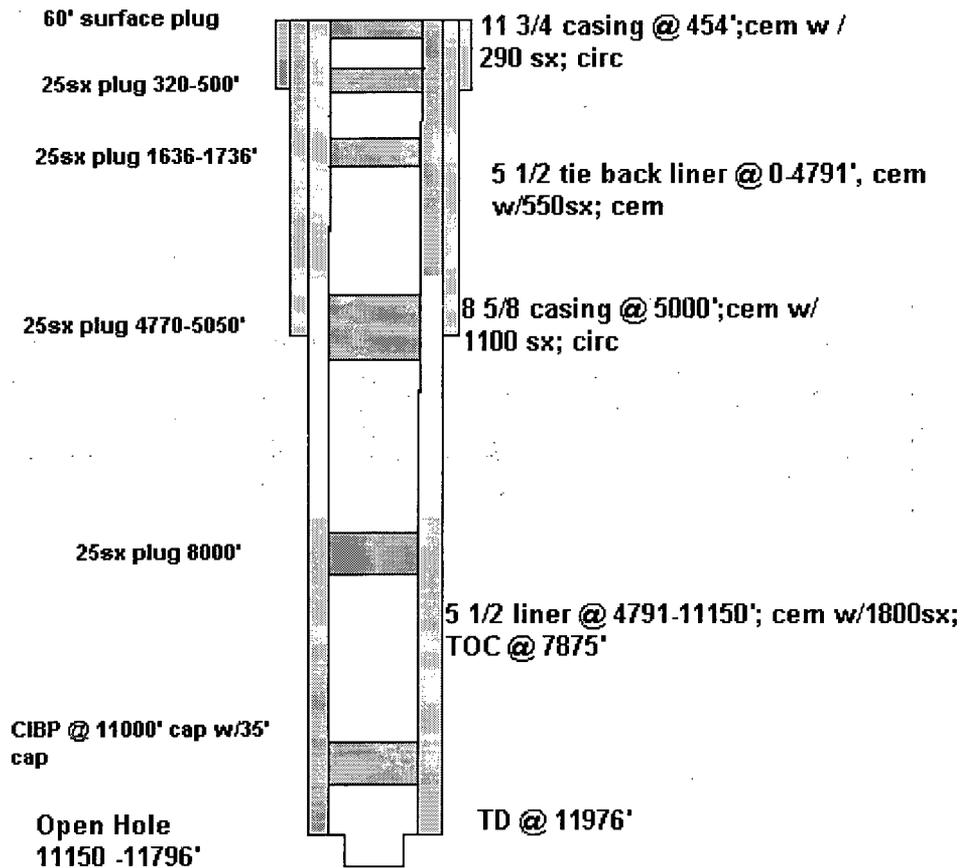


Charles Sadler, Geologist

Peery Federal #4

30-005-20333

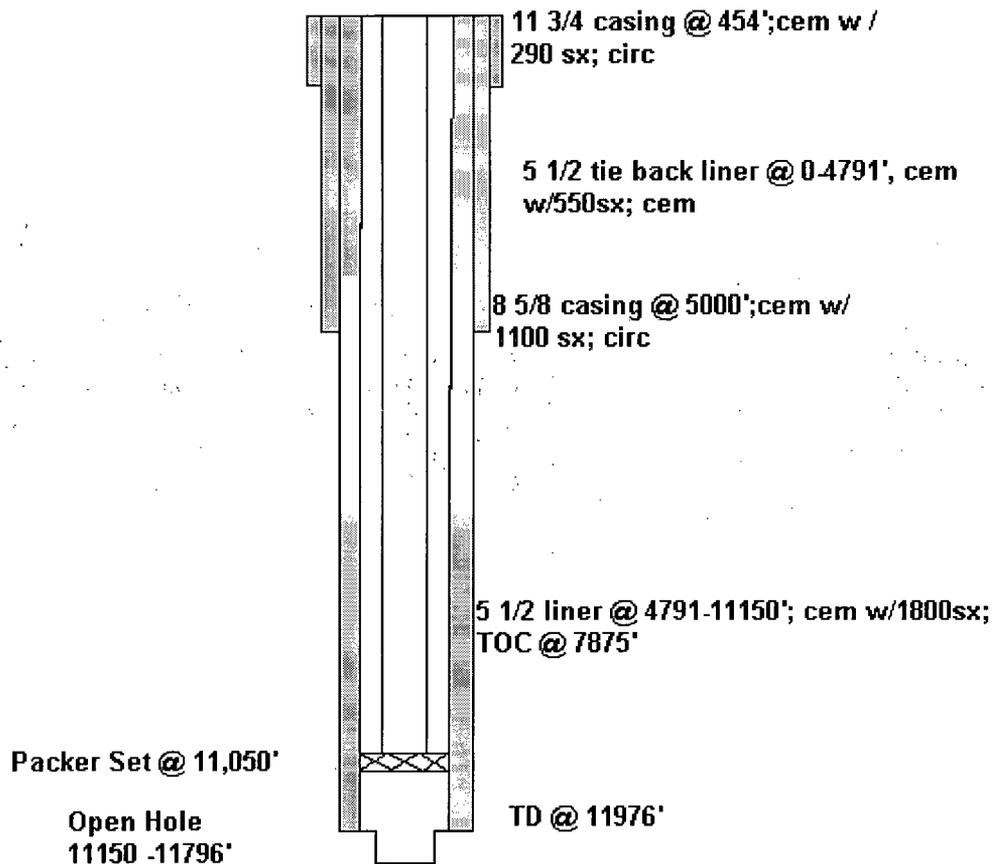
Sec. 29 T15S R30E



Peery Federal #4

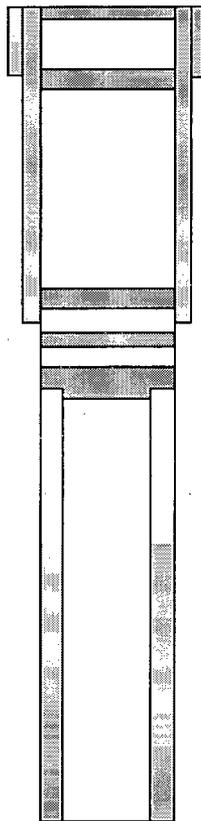
30-005-20333

Sec. 29 T15S R30E



Peery Federal #1
Sec. 29 T13S R30E
30-005-00514

- 25sx plug @ 0-60'
- 40sx plug @ 395-515'
- 40sx plug @ 2150-2250'
- 40sx plug @ 3247-3342'
- 25sx plug @ 3700-3785'
- 70sx plug @ 3785-3830'



13 3/8" casing @ 450'; cem w/ 400sx; circ

