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November 1, 2011

Case 14763

Hand delivered

Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Mack Energy Corporation, are an original and one copy of an application for compulsory pooling, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the December 1, 2011 Examiner hearing.

Very truly yours,



James Bruce

Attorney for Mack Energy Corporation

Parties Being Notified

Tom M. Ragsdale
P.O. Box 10303
Midland, Texas 79702

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF MACK ENERGY
CORPORATION FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

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Case No. 747623

APPLICATION

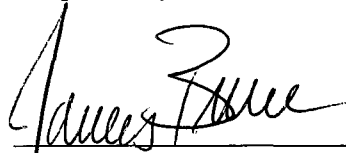
Mack Energy Corporation applies for an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, Township 17 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

1. Applicant is the operator of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, and has the right to drill or re-complete a well thereon.
2. Applicant proposes to re-complete its existing Cockburn A State Well No. 5 in the Abo formation. The SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 is dedicated to the well, forming a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 care spacing in that vertical extent.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 for the purposes set forth herein.
4. Although applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the re-completion of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, pursuant to NMSA 1978 §70-2-17.
5. The pooling of all mineral interests underlying the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order:

- A. Pooling all mineral interests in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32 from the surface to the base of the Abo formation;
- B. Designating applicant as operator of the well;
- C. Considering the cost of re-completing the well, and allocating the cost among the well's working interest owners;
- D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- E. Setting a 200% charge for the risk involved in re-completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Mack Energy Corporation

PROPOSED ADVERTISEMENT

Case No. 14763:

Application of Mack Energy Corporation for compulsory pooling, Lea County, New Mexico.

Mack Energy Corporation seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, Township 17 South, Range 33 East, N.M.P.M. The unit is dedicated to the Cockburn A State Well No. 5, an existing well to be re-completed in the Abo formation. Also to be considered will be the cost of re-completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in re-completing the well. The unit is located approximately 5 miles south-southwest of Maljamar, New Mexico.

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