

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Jerry W. Sherrill
jerrys@mec.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9155

Mack Energy Corporation [OGRID 13837]
State 35 Well No. 7
API No. 30-025-40319

Reference is made to your application received on October 15th, 2025.

Location; Directional Well

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
SHL	1600 FSL & 1200 FWL	L	35	17S	33E	Lea
BHL	1430 FSL & 1397 FWL	K	35	17S	33E	Lea

Proposed Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 SW/4 Section 35	40	Maljamar; Grayburg – San Andres	43329

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide rules, which provides for 40-acre units, with wells to be located at least 330 from the QTR/QTR line.

Administrative Order NSL - 9155
Mack Energy Corporation
Page 2 of 2

This well's completed interval is as close as 77 feet to the western boundary and 83 feet to the southern boundary. Encroachment will impact the following tracts.

Section 35, encroachment to the SW/4 SW/4 and the SE/4 SW/4 (aka S/2 SW/4)

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands that you are seeking this orthodox location due to the well recompleting into the San Andres formation underlying the NE/4 SW/4 of Section 35.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



Albert C.S. Chang
Division Director
AC/lrl

Date: 1/5/2026

ID NO. 515418

NSL - 9155

Revised March 23, 2017

RECEIVED: 10/15/25	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Mack Energy CorporationOGRID Number: 013837Well Name: State 35 #7API: 30-025-40319Pool: Maljamar; Grayburg-San AndresPool Code: 43329

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☒ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐ Notice Complete☐ Application
Content
Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jerry W Sherrell

Print or Type Name

Signature

10/15/2025

Date

575-748-1288

Phone Number

jerrys@mec.com

e-mail Address



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

October 3, 2025

Oil Conservation Division
Attn: Leonard Lowe
1220 South St. Francis Dr.
Santa Fe, NM 87505

Dear Mr. Lowe:

Mack Energy respectfully requests an administrative approval without notice and hearing of the following unorthodox well location.

Because of our desire to recomplete this well in a timely manner, we also request your approval be expedited. The well location and legal description is as follows:

State 35 #7
1600 FSL & 1200 FWL
BHL: 1403 FSL & 1397 FWL
Sec. 35, T17S, R33E
Lea County, New Mexico

The well will be recompleted in the Maljamar; Grayburg-San Andres Pool 43329. An APD has been submitted (Action ID 511481). This well is currently completed in the Abo formation. Tubing has parted and after 10 days of unsuccessful attempts to pull tubing we have decided to plug back and produce the Grayburg formation. Mack Energy/Chase oil owns from the surface to base of the Abo formation. There is an existing NSL order for this well NSL-6508.

This well is located in the NW/4 of the SW/4 of Sec. 35 T17S R33E. The well's bottom hole location is in the NE/4 of the SW/4 of Sec 35 T17S R33E making the well an unorthodox location. The well is encroaching the NW/4, SW/4 and SE/4 of the SW/4 of Sec 35 T17S R33E, all of which is owned by Mack Energy Corporation. State of New Mexico Lease K003850006.

Thank you for your assistance in this matter. If you have any questions, please feel free to call.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in blue ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS
Enclosures

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
			<input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-025-40319	Pool Code 43329	Pool Name MALJAMAR; GRAYBURG-SAN ANDRES
Property Code 300204	Property Name STATE 35	Well Number 7
OGRID No. 13837	Operator Name MACK ENERGY CORPORATION	Ground Level Elevation 4111
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL L	Section 35	Township 17 S	Range 33 E	Lot	Ft. from N/S 1600 SOUTH	Ft. from E/W 1200 WEST	Latitude 32.788323°N	Longitude 103.638430°W	County LEA
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Bottom Hole Location

UL K	Section 35	Township 17 S	Range 33 E	Lot	Ft. from N/S 1403 SOUTH	Ft. from E/W 1397 WEST	Latitude 32.787776°N	Longitude 103.637779°W	County LEA
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Dedicated Acres 40	Infill or Defining Well Infill	Defining Well API	Overlapping Spacing Unit (Y/N) N	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
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Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input checked="" type="checkbox"/> Vertical	Ground Floor Elevation: 4111'
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OPERATOR CERTIFICATIONS

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest run leased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order here to fore entered by the division.