9 5/8" casing @ 2928'; cem w/ 1500sx; circ

5 1/2" casing @ 3815-12298'; cem w/ 1325sx;
TOC 7300'

TD 12,298'

**Peery Federal #5
Sec. 29 T15S R30E
30-005-21129**

60sx plug 0-341'

35sx plug 1061-1400'

35sx plug 2677-3000'

CIBP @ 3535 w/35' cem cap

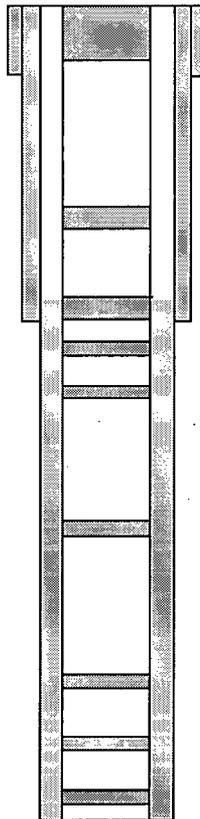
CIBP @ 4000' w/ 35' cem cap

CIBP @ 7700' w/ 35' cem cap

CIBP @ 9850' w/ 35' cem cap

CIBP @ 11,130 w/ 35' cem cap

CIBP @ 12,060 w/ 35' cem cap



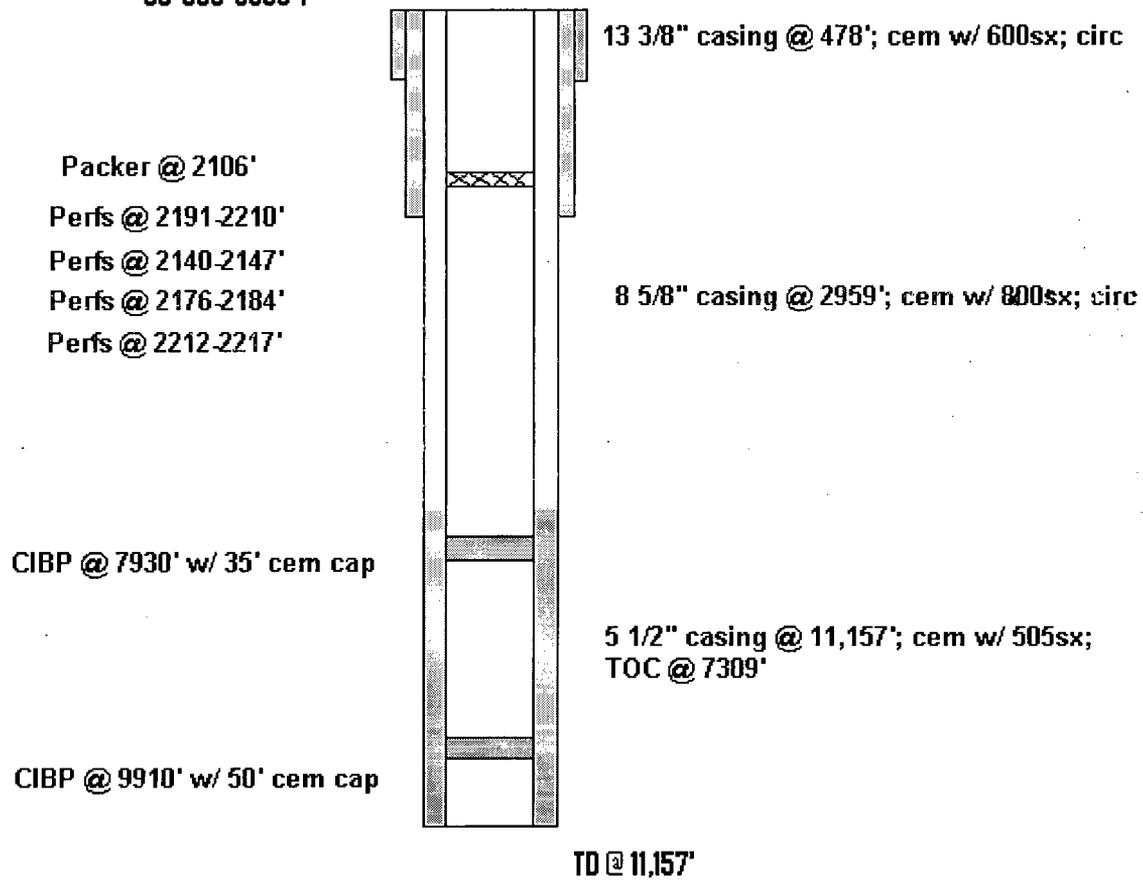
13 3/8" casing @ 428'; cem w/ 450sx; circ

