Form 3160-5 (June 1990)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

OCD-ARTESIA SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31,1993

5. Lease Designation and Serial No

NM-97850

Do not use this form for proposals to drill or to deepen or reentry to a differ Use "APPLICATION FOR PERMIT—" for such proposal 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE I Type of Well Oil Well M Gas 8. Well Name and No.

2. Name of Operator Southgate Federal #1 Mack Energy Corporation 9 API Well No 3. Address and Telephone No.

P.O. Box 960, Artesia, NM 88211-0960 4. Location of Well (Footage, Sec., T. R., M. or Survey Description)

(505)748-1288

30-015-35203 10. Field and Pool, or Exploratory Area Wildcat Wolfcamp

Eddy, NM

SHL 735 FNL & 760 FWL, Sec. 35 T18S R23E BHL 660 FSL & 660 FWL, Sec. 35 T18S R23E 11. County or Parish, State

CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
Notice of Intent	Abandonment	Change of Plans	
Subsequent Report	Recompletion Plugging Back	New Construction Non-Routine Fracturing	
	Casing Repair	Water Shut-Off	
Final Abandonment Notice	Altering Casing Other Spud and Cement Casing	Conversion to Injection Dispose Water	
		(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

11/4/2006 Drlg 8 3/4 hole.

11/11/2006 TD 8 3/4 hole @ 5000', Log well.

11/12/2006 Set 240sx plug @ 4387'.

11/13/2006 Tagged cement @ 3950'.

11/14/2006 Dressed cement plug to 4175'.

11/15/2006 Drilling 7 7/8" horizontal hole with motor.

12/2/2006 TD 7 7/8 hole @ 8416'

12/3/2006 Ran 195 joints 5 1/2 17# L-80 set @ 8425', Cemented w/200sx 35/65/6 C, 940sx 50/50/2 C, 800sx Class H, plug down @

2:16am. WOC 12 hours tested casing to 600# for 20 minutes, held OK.

14. I hereby certify that the foregoing is true and correct Signed Signed	Title	Production Clerk	ACCEPTED FOR RECORD
(This space for Federal or State office use) Approved by Conditions of approval, if any:	Title		JAN-3 1 2007
Title 18 U.S.C. Section 1001, makes it a crime for any person know or representations as to any matter within its jurisdiction.	ingly and willfully to r	nake to any department or agency of the	FREDERICK WRIGHT The United Specific College of the United Specific States of the United Specific States of the United Specific States of the United Specific Specif