If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.

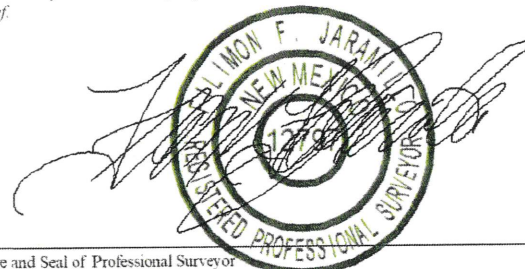
Deana Weaver 10/2/2025
Signature Date

Deana Weaver
Printed Name

dweaver@mec.com
Email Address

SURVEYOR CERTIFICATIONS

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.



Signature and Seal of Professional Surveyor
FILIMON F. JARAMILLO

Certificate Number

PLS 12797

Date of Survey

SEPTEMBER 30, 2025

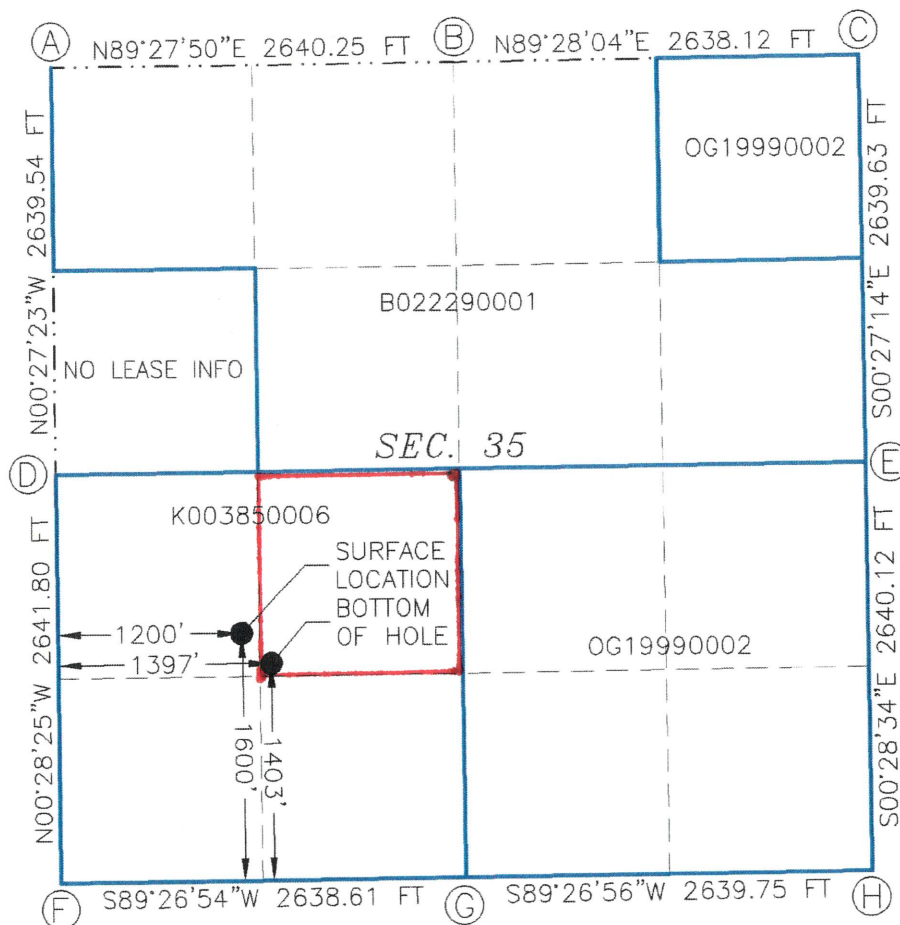
SURVEY NO. 10526

Note: 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.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