8 5/8" casing @ 2950'; cem w/ 700sx; circ

5 1/2" casing @ 12,230'; cem w/ 2675sx;
TOC @ 2096'

TD 12,230'

**VG Kinahan Federal #1
Sec 20-T15S-R30E
30-005-00504**



**VG Kinahan Federal #2
Sec 20-T15S-R30E
30-005-21125**

50sx plug @ 0-50'

30sx plug @ 522'

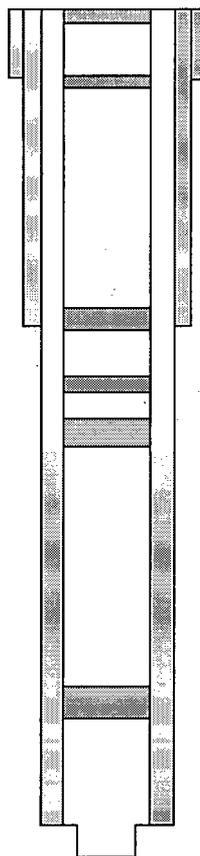
40sx plug @ 3050'

55sx plug @ 4380'

35sx plug @ 5650'

26sx plug @ 8100'

Open hole 10,989-11,100'



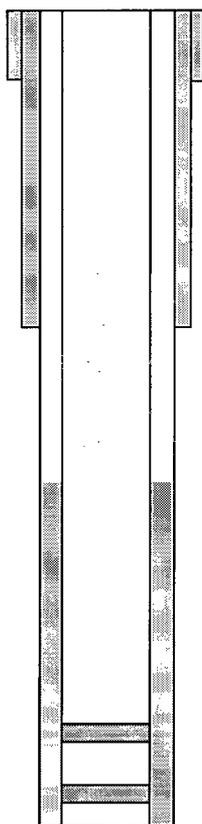
13 3/8" casing @ 472'; cem w/ 425sx; circ

8 5/8" casing @ 3000'; cem w/ 900sx; circ

**5 1/2" casing @ 10,989'; cem w/ 700sx;
TOC @ 5656'**

TD 11,100'

Sam Federal #1
Sec 28-T15S-R30E
30-005-00512



13 3/8" casing @ 469'; cem w/ 600sx; circ

8 5/8" casing @ 3000'; cem w/ 1100sx; circ

Perfs @ 8534-8540'

Perfs @ 8567-8569'

Perfs @ 8596-8627'

CIBP @ 8710'; cem w/ 2sx

CIBP @ 9615'; cem w/ 2sx

4 1/2" casing @ 10,489'; cem w/ 700sx;
TOC @ 6432'

TD 11,353'

TRANSACTION REPORT

P. 01

JUN-10-2008 TUE 10:13 AM

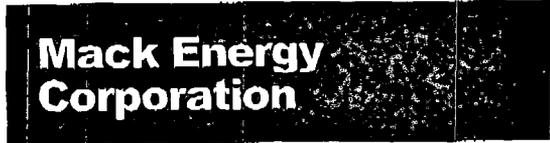
FOR: mack energy

15057469539

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JUN-10	10:13 AM	96250421	16"	2	FAX TX	OK	341	
TOTAL :						16S PAGES:	2	

P.O. Box 960 Artesia NM 88211-0960 (575)748-1288 Fax (575)746-9539



Fax

To: Roswell Daily Record/Janice **From:** Deana Weaver

Fax: 575-625-0421 **Pages:** 2

Phone: 575-622-7710 **Date:** 6/10/2008

Re: Peery SWD #4 Legal Notice **CC:**

Urgent For Review Please Comment Please Reply Please Recycle

● **Comments:** Janice, attached is a Legal Notice that I would like to have published for 1 day. Would you please call Mack Energy Corporation at 575-748-1288 for credit card information for payment of this ad. Please fax an affidavit to 575-746-9539 attention Deana Weaver. If you have any questions give me a call at 575-748-1288.

