

RECEIVED

OCT-15 2008

District I
1625 N French Dr, Hobbs, NM 88240

District II
811 South First, Aztec, NM 88200

District III
1000 Rio Brazos Rd, Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

HOBBS OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised March 17, 1999

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-005-20333		'Pool Code 96101		'Pool Name SWD;Devonian	
'Property Code 37466		'Property Name Peery SWD SWD		'Well Number 4	
'OGRID No 013837		'Operator Name Mack Energy Corporation		'Elevation 3987" GR	

HI Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	15S	30E		660	North	990	East	Chaves

" 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
" Dedicated Acres 40				" joint or Infill		" Consolidation Code		" Order No SWD-581-A	

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL XL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				OPERATOR CERTIFICATION	
				<i>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.</i>	
				Signature <u>Jerry W. Sherrell</u>	
				Printed Name Jerry W. Sherrell	
Title Production Clerk		Date 6/24/08		"SURVEYOR CERTIFICATION	
<i>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</i>					
Date of Survey Signature and Seal of Professional Surveyor					
Certificate Number					

Attached to Form 3160-3
Mack Energy Corporation
Peery Federal #4 SWD
660 FNL & 990 FEL Unit A, Sec. 29 T15S R30E
Chaves County, NM

DRILLING PROGRAM

Re-entry

1. Geologic Name of Surface Formation

Quaternary

2. Estimated Tops of Important Geologic Markers:

Abo	6490'
Wolfcamp	7708'
Atoka	9543'
Morrow	10,024'
Devonian	11,070'

3. Estimated Depths of Anticipated Fresh Water, Oil and Gas:

Water Sand	150'	Fresh Water
Abo	6490'	Oil/Gas
Wolfcamp	10,024'	Oil/Gas
Devonian	11,070'	Oil/Gas

4. Casing Program: Existing

11 3/4" 42#, set 454' w/290 sx, circulated
8 5/8" 32#, set 5000' w/1100sx, circulated
5 1/2" liner @ 4791-11,150' w/1800 sx, TOC @ 7875'

5. Cement Program:

Squeeze Morrow perms 9883-9994' w/100 sx

6. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) will consist of a double ram-type 7 1/16 5000# Model T-81 preventer(attached). This unit will be manually operated and the ram type preventer will be equipped with blind rams on top of 2 7/8" tubing rams on bottom. The BOP will be nipped up on the 5 1/2" wellhead and used continuously until completed.

7. Types and Characteristics of the Proposed Mud System:

The well will be drilled with a **closed loop system** to TD with a combination of cut brine and polymer mud system. The depths and properties of this system are as follows:

DEPTH	TYPE	WEIGHT	VISCOSITY	WATERLOSS
0-TD	Cut Brine	9.1	29	N.C.

Attached to Form 3160-3
Mack Energy Corporation
Peery Federal #4 SWD
660 FNL & 990 FEL Unit A, Sec. 29 T15S R30E
Chaves County, NM

8. Abnormal Conditions, Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 120 degrees and estimated maximum bottom hole pressure is 3862 psig. Low levels of Hydrogen sulfide have been found in producing wells in the area.

9. Anticipated Starting Date and Duration of Operations:

As soon as approved. Once approved, drilling should be finished in appr. 3 days.

SURFACE USE AND OPERATING PLAN

1. Existing & Proposed Access Roads

- A. This is an existing P & A'd well, therefore no new construction is anticipated. Re-surfacing of road and location will be necessary.
- B. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

Access to this lease via NM-120085.

- A. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM approved caliche pit.

3. Location of Existing and/or Proposed Facilities:

- A. Mack Energy Corporation does not operate a production facility on this lease.
- B. If the well is productive, contemplated facilities will be as follows:
 - 1) Strawn Completion: Will be sent to the Peery Federal TB located at the #2 well. The Facility is shown in Exhibit #5.
 - 2) The tank battery and facilities including all flow lines and piping will be installed according to API specifications.
 - 3) Any additional caliche will be obtained from a BLM approved caliche pit. Any additional construction materials will be purchased from contractors.
 - 4) It will be necessary to run electric power if this well is productive. Power will be run by CVE and they will send in a separate plan for power.

Attached to Form 3160-3
Mack Energy Corporation
Peery Federal #4 SWD
660 FNL & 990 FEL Unit A, Sec. 29 T15S R30E
Chaves County, NM

