

DATE IN 10/20/06	SUSPENSE	D. CATANACH ENGINEER	LOGGED IN 10/23/06	TYPE NSL	APP NO. PD 50629647148
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



2006 OCT 20 PM 3 32

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

GB/SA
NSL

- [21] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

- [31] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [41] **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

Jerry W. Sherrell
 Signature

Production Clerk
 Title

10/17/06
 Date

jerrys@mackenergycorp.com
 e-mail Address



Post Office Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

October 17, 2006

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

RE: Application for NSL-Vacuum; Grayburg-San Andres
Lea KG State #9, API 30-025-36370
1395 FSL & 1255 FEL
Sec. 35 T17S R33E

Dear Mr. Stogner:

Mack Energy Corp is requesting approval for a NSL for the Lea KG State #9(Formerly KG 35 State #1) as a Grayburg-San Andres completion. This well was originally staked by MEC at a standard location and then moved at the request of interest owners COPC based on seismic data. MEC believes there is potential to produce this well in the Bone Spring formation, based on data from wells in this area. This location is encroaching upon the NW/4 SE/4, SW/4 SE/4 and these/4 SE/4, that is also owned by MEC. There is an existing NSL for this well in the Wolfcamp, Abo and Bone Spring formations (NSL-5106).

Mack Energy Corp owns 100% working and royalty interest in the Grayburg/San Andres formation.

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

Sincerely,

MACK ENERGY CORPORATION

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

DISTRICT I
P.O. Box 1980, Hobbs, 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
State Lease - 4 Copies
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-36370	Pool Code 62180	Pool Name VACUUM:GRAYBURG SAN ANDRES
Property Code 17335	Property Name Lea KG State	Well Number 9
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4120'

Surface Location

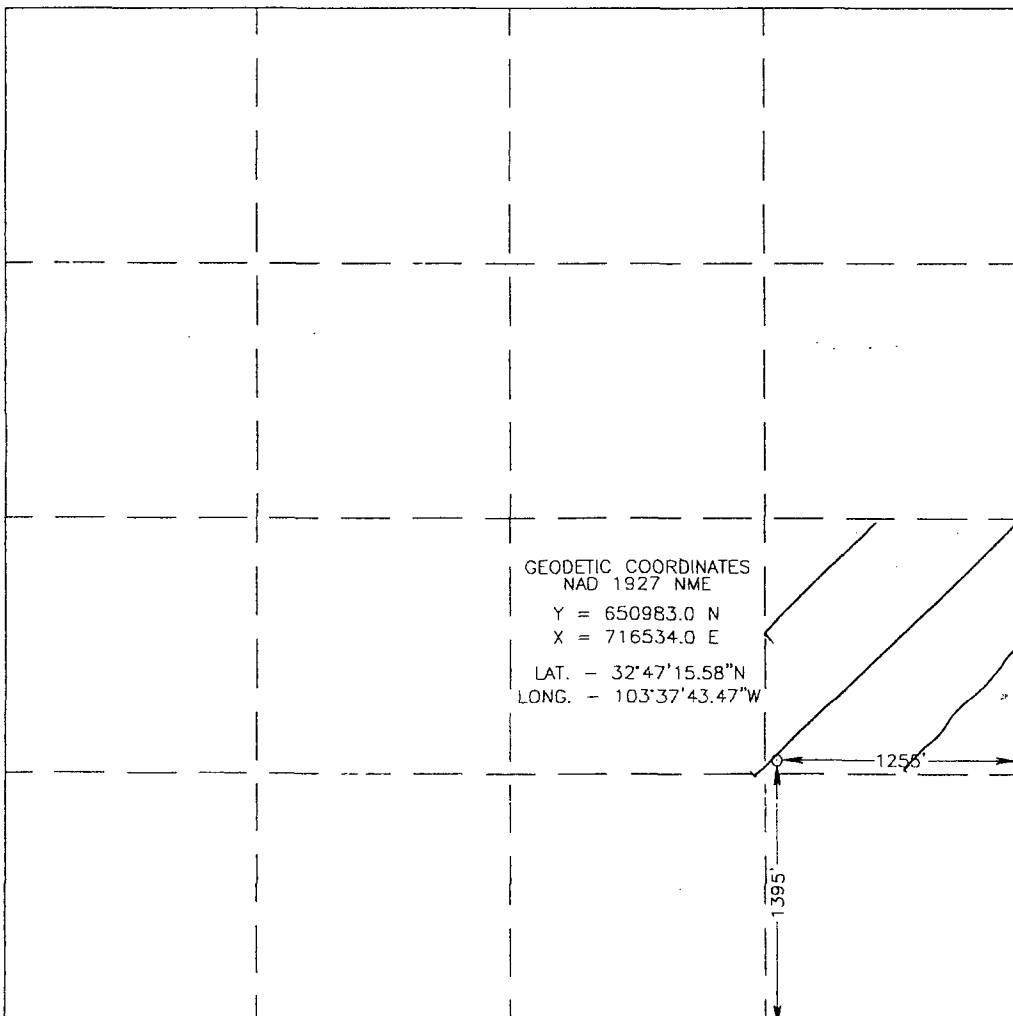
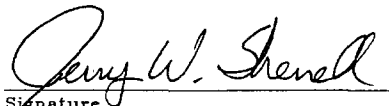
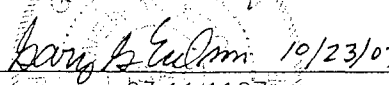
UL or lot No. 1	Section 35	Township 17-S	Range 33-E	Lot Idn	Feet from the 1395	North/South line SOUTH	Feet from the 1255	East/West line EAST	County LEA
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	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>GEODETC COORDINATES NAD 1927 NME Y = 650983.0 N X = 716534.0 E LAT. - 32°47'15.58"N LONG. - 103°37'43.47"W</p>
	<p>1255'</p> <p>1395'</p>
<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Jerry W. Sherrell Printed Name Production Clerk Title 9/20/2006 Date</p>	
<p>SURVEYOR CERTIFICATION</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>OCTOBER 20, 2003</p> <p>Date Surveyed LA</p> <p>Signature & Seal of Professional Surveyor  03.11.1127 Certificate No. GARY EIDSON 12641</p>	