Legal Notice

Mack Energy Corporation, Post Office Box 960, Artesia, NM 88211-0960, has filed an Application with the New Mexico Oil Conservation Division seeking authorization to inject produced water into the Peery SWD #4 660 FNL & 990 FEL of Section 29, T15S R30E, NMPM, Chaves County, New Mexico. The water will be injected into the Devonian formation at a disposal depth of 11,150-11,796'. Water will be injected at a maximum surface pressure of 2230 pounds and a maximum injection rate of 4000 BWPD. Any interested party with questions or comments may contact Jerry W. Sherrell at Mack Energy Corporation, Post Office Box 960, Artesia, New Mexico 88211-0960 or call (575) 748-1288. Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, within fifteen days of the date of the publication of this notice.

AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Janice Bounds
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

one time

beginning with the issue dated

June 13th 2008

and ending with the issue dated

June 13th 2008



Clerk

Sworn and subscribed to before me

this 13th day of June, 2008



Notary Public

My Commission expires

June 13, 2010

(SEAL)

Publish June 13, 2008

Mack Energy Corporation, Post Office Box 960, Artesia, NM 88211-0960, has filed an Application with the New Mexico Oil Conservation Division seeking authorization to inject produced water into the Peery SWD #4 660 FNL & 990 FEL of Section 29, T15S R30E, NMPM, Chaves County, New Mexico. The water will be injected into the Devonian formation at a disposal depth of 11,150-11,796'. Water will be injected at a maximum surface pressure of 2230 pounds and a maximum injection rate of 4000 BWPD. Any interested party with questions or comments may contact Jerry W. Sherrill at Mack Energy Corporation, Post Office Box 960, Artesia, New Mexico 88211-0960 or call (575) 748-1288. Objections to this application or requests for hearing must be filed with the Oil Conservation Division, 1220 South Saint Frances Drive, Santa Fe, New Mexico 87505, within fifteen days of the date of the publication of this notice.

Jerry Sherrell

From: Chris Lanning
Sent: Tuesday, June 03, 2008 3:13 PM
To: Jerry Sherrell; Ron Lanning
Subject: Peery Federal #4 SWD

T15S, R30E, Chaves County, New Mexico

Section 20: E/2SW/4, SE/4

Surface Owner: BLM

Operators:

- Cimarex Energy Co. of Colorado** ✓
600 N. Marienfeld Street, Suite 600
Midland, TX 79701
- Holly Petroleum** ✓
P.O. Box 159
Artesia, NM 88211
- Kastman Oil Company** ✓
P.O. Box 5390
Lubbock, TX 75201
- Charles K. Sweeney** ✓
P.O. Box 9055
Princeton, NJ 08543
- Richard E. Wilbourn** ✓
P.O. Box 5248
Meridian, MS 39302
- Ziadril, Inc.** ✓
P.O. Box 1860
Hobbs, NM 88241

Section 21: SW/4, Section 28: W/2

Surface Owner: BLM

Operators:

- Nadel & Gussman Permian, LLC** ✓
601 N. Marienfeld, Suite 508
Midland, TX 797901
- Yates Petroleum Corporation** ✓
105 S. 4th Street
Artesia, NM 88210

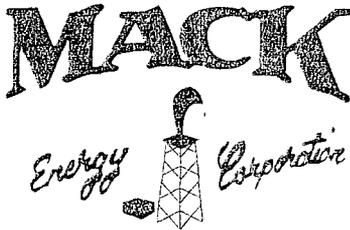
Section 29: ALL

Surface Owner: BLM ✓

Operator:

Chase Oil Corporation

Christopher T. Lanning
Landman
Mack Energy Corporation
(505) 748-1288 **Office**
(505) 748-7374 **FAX**
(505) 748-8614 **Cell**



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7314
RETURN RECEIPT REQUESTED

Bureau of Land Management
2909 W. Second Street
Roswell, NM 88201-2019

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian SWD well. Produced water will be injected at a proposed depth of 11,150-11,796'. The Peery SWD #4, located 660 FNL & 990 FEL, Sec. 29, T15S R30E, Chaves County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to convert this well into a water disposal well. If you have any objections, you must notify the Oil Conservation Division in Santa Fe in writing at ~~PO Box 1148~~, Santa Fe, NM 87504 within fifteen (15) days of receiving this letter.

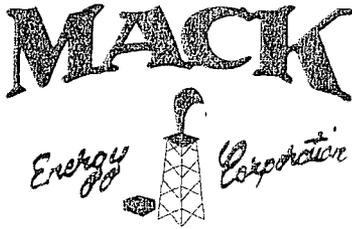
Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS\gjs



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7253
RETURN RECEIPT REQUESTED

Charles K. Sweeney
P. O. Box 9055
Princeton, NJ 08543

Dear Mr. Sweeney:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian SWD well. Produced water will be injected at a proposed depth of 11,150-11,796'. The Peery SWD #4, located 660 FNL & 990 FEL, Sec. 29, T15S R30E, Chaves County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to convert this well into a water disposal well. If you have any objections, you must notify the Oil Conservation Division in Santa Fe in writing at ~~PG-Box 1148~~, Santa Fe, NM 87504 within fifteen (15) days of receiving this letter.