STATE 35 7
EL. = 4111

GEODETIC COORDINATES
NAD 83 NMSP EAST
SURFACE LOCATION
1600' FSL, 1200' FWL
N.=651225.6
E.=754887.9
LAT.=32.788323°N
LONG.=103.638430°W

BOTTOM OF HOLE
1403' FSL, 1397' FWL
N.=651027.6
E.=755089.5
LAT.=32.787776°N
LONG.=103.637779°W

CORNER COORDINATES TABLE

NAD 83 NMSP EAST

A	N.=654894.49	E.=753659.02
B	N.=654919.20	E.=756298.56
C	N.=654943.69	E.=758935.98
D	N.=652255.63	E.=753680.05
E	N.=652304.73	E.=758956.88
F	N.=649614.51	E.=753701.88
G	N.=649639.92	E.=756339.77
H	N.=649665.30	E.=758978.81

LEGEND

--- SECTION LINE
--- QUARTER LINE
--- LEASE LINE
--- WELL PATH

<u>Affected Parties</u>	<u>Interest Type</u>	<u>Certified Mail Number</u>
Commissioner of Public Lands PO Box 1148 Santa Fe, NM 87504-1148	RI	<u>9589 0710 5270 0177 3512 92</u>
Chase Oil Corporation P.O. Box 1767 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>
RDC Minerals LLC(Formerly Robert C. Chase) P.O. Box 297 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>
Ventana Minerals LLC(Formerly Richard L. Chase) P.O. Box 359 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>
DiaKan Minerals LLC(Formerly Gerene Dianne Chase Ferguson) P.O. Box 693 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

VIA CERTIFIED MAIL 9589 0710 5270 0177 3512 92

October 3, 2025

Commissioner of Public Lands
PO Box 1148
Santa Fe, NM 87504-1148

Dear Sir or Madam:

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Thank you for your assistance in this matter. If you have any questions, please feel free to call.