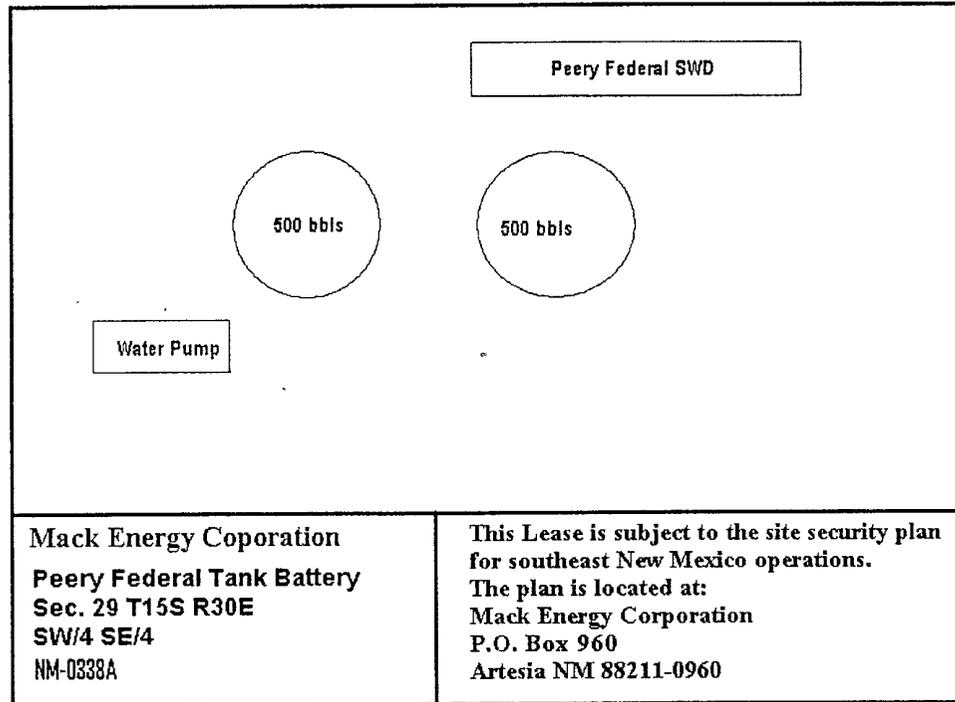


Exhibit #5

4. Location and Type of Water Supply:

The well will be drilled with brine water mud system. The water will be obtained from commercial water stations in the area and hauled to location.

5. Methods of Handling Water Disposal:

- A. Drilling fluids will be contained in steel tanks using a **closed loop system**.
- B. Garbage and trash produced during drilling or completion operations will be collected in a trash bin and hauled to an approved landfill.

6. Well Site Layout:

- A. The well pad layout is shown in Exhibit #6. Dimensions of the pad are shown.

Attached to Form 3160-3
Mack Energy Corporation
Peery Federal #4 SWD
660 FNL & 990 FEL Unit A, Sec. 29 T15S R30E
Chaves County, NM

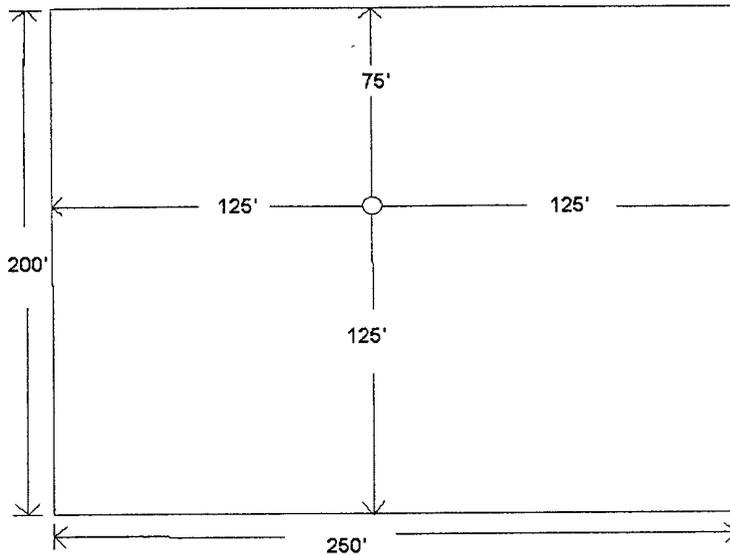


Exhibit #6

7. Plans for Restoration of the Surface:

- A. In the event of a dry hole. Location will be recontoured to its original natural level and reseeded as per BLM specifications.

8. Surface Ownership:

The well site and lease is located entirely on Federal surface. We have notified the surface lessee of the impending operations. According to BLM the lessee is Bogel Limited Company, Lewis Derrick, P.O. Box 460 Dexter, NM 88230.

9. Other Information:

- A. A Cultural Resources Examination has been completed by previous operator.

10. Lessee's and Operator's Representative:

The Mack Energy Corporation representative responsible for assuring compliance with the surface use plan is as follows:

Jerry W. Sherrell
Mack Energy Corporation
P.O. Box 960
Artesia, NM 88211-0960
Phone (505) 748-1288 (office)

Mack Energy Corporation

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. The concentrations of H₂S of wells in this area from surface to TD are low enough that a contingency plan is not required.

II. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment:

- A. Flare line.
-

- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.

2. Protective equipment for essential personnel:

- A. Mark II Survive air 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. 1 portable H2S monitors positioned on location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram (Exhibit #8).
- B. Caution/Danger signs (Exhibit #7) shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe operating practices, and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- A. All drill strings, tubing, wellhead, blowout preventer, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
 - B. Land line (telephone) communication at Office.
-

EXHIBIT #7

WARNING
YOU ARE ENTERING AN H2S
AUTHORIZED PERSONNEL ONLY

1. BEARDS OR CONTACT LENSES NOT ALLOWED
2. HARD HATS REQUIRED
3. SMOKING IN DESIGNATED AREAS ONLY
4. BE WIND CONSCIOUS AT ALL TIMES
5. CHECK WITH MACK ENERGY FOREMAN AT OFFICE

MACK ENERGY CORPORATION

1-505-748-1288

CERTIFICATION

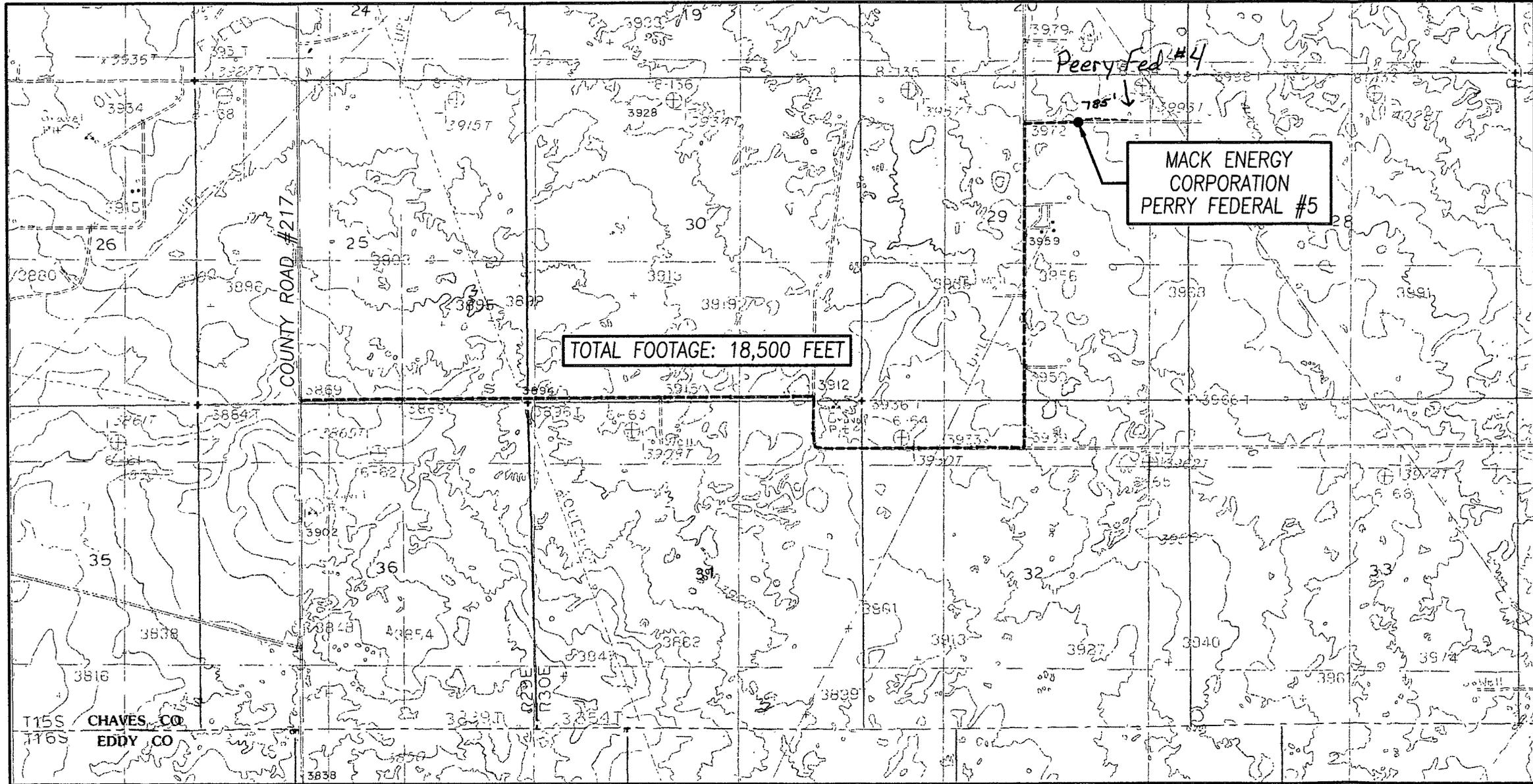
I hereby certify that I, or person under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Mack Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 6-26-08

Signed: 
Jerry W. Sherrell

SECTION 29, 30, 31 & 32, TOWNSHIP 15 SOUTH, RANGE 30 EAST & SECTION 25, TOWNSHIP 15 SOUTH, RANGE 29 EAST, N.M.P.M.

