OCD-ARTESIA

FORM APPROVED UNITED STATES Form 3160-5 Budget Bureau No. 1004-0135 DEPARTMENT OF THE INTERIOR (June 1990) Expires: March 31,1993 BUREAU OF LAND MANAGEMENT 5. Lease Designation and Serial No. NM-97849 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE FEB - 5 2007 OCD - ARTESA I Type of Well Oil Well Well Well 8. Well Name and No 2. Name of Operato Pecos Federal #1 Mack Energy Corporation 9. API Well No. 3. Address and Telephone No. (505)748-1288 P.O. Box 960, Artesia, NM 88211-0960 4. Location of Well (Footage, Sec., T. R., M. or Survey Description) Penasco Draw; Wolfcamp 11. County or Parish, State SHL 660 FSL & 1980 FEL, Sec. 12 T18S R23E BHL 660 FNL & 1980 FEL, Sec. 12 T18S R23E Eddy, NM 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 Recompletion New Construction Subsequent Report Plugging Back Non-Routine Fracturing Water Shut-Off Casing Repair Final Abandonment Notice Conversion to Injection Altering Casing Spud and Cement Casing 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.) 11/25/2006 Spud 17 1/2" hole 11/26/2006 Ran 12 joints 13 3/8 H-40 48# set @ 475', Cemented w/500sx Class C, 2% CC, 1/4# CF, plug down @ 4:30pm, circ 81sx. 11/27/2006 WOC 18 hours tested BOP to 1500# for 10minutes, held OK. 12/2/2006 TD 12 1/4 hole @ 1460'. 12/3/2006 Ran 34 joints 9 5/8 J-55 36# set @ 1481', Cemented w/600sx 35/65/6 C, 200sx Class C, 2%CC, circ 128sx, plug down 7:00pm. 12/4/2006 Move Silver Oak #5 off and wait for rig #3. 12/8/2006 Test BOP to 2000# for 10 minutes, held OK. 12/9/2006 Drilling 7 7/8 hole. 12/13/2006 Circulate and condition hole @ 5150'. 12/14/2006 Set 245sx plug. 12/15/2006 Drilling horizontal hole. 12/24/2006 TD 7 7/8 hole @ 8387'. 12/27/2006 Ran 194 joints 5 1/2 HCL-80 17# set @ 8387', Cemented w/200sx 35/65/6 C, 1100sx 50/50/2 C, 800sx H, .6%BA10A, .4%CD32, 1%FL62, plug down @ 9:32pm, circ 300sx. WOC 12 hours tested casing to 600# for 20 minutes, held OK. 14. I hereby certify that the foregoing is true and correct Production Clerk Title 2007 FEB Title 18 U.S.C. Section 1001, makes 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 same ments or representations as to any matter within its jurisdiction.

FREDERICK WRIGHT

Accepted for record - NMO pstruction on Reverse Side

PETROLEUM ENGINEER