Sincerely,

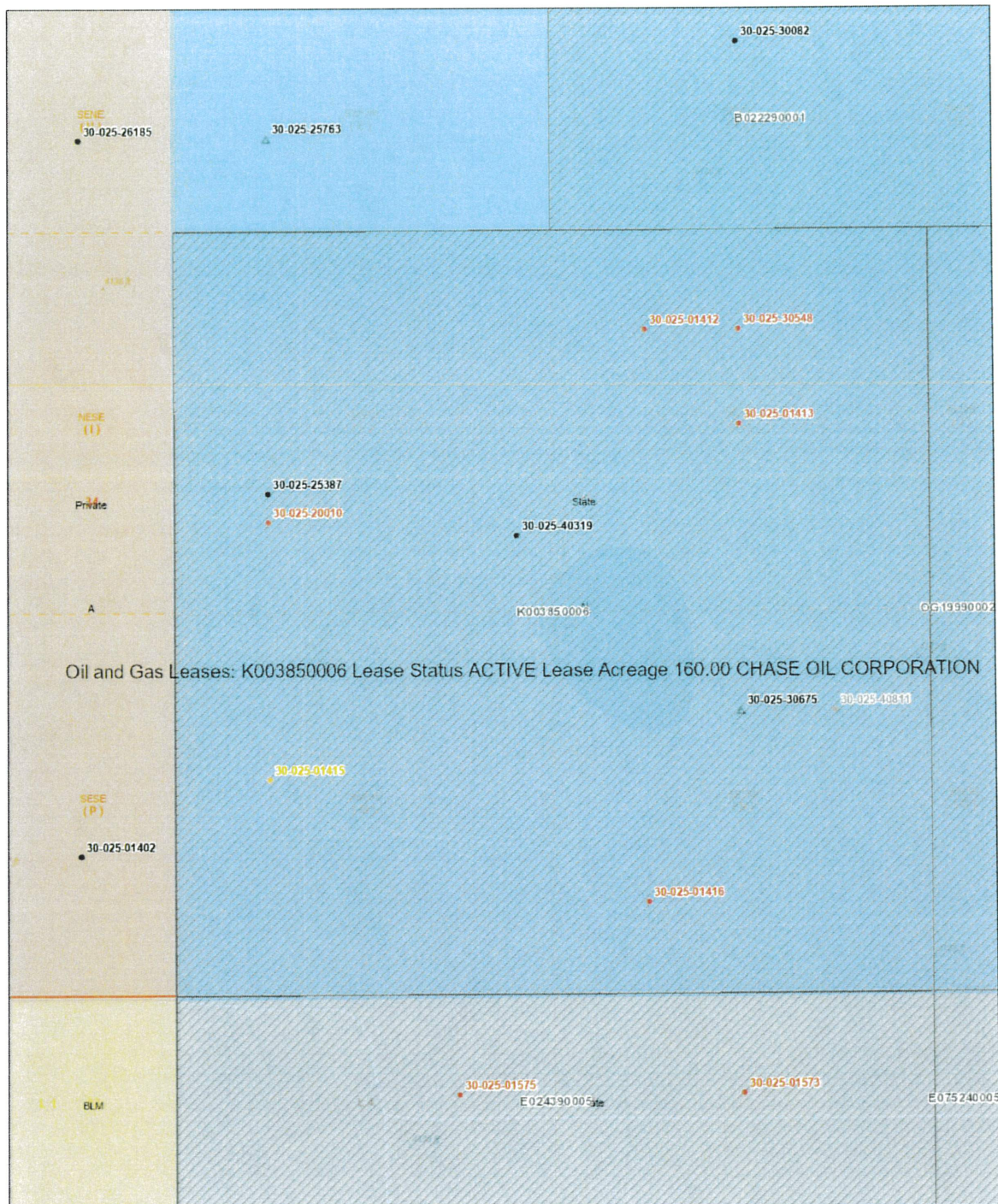
MACK ENERGY CORPORATION

A handwritten signature in blue ink, appearing to read "Jerry W. Sherrell".

Jerry W. Sherrell
Regulatory Supervisor

JWS
Enclosures

OCD Well Locations



10/1/2025, 3:21 41 PM

Wells - Large Scale

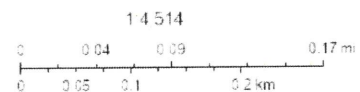
- Oil Active
- Oil Cancelled
- Oil Plugged
- Oil Temporarily Abandoned
- Salt Water Injection Active

Oil and Gas Leasing Restrictions

- Oil and Gas Leases
- Mineral Ownership
- A-All minerals are owned by U.S.
- N-No minerals are owned by the U.S.

Land Ownership

- BLM
- P
- S
- PLSS Second Division
- PLSS First Division



U.S. BLM, Sources: Earl, Tomlin, Garman, FAO, NGA, USGS, & Other/StreetMap contributors, and the GIS User Community. OCD Sources: Esri, Maxar, Airbus DS, USGS, NGA, NASA, CIGAR, N Robinson, NCEAS, NLS, OS, NMA, Geostastysystem, Pijkawaterstaat, USA, Geoland, FEMA.

New Mexico Oil Conservation Division
 NM OCD Oil and Gas Map: <http://nmehd.maps.arcgis.com/apps/webappviewer/index.html?id=4017630818ade26fc299835ca75> New Mexico Oil Conservation Division

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 515418

CONDITIONS

Operator: MACK ENERGY CORP P.O. Box 960 Artesia, NM 882110960	OGRID: 13837
	Action Number: 515418
	Action Type: [UF-NSL] Non-Standard Location (NSL)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/16/2025