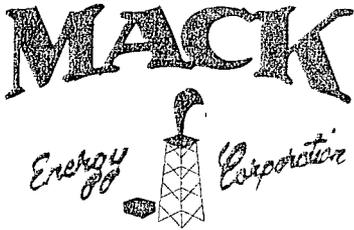
Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS\gjs



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7215
RETURN RECEIPT REQUESTED

Cimarex Energy Co. of Colorado
600 N. Marienfeld Street, Suite 600
Midland, TX 79701

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian SWD well. Produced water will be injected at a proposed depth of 11,150-11,796'. The Peery SWD #4, located 660 FNL & 990 FEL, Sec. 29, T15S R30E, Chaves County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to convert this well into a water disposal well. If you have any objections, you must notify the Oil Conservation Division in Santa Fe in writing at ~~PO Box 1148~~, Santa Fe, NM ~~87504~~ within fifteen (15) days of receiving this letter.

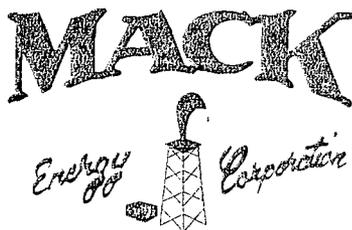
Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS\gjs



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7239
RETURN RECEIPT REQUESTED

Holly Petroleum
P. O. Box 159
Artesia, NM 88211

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian SWD well. Produced water will be injected at a proposed depth of 11,150-11,796'. The Peery SWD #4, located 660 FNL & 990 FEL, Sec. 29, T15S R30E, Chaves County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to convert this well into a water disposal well. If you have any objections, you must notify the Oil Conservation Division in Santa Fe in writing at ~~PO~~ Box 1148, Santa Fe, NM 87504 within fifteen (15) days of receiving this letter.

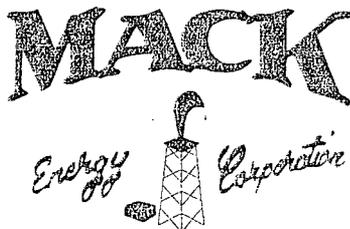
Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS\gjs



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7246
RETURN RECEIPT REQUESTED

Kastman Oil Company
P. O. Box 5390
Lubbock, TX 75201

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian SWD well. Produced water will be injected at a proposed depth of 11,150-11,796'. The Peery SWD #4, located 660 FNL & 990 FEL, Sec. 29, T15S R30E, Chaves County.

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to convert this well into a water disposal well. If you have any objections, you must notify the Oil Conservation Division in Santa Fe in writing at ~~PO Box 1148~~, Santa Fe, NM 87504 within fifteen (15) days of receiving this letter.

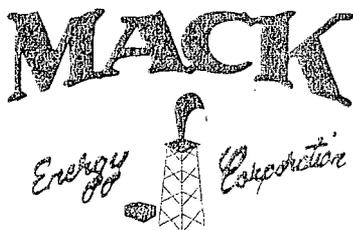
Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS\gjs



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7284
RETURN RECEIPT REQUESTED

Nadel & Gussman Permian, LLC
601 N. Marienfeld, Suite 508
Midland, TX 79701

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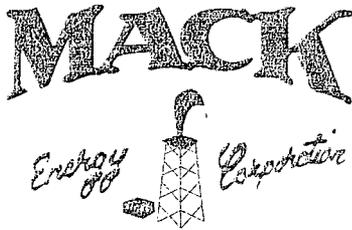
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June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7260
RETURN RECEIPT REQUESTED

Richard E. Wilbourn
P. O. Box 5248
Meridian, MS 39302

Dear Mr. Wilbourn:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian SWD well. Produced water will be injected at a proposed depth of 11,150-11,796'. The Peery SWD #4, located 660 FNL & 990 FEL, Sec. 29, T15S R30E, Chaves County.

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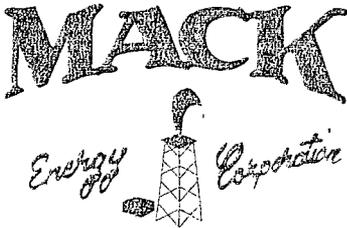
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Production Clerk

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June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7307
RETURN RECEIPT REQUESTED

New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

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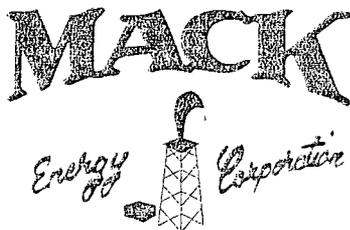
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Jerry W. Sherrell
Production Clerk

JWS\gjs



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7291
RETURN RECEIPT REQUESTED

Yates Petroleum
105 S. 4th Street
Artesia, NM 88210

Gentlemen:

Enclosed for your review, is a copy of Mack Energy Corporation's application for a Devonian SWD well. Produced water will be injected at a proposed depth of 11,150-11,796'. The Peery SWD #4, located 660 FNL & 990 FEL, Sec. 29, T15S R30E, Chaves County.