CHAVES COUNTY — NEW MEXICO



TOTAL FOOTAGE: 18,500 FEET

MACK ENERGY CORPORATION
PERRY FEDERAL #5

Perry Fed #4

SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
HENSHAW TANK, N.M.


PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

NOTICE OF STAKING

(Not to be used in place of Application for Permit to Drill Form 3160-3)

1. Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Specify		6. Lease Number NMNM-119274	
2. Name of Operator: Mack Energy Corporation		7. If Indian, Allottee or Tribe Name	
3. Name of Specific Contact Person: Jerry W. Sherrell		8. Unit Agreement	
4. Address & Phone No. of Operator or Agent P.O. Box 960, Artesia, NM (505) 748-1288		9. Farm or Lease Name Peery Federal	
5. Surface Location of Well 660 FNL & 990 FEL a) Sketch showing road entry into pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.		10. Well No. 4	
		11. Field or Wildcat Name SWD;Devonian	
		12. Sec., T., R., M., or Blk and Survey or Area Sec. 29 T15S R30E	
15. Formation Objective(s) SWD;Devonian	16. Estimated Well Depth 11,976	13. County, Parish or Borough Chaves	14. State NM

17. Additional Information (as appropriate; must include surface owner's name, address, and telephone number).

Bogel Limited Company, P.O. Box 460, Dexter, NM 88230 (505)365-2996

18. Signed *Jerry W. Sherrell* Title **Production Clerk** Date **7/16/08**

Note: Upon Receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

Operators must consider the following prior to the onsite:

- a) H2S Potential
- b) Cultural Resources (Archeology)
- c) Federal Right of Way or Special Use Permit

EXHIBIT A

PECOS DISTRICT - RFO

CONDITIONS OF APPROVAL

October, 2008

OPERATORS NAME: Mack Energy Corporation
LEASE NO.: NM-119274
WELL NAME & NO: Peery Federal #4 (SWD)
SURFACE HOLE FOOTAGE: 660' FNL & 990' FEL
LOCATION: Section 29, T. 15 S., R. 30 E., NMPM
COUNTY: Chaves County, New Mexico

GENERAL PROVISIONS

The approval of the Application For Permit To Drill (APD) is in compliance with all applicable laws and regulations: 43 Code of Federal Regulations 3160, the lease terms, Onshore Oil and Gas Orders, Notices To Lessees, New Mexico Oil Conservation Division (NMOCD) Rules, National Historical Preservation Act As Amended, and instructions and orders of the Authorized Officer. Any request for a variance shall be submitted to the Authorized Officer on Form 3160-5, Sundry Notices and Report on Wells.

I. PERMIT EXPIRATION

If the permit terminates prior to drilling and drilling cannot be commenced within 60 days after expiration, an operator is required to submit Form 3160-5, Sundry Notices and Reports on Wells, requesting surface reclamation requirements for any surface disturbance. However, if the operator will be able to initiate drilling within 60 days after the expiration of the permit, the operator must have set the conductor pipe in order to allow for an extension of 60 days beyond the expiration date of the APD (Filing of a Sundry Notice is required for this 60 day extension).

II. ARCHAEOLOGICAL, PALEONTOLOGY & HISTORICAL SITES

Any cultural and/or paleontological resource discovered by the operator or by any person working on the operator's behalf shall immediately report such findings to the Authorized Officer. The operator is fully accountable for the actions of their contractors and subcontractors. The operator shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery shall be made by the Authorized Officer to determine the appropriate actions that shall be required to prevent the loss of significant cultural or scientific values of the discovery. The operator shall be held responsible for the cost of the proper mitigation measures that the Authorized Officer assesses after consultation with the operator on the evaluation and decisions of the discovery. Any unauthorized collection or disturbance of cultural or paleontological resources may result in a shutdown order by the Authorized Officer.

III. NOXIOUS WEEDS

The operator shall be held responsible if noxious weeds become established within the areas of operations (access road and/or well pad). Weed control shall be required on the disturbed land where noxious weeds exist, which includes the roads, pads, associated pipeline corridor, and adjacent land affected by the establishment of weeds due to this action. The operator shall consult with the Authorized Officer for acceptable weed control methods, which include following EPA and BLM requirements and policies.

IV. CONSTRUCTION

A. NOTIFICATION:

The BLM shall administer compliance and monitor renovation of the access road and well pad. Notify the Roswell Field Office at (505) 627-0247 at least 3 working days prior to commencing renovation of the access road and/or well pad.

When renovation operations are being conducted on this well, the operator shall have the approved Application for Permit to Drill and Conditions of Approval on the well site and they shall be made available upon request by the Authorized Officer.

B. TOPSOIL:

There is no measurable soil on this well pad to stockpile. No topsoil stockpile is required.

C. CLOSED LOOP SYSTEM: **No reserve pit shall be used.**

The operator shall use a **Closed Loop System** instead of a reserve pit. The drill hole cuttings shall be properly disposed of at an authorized disposal site.

