

DISTRICT I
P.O. Box 1980, Hobbs NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION
2404 South Pacheco
Santa Fe, New Mexico 87505

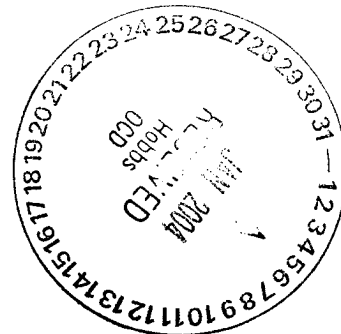
WELL API NO. 30-025-36309
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. A-983
7. Lease Name or Unit Agreement Name Sapphire State
8. Well No. 5
9. Pool name or Wildcat San Andres
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3354' GR

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS).	
1. Type Of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	2. Name of Operator Mack Energy Corporation
3. Address of Operator P.O. Box 960, Artesia, NM 88211-0960	4. Well Location Unit Letter <u>A</u> : <u>990</u> Feet From The <u>North</u> Line and <u>490</u> Feet From The <u>East</u> Line Section <u>23</u> Township <u>23S</u> Range <u>36E</u> NMPM <u>Lea</u> County
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3354' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
	CASING TEST AND CEMENT JOB <input type="checkbox"/>
	OTHER <input checked="" type="checkbox"/> Completion

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

09/05/2003 Drill out DV tool. Perforated from 3840-3849' 7 shots.
09/08/2003 Acidized w/3.5 bbls 15% NEFE .
10/24/2003 Set cement retainer @ 3835', squeezed 200 sx Class C, 2% CC.
10/27/2003 Perforated from 3821.5-3823.5', acidized w/3 bbls 15% NEFE.
10/28/2003 Set CIBP @ 3815' w/35' cement cap. Perforated from 3727.5-3729.5'.
10/29/2003 Acidized w/3 bbls 15% NEFE.
10/30/2003 Set CIBP @ 3724'. Perforated from 3706.5-3708.5'.
10/31/2003 Acidized w/400 gals 15% NEFE.
11/01/2003 Reacidized w/1000 gals 15% NEFE.
11/03/2003 RIH w/2 7/8 tubing SN @ 3709' 120 joints, RIH w/2 1/2x2x20' pump.
11/17/2003 Move in pumping unit and hook up electricity, start pumping well.



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 12/30/2003

TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO. (505)748-1288

(This space for State Use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE JAN 07 2004

CONDITIONS OF APPROVAL, IF ANY: