STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

RECEIVED

IN THE MATTER OF THE APPLICATION OF MACK ENERGY CORPORATION FOR A NON-STANDARD WELL LOCATION, CHAVEZ COUNTY, NEW MEXICO,

CASE NO. 14591

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP as required by the rules of the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

ATTORNEY

Mack Energy Corporation Attn: Stacy Sanders Post Office Box 960 Artesia, New Mexico 88211-0960 William F. Carr Holland & Hart LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421

OPPOSITION

ATTORNEY

WesPac Energy, LLC 8620 N. New Braunfels Ave, Suite 603 San Antonio, Texas 78217

STATEMENT OF CASE

APPLICANT

Mack Energy Corporation has applied for approval of a non-standard oil well location for its K2 State Well No. 1 That was drilled form an unorthodox surface location 180 feet from the North Line and 330 feet from the East Line (Unit A) of Section 36, Township 9 South, Range 29 East , to a standard bottom hole location in the Wolfcamp formation. The well was not successful in the Wolfcamp formation and the well was plugged back and recompleted up hole in the San Andres formation at an unorthodox well location 167 feet from the North Line and 306 feet from

the East Line of said Section 36. This location is approximately 40 miles East/Northeast of Roswell, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

(Name and Expertise)

Jerry Sherrell

10 minutes or By Affidavit

1

Regulatory

Production Clerk

PROCEDURAL MATTERS

Mack Energy Corporation has none at this time.

Attorney for Mack Energy Corporation

CERTIFICATE OF SERVICE

I certify that on January 13, 2011, I served a copy of the foregoing document to the following by facsimile:

Pat Ford

Authorized Agent

WesPac Energy, LLC

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