D. FEDERAL MINERAL MATERIALS PIT:

If the operator elects to surface the access road and/or well pad, payment for the mineral materials extracted from BLM lands shall be made prior to removal of any federal mineral materials. Call the Roswell Field Office at (505) 627-0236.

E. WELL PAD SURFACING:

Surfacing of the well pad is not required.

If the operator elects to surface the well pad, the surfacing material may be required to be removed at the time of reclamation.

The well pad shall be constructed in a manner which creates the smallest possible surface disturbance, consistent with safety and operational need.

F. ON LEASE ACCESS ROADS:

Road Egress and Ingress

The access road shall be renovated/constructed to access the southwest corner of the well pad.

Road Width

The access road shall have a driving surface that creates the smallest possible surface disturbance and does not exceed fourteen (14) feet in width. The maximum width of surface disturbance, when constructing the access road, shall not exceed thirty (30) feet.

Surfacing

Surfacing material is not required on the new access road driving surface. If the operator elects to surface the existing access road or pad, the surfacing material may be required to be removed at the time of reclamation.

Where possible, no improvements should be made on the unsurfaced access road other than to remove vegetation as necessary, road irregularities, safety issues, or to fill low areas that may sustain standing water.

The Authorized Officer reserves the right to require surfacing of any portion of the access road at any time deemed necessary. Surfacing may be required in the event the road deteriorates, erodes, road traffic increases, or it is determined to be beneficial for future field development. The surfacing depth and type of material will be determined at the time of notification.

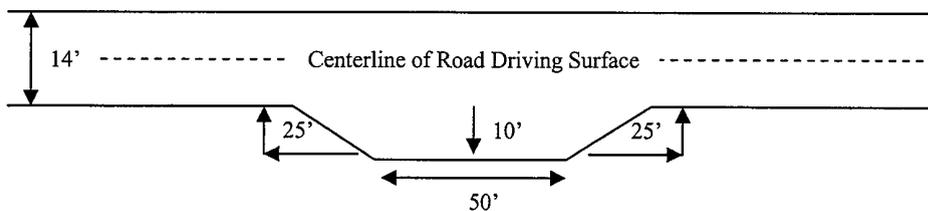
Crowning

Crowning shall be done on the access road driving surface. The road crown shall have a grade of approximately 2% (i.e., a 1" crown on a 14' wide road). The road shall conform to Figure 1; cross section and plans for typical road construction.

Turnouts

Vehicle turnouts shall be constructed on the road. Turnouts shall be intervisible with interval spacing distance less than 1000 feet. Turnouts shall be constructed on all blind curves. Turnouts shall conform to the following diagram:

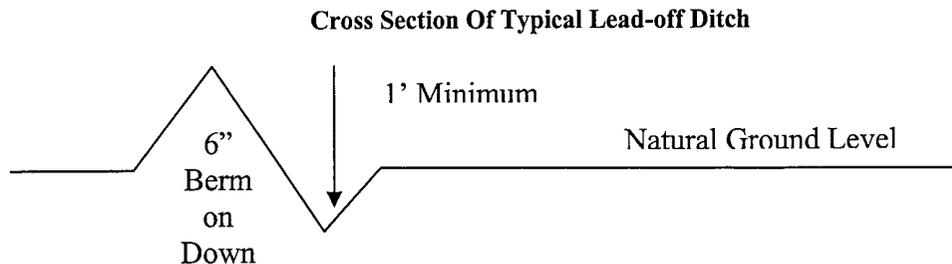
Standard Turnout – Plan View



Drainage

Drainage control systems shall be constructed on the entire length of road (e.g. ditches, sidehill out sloping and insloping, lead-off ditches, culvert installation, and low water crossings).

A typical lead-off ditch has a minimum depth of 1 foot below and a berm of 6 inches above natural ground level. The berm shall be on the down-slope side of the lead-off ditch.



All lead-off ditches shall be graded to drain water with a 1 percent minimum to 3 percent maximum ditch slope. The spacing interval are variable for lead-off ditches and shall be determined according to the formula for spacing intervals of lead-off ditches, but may be amended depending upon existing soil types and centerline road slope (in %);

Formula for Spacing Interval of Lead-off Ditches

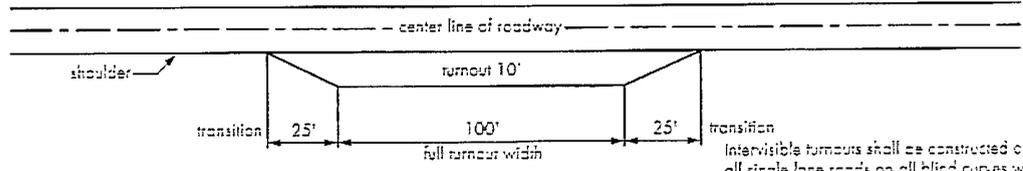
Example - On a 4% road slope that is 400 feet long, the water flow shall drain water into a lead-off ditch. Spacing interval shall be determined by the following formula:

$$400 \text{ foot road with } 4\% \text{ road slope: } \frac{400'}{4\%} + 100' = 200' \text{ lead-off ditch interval}$$

