

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. 14763

APPLICATION

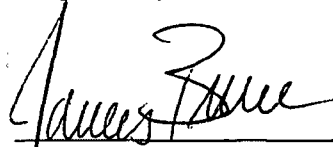
Mack Energy Corporation applies for an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 32, Township 17 South, Range 33 East, N.M.P.M., Lea County, New Mexico, and in support thereof, states:

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 acre 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,



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November 7, 2011

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

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

Ladies and gentlemen:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Mack Energy Corporation, regarding 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.

This matter is scheduled for hearing at 8:15 a.m. on Thursday, December 1, 2011, in Porter Hall at the Division's offices at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from contesting the matter at a later date.

A party appearing in a Division case is required by Division Rules to file a Pre-Hearing Statement no later than Wednesday, November 23, 2011. This statement must be filed with the Division's Santa Fe office at the above address, and should include: The names of the party and its attorney; a concise statement of the case; the names of the witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to the undersigned.

Very truly yours,



James Bruce

Attorney for Mack Energy Corporation