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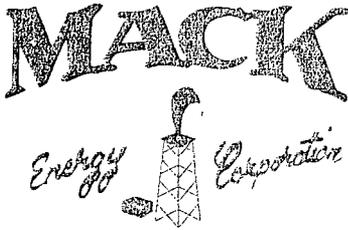
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Jerry W. Sherrell
Production Clerk

JWSlgjs



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Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 4, 2008

VIA CERTIFIED MAIL 7006 0100 0002 8524 7277
RETURN RECEIPT REQUESTED

Ziadril, Inc.
P. O. Box 1860
Hobbs, NM 88241

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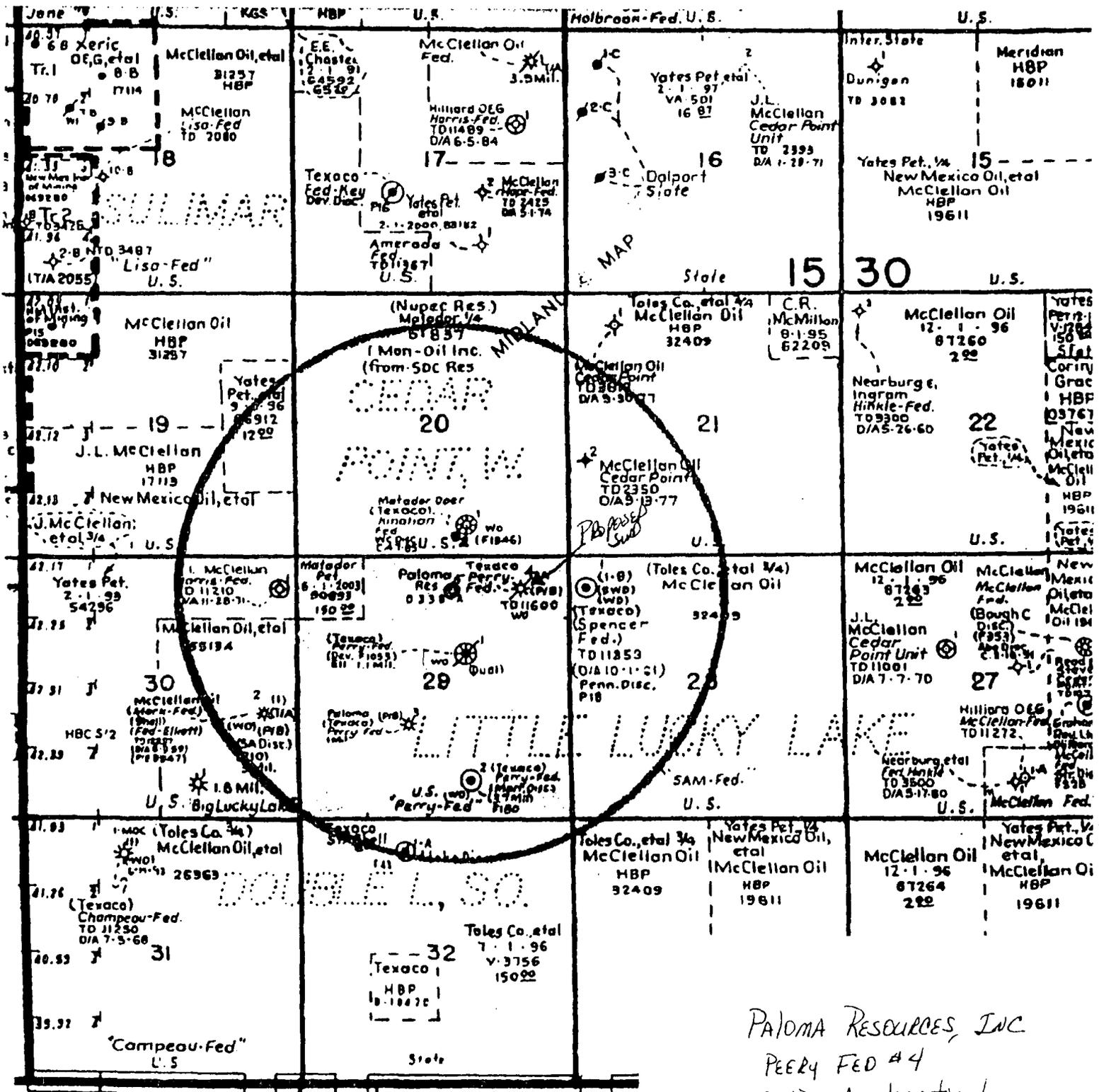
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Jerry W. Sherrell
Production Clerk

JWS\gjs



PALOMA RESOURCES, INC
 PEERY FED #4
 SWD Application

R 30 E

LEGEND

One Mile Radius Map

- CO₂ Wells Not Shown
- ⊙ Wildcat Below 5000' or Discovery
- Location
- ⊛ Abandoned Producer
- Complete — Producing Oil
- ⊛ Completed — Producing Gas
- ◇ Dry & Abandoned

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT TO BLM/CATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 Nadel and Gussman Permian L.L.C.