Public Access

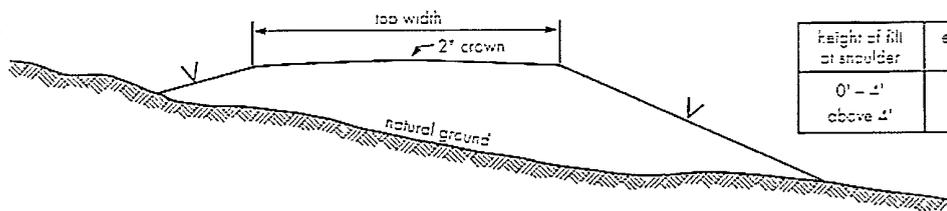
Public access on this road shall not be restricted by the operator without specific written approval granted by the Authorized Officer.

Figure 1 – Cross Sections and Plans For Typical Road Sections



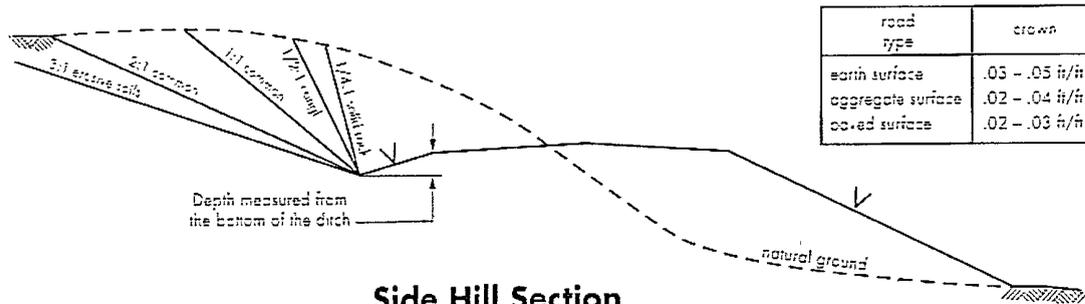
Typical Turnout Plan

Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.



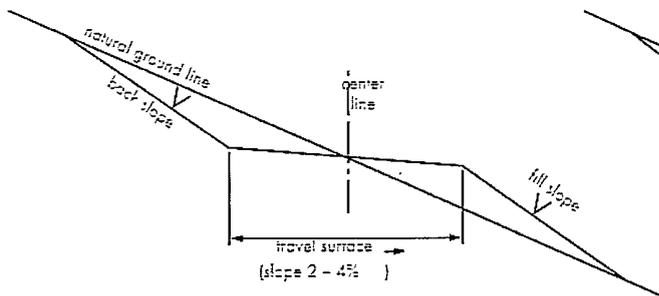
Embankment Section

height of fill at shoulder	embankment slope
0' - 4'	3:1
above 4'	2:1

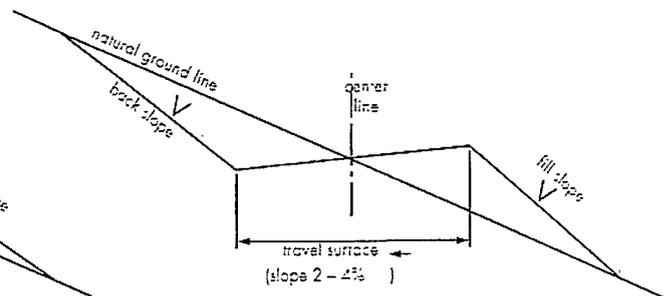


Side Hill Section

road type	crown
earth surface	.03 - .05 ft/ft
aggregate surface	.02 - .04 ft/ft
oiled surface	.02 - .03 ft/ft



Typical Outsloped Section



Typical Insloped Section

V. DRILLING

A. DRILLING OPERATIONS REQUIREMENTS

1. Call the Roswell Field Office, 2909 West Second St., Roswell NM 88201. During office hours call (575) 627-0205 and after hours call (575) 910-6024. Engineer on call during office hours call (575) 627-0272 or after hours call (575) 626-5749.

2. The Roswell Field Office is to be notified a minimum of 24 hours in advance for a representative to witness:

a. Re-Entry

b. BOPE Tests

3. Include the API No. assigned to well by NMOCD on the subsequent report of re-entry.

B. PRESSURE CONTROL:

1. Before drilling into the **cement plug set at the base of the 11-3/4 inch surface casing from 500 feet to 320 feet**, the blowout preventer assembly shall consist of a minimum of One Annular Preventer or Two Ram-Type Preventers and a Kelly Cock/Stabbing Valve. Before drilling into the **cement plug set at the base of the 8-5/8 inch intermediate casing from 5050 feet to 4770 feet**, the blowout preventer assembly shall consist of a minimum of One Annular Preventer, Two Ram-Type Preventers, and a Kelly Cock/Stabbing Valve.

