OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

August 18, 1998

Mack Energy Corporation P. O. Box 960 Artesia, New Mexico 88211-0960

Attention:

Matt Brewer

Re:

Application for administrative approval to drill the Schley Federal Well No. 6 at an unorthodox oil well location within the Undesignated East Empire-Yeso Pool 2035 feet from the North line and 2450 feet from the West line (Unit F) of Section 29, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Dear Mr. Brewer:

Subsequent to my initial review of your application dated July 29, 1998, it would appear that there are locations considered to be standard available within the subject 40-acre tract. I am therefore returning the subject application as incomplete, please refer to Division Rule 104.F(3) and submit the appropriate information to justify the drilling of this well. Please explain in detail and show on attached plats why all other possible standard locations are not available to Mack Energy Corporation for a drilling location.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner

Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Carlsbad

Kathy Valdes, NMOCD - Santa Fe

MACK ENERGY CORPORATION

NSL 8/19/98

Post Office Box 960 Artesia, New Mexico 88211-0960 (505) 748-1288 / FAX (505) 746-2362

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OIL CONSERVATION DIVISION

July 29, 1998

Oil Conservation Division Attn: Mike Stogner 2040 South Pacheco Santa Fe, NM 87505

Dear Mr. Stogner:

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

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

Schley Federal #6 2035 FNL & 2450 FWL Sec. 29, T17S, R29E Eddy County, New Mexico

The well will be completed in the Paddock formation in the East Empire Yeso Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).
- B.) A plat showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A map showing the reason for the unorthodox location, the original location would have fallen on top of existing pipelines. (Exhibit C).

Please note that Mack Energy Corporation is the operator of the offsetting proration units in which we are encroaching upon in the Paddock formation of the East Empire Yeso Pool, therefore no other operators are required to be notified.

Oil Conservation Division July 29, 1998 Page 2

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

Sincerely,

MACK ENERGY CORPORATION

Matt J. Brewer

Geological Engineer

Matt J. Brewer

/mb

Enclosures

DISTRICT I P.O. Box 1980, Hobbe, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office

o Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II P.O. Drawer DD. Artesia, NM 88211-0719

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

DISTRICT IV P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Nam	ıe
	96610	East Empire Yeso	
Property Code	Prope	rty Name	Well Number
022367	SCHLEY I	FEDERAL	6
OGRID No.	•	tor Name	Elevation
013837	MACK ENERGY	CORPORATION	3604

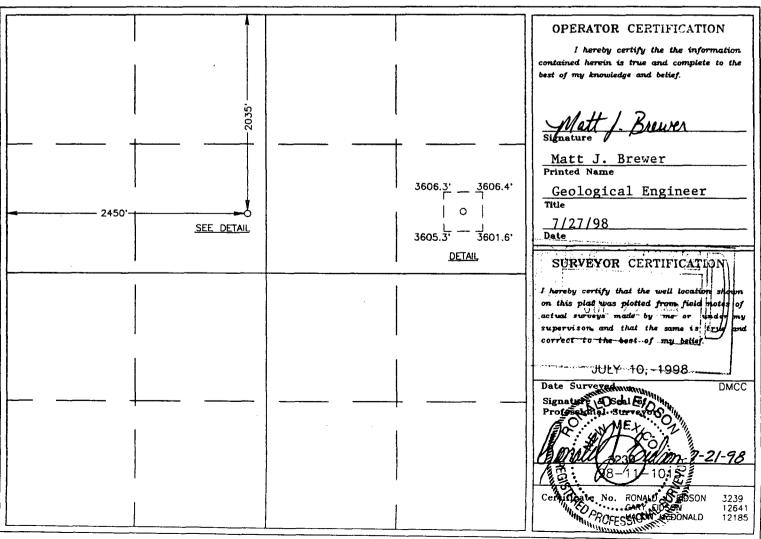
Surface Location

-	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	F	29	17 S	29 E		2035	NORTH	2450	WEST	EDDY