3a. Address
 601 N. Marienfeld, Suite 508, Midland, Texas 79701

3b. Phone No. (include area code)
 432-682-4429

4. Location of Well (Footage, Sec., T. R., M., or Survey Description)
 Unit Letter A 660 FSL, 990 FEL
 Section 29, Township 15S, Range 30E NMPM

5. Lease Serial No.
 NM-0338A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
 Perry Federal #4

9. API Well No.
 30-005-20333-00-00

10. Field and Pool, or Exploratory Area
 Little Lucky Lake

11. County or Parish, State
 Chaves

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

3. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1.11/15/06 Set ccbp @ 11,000' cap w/ 35' cmt.
 2.11/22/06 Circ well w/ 10# brine containing 12.5 # gel /bbf
 3.11/28/06 Spot 25 sxs Cl C plug 14.8 ppg @ 8000' Spot 25 sx Cl C 14.8 plug @ 5050' Tag @ 4770'.
 4.11/29/06 Spot 25 sx 14.8 ppg Cl C plug @ 1736'. Spot 25 sx 14.8 ppg plug @ 500' tag @ 320'. Spot 60' surf plug.
 Cut off well head weld on plate and erect PA marker.

Operations witnessed by BLM rep Eddie Fitzpatrick.



14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed) K. E. McCready Title Operations Engineer

Signature *K. E. McCready* Date 12/11/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

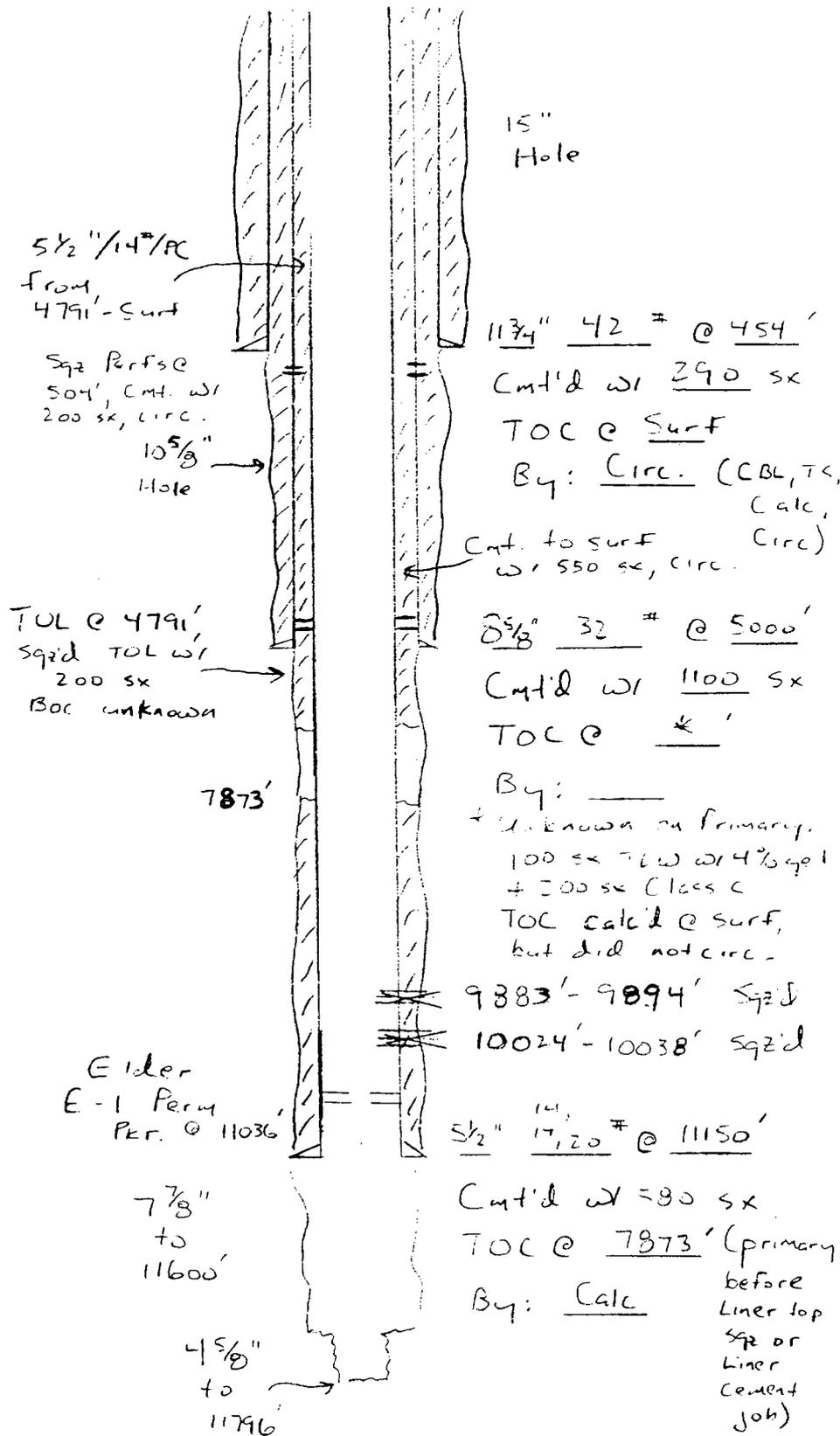
Approved by (Signature) _____ Name (Printed/Typed) _____ Title _____