2. Before drilling into the **cement plug set at the base of the 11-3/4 inch surface casing from 500 feet to 320 feet**, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be **2000** psi. Before drilling into the **cement plug set at the base of the 8-5/8 inch intermediate casing from 5050 feet to 4770 feet**, minimum working pressure of the blowout preventer and related equipment (BOPE) shall be **3000** psi.

3. The BOPE shall be installed before drilling into the **cement plug set at the base of the 8-5/8 inch intermediate casing from 5050 feet to 4770 feet**, and shall be tested as described in Onshore Order No. 2. Any equipment failing to test satisfactorily shall be repaired or replaced.

a. The BLM Roswell Field office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.

b. The tests shall be done by an independent service company.

c. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug.

d. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test shall be submitted to the BLM Roswell Field Office at 2909 West Second Street, Roswell, New Mexico 88201.

e. Testing fluid must be water or an appropriate clear liquid suitable for sub-freezing temperatures. Use of drilling mud for testing is not permitted since it can mask small leaks.

f. Testing must be done in a safe workman like manner. Hard line connections shall be required.

4. A clear copy of the original pressure test chart for the casing integrity test required by the New Mexico Oil Conservation Division (NMOCD) for a water injection or disposal well shall be submitted to the BLM Roswell Field Office.

VI. PRODUCTION

A. WELL STRUCTURES & FACILITIES

Placement of Production Facilities

Production facilities should be placed on the well pad to allow for maximum interim recontouring and revegetation of the well location.

Containment Structures

The containment structure shall be constructed to hold the capacity of the entire contents of the largest tank, plus 24 hour production, unless more stringent protective requirements are deemed necessary by the Authorized Officer.

Painting Requirement

All above-ground structures including meter housing that are not subject to safety requirements shall be painted a flat non-reflective paint color, Juniper Green from the Standard environmental colors.

VII. INTERIM RECLAMATION & RESERVE PIT CLOSURE

A. INTERIM RECLAMATION

Upon completion of the salt water disposal well, interim reclamation shall be conducted on the well site. Must be completed with six (6) months of well completion or well plugging. The operator shall submit a Sundry Notices and Reports on Wells (Notice of Intent), Form 3160-5, prior to conducting interim reclamation.

During the life of the development, all disturbed areas not needed for active support of salt water disposal operations should undergo "interim" reclamation in order to minimize the environmental impacts of development on other resources and uses.

During reclamation, the removal of caliche is important to increasing the success of revegetating the site. Removed caliche may be used in road repairs, fire walls or for building other roads and locations. In addition, in order to operate the well or complete workover operations, it may be necessary to drive, park and operate on restored interim vegetation within the previously disturbed area. Disturbing revegetated areas for workover operations will be allowed. If there is significant disturbance and loss of vegetation, the area will need to be revegetated. Communicate with the appropriate BLM office for any exceptions/exemptions if needed.

B. SEED MIXTURE

The operator should work with BLM surface management specialists to devise the best strategies to reduce the size of the location. Any reductions in the well pad should allow for remedial well operations, as well as, to provide a safe working area.

The disturbed areas shall be seeded as follows:

PECOS DISTRICT, BLM
SEED MIX FOR
(CP-2 Sand Hills Ecological Site)

Common Name and Preferred Variety	Scientific Name	Pounds of Pure Live Seed Per Acre
Sand bluestem,	<i>(Andropogon hallii)</i>	0.50 lb.
Little bluestem	<i>(Schizachyrium scoparium)</i>	0.50 lb.
Sideoats grama,	<i>(Bouteloua curtipendula)</i>	1.50 lbs.
Sand dropseed	<i>(Sporobolus cryptandrus)</i>	0.50 lb.
Spike dropseed	<i>(S. contractus)</i>	0.50 lb.
Mesa dropseed	<i>(S. flexuosus)</i>	0.50 lb.
Plains bristlegrass	<i>(Setaria macrostachya)</i>	2.00 lbs.
Desert or Scarlet	<i>(Sphaeralcea ambigua)</i>	0.50 lb.
Globemallow	or <i>(S. coccinea)</i>	
Buckwheat	<i>(Eriogonum spp.)</i>	<u>1.50 lbs.</u>
TOTAL POUNDS PURE LIVE SEED (pls) PER ACRE		8.00 lbs.

IF ONE SPECIES IS NOT AVAILABLE, INCREASE ALL OTHER PROPORTIONATELY. NO LESS THAN SIX (6) SPECIES WITH A MINIMUM OF ONE (1) FORB. NO LESS THAN 8.0 POUNDS PLS PER ACRE SHALL BE APPLIED OF CERTIFIED WEED FREE SEED.