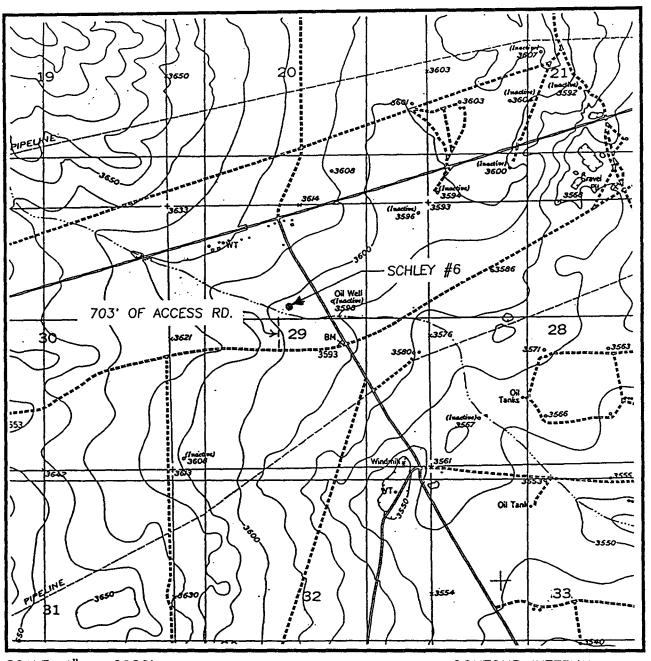
Bottom Hole Location If Different From Surface

	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	Dedicated Acres	Joint o	r Infill Co	nsolidation (Code Ore	der No.				

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



LOCATION VERIFICATION MAP



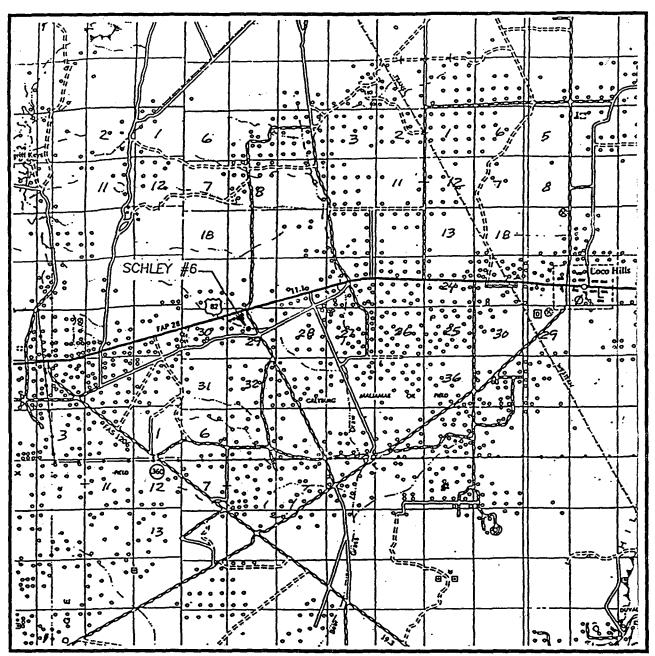
SCALE: 1" = 2000'

CONTOUR INTERVAL: RED LAKE SE - 10'

3EC. <u>29 IWP. 17-3 RGE. 29-E</u>
SURVEY N.M.P.M.
COUNTYEDDY
DESCRIPTION 2035' FNL & 2450' FWL
ELEVATION 3604
OPERATOR MACK ENERGY CORPORATION
LEASE SCHLEY FEDERAL
U.S.G.S. TOPOGRAPHIC MAP
RED LAKE SE, N.M.

