



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

(Other Instructions on reverse side)

1457

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
DRILL  DEEPEN

b. TYPE OF WELL  
OIL WELL  Gas Well  OTHER   
SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
Mack Energy Corporation

3. ADDRESS AND TELEPHONE NO.  
P.O. Box 960, Artesia, NM 88211-0960 (505) 748-1288

4. LOCATION OF WELL (Report location clearly and in accordance with any state requirement.\*)  
At surface: 660 FSL & 660 FWL  
At proposed prod. zone: 660 FNL & 660 FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
7 miles southeast of Hope, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660

16. NO. OF ACRES IN LEASE 1120

17. NO OF ACRES IN LEASE TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. N/A

19. PROPOSED DEPTH 8200

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3889' GR

22. APPROX. DATE WORK WILL START\* 9/7/2006

23. PROPOSED CASING AND CEMENTING PROGRAM

ROSWELL CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2	H-40, 13 3/8	48	450	Circ
12 1/4	J-55, 9 5/8	36	1400	Suff to Circ
7 7/8	J-55, 5 1/2	17	8200	Suff to Circ

Mack Energy proposes to drill to a vertical hole to +- 4900', drill horizontal appr. 3960' north test the Wolfcamp formation. Run 5 1/2" casing and cement. If non-productive, the well will be plugged and abandoned in a manor consistent with federal regulation. Specific programs as per Onshore Oil and Gas Order #1 are outlined in the following attachments:

- 1. Surveys  
Exhibit #1- Well Location Plat  
Exhibit #2- Vicinity Map  
Exhibit #3- Location Verification Map
- 2. Drilling Program
- 3. Surface Use & Operating Plan  
Exhibit #4- One Mile Radius Map  
Exhibit #5- Production Facilities Layout  
Exhibit #6- Location Layout
- 4. Certification
- 5. Hydrogen Sulfide Drilling Operation Plan  
Exhibit #7- H2S Warning Sign  
Exhibit #8- H2S Safety Equipment
- 6. Blowout Preventers  
Exhibit #9- BOPE Schematic  
Exhibit #10- Blowout Preventer Requirements  
Exhibit #11- Choke Manifold
- 7. Responsibility Statement

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Geny W. Shenell TITLE Production Clerk DATE 8/7/2006

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject CONDITIONS OF APPROVAL, IF ANY:

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

APPROVED BY /s/ James Stovall TITLE ACTING FIELD MANAGER DATE NOV 03 2006

\*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

DISTRICT I  
1825 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Revised: ~~LINE 18, 2003~~  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 97512	Pool Name Undes. Rio-Penasco ; WOLFCAMP
Property Code	Property Name JAMES FEDERAL COM	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3889'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	18-S	23-E		660	SOUTH	660	WEST	EDDY

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	12	18S	23E		660	NORTH	660	WEST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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

<p>PROJECT AREA</p> <p>BHL</p> <p>PRODUCING AREA</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=639262.5 N X=402353.1 E</p> <p>LAT.=32.757023° N LONG.=104.650965° W</p> <p>3889.2' 3888.3' 660' 660' 660' 660' 3891.3' 3889.8'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jerry W. Sherrell</i> 8/7/06 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p>	
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p><i>Ronald J. Eidson</i> 7/24/06 Date Surveyed JR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p>Certificate No. GARY EIDSON 12841 RONALD J. EIDSON 3239</p>	