Conditions of approval, if any, are attached. Approval of this notice 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. Office _____ Date _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on next page)

Well: Peery Fed No. 4
 State/County: Chaves, NM
 Legals: 660' FNL, 990' FEL, 29-155-30E
 GL/KB: DF @ 399' ASL



Well History
 Spud 7/70. Set
 Liner @ 4791'. Sqz
 TOL w/ 200 sx. Tie
 into liner hanger w/
 5 1/2" / 14" / PC, Cmt.
 5 1/2" to surf. w/
 550 sx, Circ. Pwod
 1" Dev.
 7/85 Recomplete to
 Morrow @ 10024'-
 10038'. Acdz 5/87.
 3/88 Sqz Morrow
 @ 10024'-10038',
 35 sx. Perf Morrow
 @ 9883'-9894',
 acdz., unsuccessful.
 1/89 P&A well. Set
 plugs + perf 5 1/2"
 + 8 5/8" @ 504', Cmt.
 8 5/8" to surf.
 3/95 Re-enter well.
 Sqz Morrow @ 9883'-
 9894' w/ 100 sx.
 Set Elder E-1 @
 11036', run injection
 tubing, return well
 to disposal.
 11/96 Acdz well.
 Found 1 bq. lost.
 12/96 P&A w/ injectio
 tubing. Shut well
 in.

38. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries)

GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
			See Original on file	Abc Wolfcamp Atoka Morrow Lower Miss. Devonian	6490 7708 9543 10024 10510 11070	

Injection Permit Checklist (7/8/08)

Case _____ R- _____ SWD 581-A WFX _____ PMX _____ IPI _____ Permit Date 7/15/08 UIC Qtr July Aug Sept
 # Wells _____ Well Name: PEERY ^{Federal} SWD #4
 API Num: (30-) 005-20333 Spud Date: 7/9/10 New/Old: 0 (UIC primary March 7, 1982)
 Footages 660 FNL/990 FEL Unit A Sec 29 Tsp 15S Rge 30E County Chaves
 Operator: Mack Energy Corp. Contact Jerry W. Starnell
 OGRID: 013837 RULE 40 Compliance (Wells) OK (Finan Assur) OK
 Operator Address: P.O. Box 960 Artesia NM 88211-0960

Current Status of Well: PEARED after monom allowed & old SWD 581 in DEV.

Planned Work to Well: Drill out & conv. to inj. Planned Tubing Size/Depth: 2 7/8" 11,050'

	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing <input checked="" type="checkbox"/> Surface	15 11 3/4	454	290	CIRC
Existing <input checked="" type="checkbox"/> Intermediate	10 5/8 8 3/8	5000	1100	Partek CIRC,
Existing <input checked="" type="checkbox"/> Long String	7 1/8 5 1/2	1150	1350	

DV Tool 1 5 1/8" Liner 4971-11150 Open Hole 1150-11796 Total Depth 11,976 BTD
 Well File Reviewed
 Diagrams: Before Conversion After Conversion Elogs in Imaging File:

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)	<u>10 024</u>	<u>Marrow SWD.</u>	
Injection..... Interval TOP:	<u>11,150</u>	<u>DEV.</u>	<u>2230</u> PSI Max. WHIP
Injection..... Interval BOTTOM:	<u>11,796</u>	<u>DEV.</u>	<u>Yes</u> Open Hole (Y/N)
Below (Name and Top)			<u>No</u> Deviated Hole?

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths 765-1320
 Potash Area (R-111-P) _____ Potash Lessee _____ Noticed? _____

Fresh Water: Depths 0-240 Wells (Y/N) _____ Analysis Included (Y/N): _____ Affirmative Statement

Salt Water: Injection Water Types DEV Analysis? _____

Injection Interval: Water Analysis: Dev Hydrocarbon Potential _____

Notice: Newspaper (Y/N) Yes Surface Owner BLM Mineral Owner(s) BLM

RULE 701B(2) Affected Parties: Sweeney, Cimarron, Aulley Pats, Keston, N&G, Wilburn, SLO, Jerry Ziedell - See LIST in APPL.

Area of Review: Adequate Map (Y/N) _____ and Well List (Y/N) _____

Active Wells 2 Num Repairs 0 Producing in Injection Interval in AOR NO
 ..P&A Wells 3 Num Repairs 0 All Wellbore Diagrams Included? Yes

Questions to be Answered:
Sent MAP w 1/2 CIRCLE
Bad addresses in NOTICES
FW sample & depths / ~~etc~~

Required Work on This Well: _____ Request Sent _____ Reply: _____
 AOR Repairs Needed: _____ Request Sent _____ Reply: _____
 _____ Request Sent _____ Reply: _____