VIII. FINAL ABANDONMENT & REHABILITATION REQUIREMENTS

- a. Upon abandonment of the salt water disposal well and/or when the access road is no longer in service, a Notice of Intent to Abandon on a Sundry Notices and Reports on Wells (Form 3160-5), describing the proposed surface restoration procedure shall be submitted for approval.
- b. The operator is responsible for reclaiming any surface disturbance that resulted from this actions, even if the well was not drilled.

c. WELL HEAD MARKER FOR THE PEERY FEDERAL #4 WELL

All casing shall be cut-off at the base of the cellar or 3-feet below final restored ground level (whichever is deeper). The well bore shall then be covered with a metal plate at least $\frac{1}{4}$ inch thick and welded in place. The well location and identity shall be permanently inscribed to the metal plate with a beaded weld. A weep hole shall be left in the metal plate that is welded in place.

EXHIBIT B

OPERATORS NAME: Mack Energy Corporation

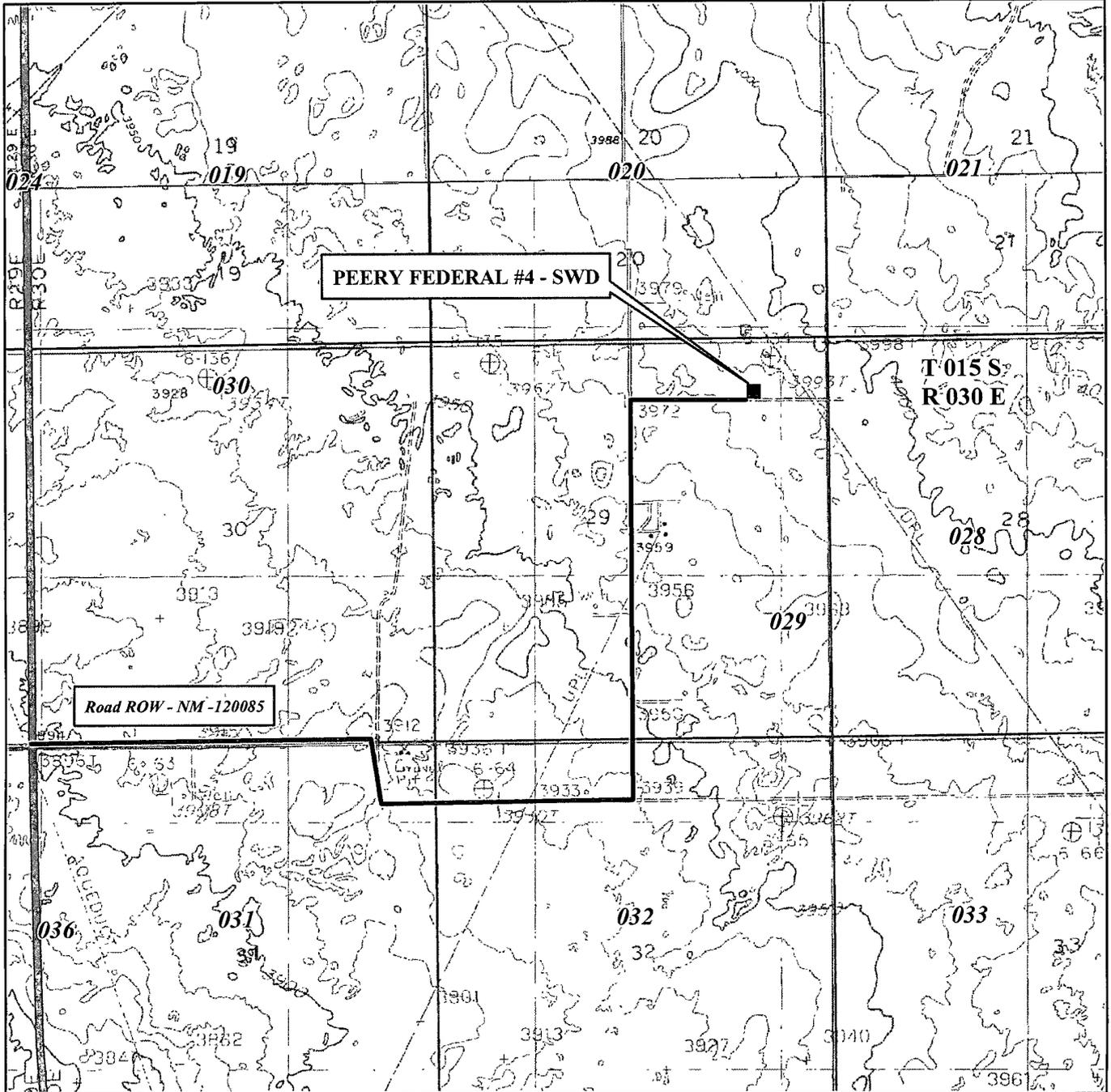
LEASE NO.: NM-119274

WELL NAME & NO: Peery Federal #4 (SWD)

SURFACE HOLE FOOTAGE: 660' FNL & 990' FEL

LOCATION: Section 29, T. 15 S., R. 30 E., NMPM

COUNTY: Chaves County, New Mexico



No warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data. Original data was compiled from various sources. Spatial information may not meet National Map Accuracy Standards. This information may be updated without notification.