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117

VICINITY MAP

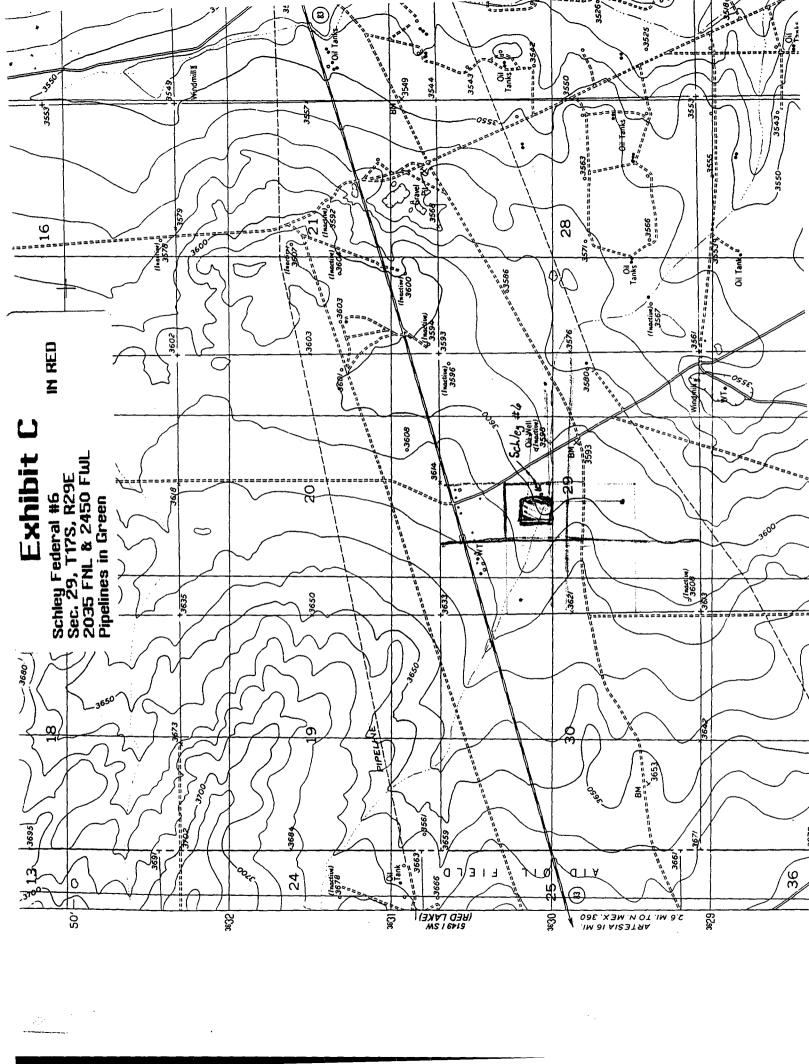


SCALE: 1" = 2 MILES

SEC. 29 TWP. 17-S RGE. 29-	<u>E</u>
SURVEY N.M.P.M.	
COUNTYEDDY	
DESCRIPTION 2035' FNL & 2450'	FWL
ELEVATION 3604	
OPERATOR MACK ENERGY CORPO	DRATION
LEASE SCHLEY FEDERAL	

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ONGARD CMD: C101-APPLICATION FOR PERMIT TO DRILL OG6C101

08/18/98 12:42:46 OGOIV -EME1

OGRID Idn : 13837 API Well No: 30 15 30307 APD Status(A/C/P): A

Aprvl/Cncl Date : 06-15-1998 Opr Name, Addr: MACK ENERGY CORP

PO BOX 960

ARTESIA, NM 88211-0960

Prop Idn: 22367 SCHLEY FEDERAL Well No: 8

U/L Sec Township Range Lot Idn North/South East/West -----

Surface Locn: F 29 17S 29E FTG 1580 F N FTG 1650 F W

OCD U/L : F API County : 15

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) : R

Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation: 3607

Multiple Comp (Y/N) : N State Lease No:

Prpsd Depth : 5800 Prpsd Frmtn : YESO

E7024: Only view is allowed

PF03 EXIT PF04 GoTo PF05 PF06 PF09 PRINT PF10 C102 PF11 HISTORY PF12 PF01 HELP PF02 PF03 EXIT PF06 CONFIRM

PF07 PF08