

RECEIVED <i>3/24/2018</i>	REVIEWER:	TYPE: <i>NSL</i>	APP NO: <i>88 3843</i> <i>MA 18022 50279</i>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



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

Applicant: <u>Mack Energy Corporation</u>	OGRID Number: <u>013837</u>
Well Name: <u>Medicine Hat State Com 1H</u>	API: <u>30-005-64303</u>
Pool: <u>Round Tank; San Andres</u>	Pool Code: <u>52770</u>

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

NSL-7674

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication
 NSL NSP(PROJECT AREA) NSP(PROPRATION UNIT) SD
- B. Check one only for [I] or [II]
- [I] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IFI EOR PFR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **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

3/28/2018
 Date

575-748-1288
 Phone Number

jerrys@mec.com
 e-mail Address

McMillan, Michael, EMNRD

From: Jerry Sherrell <jerrys@mec.com>
Sent: Wednesday, March 28, 2018 4:41 PM
To: McMillan, Michael, EMNRD
Subject: Medicine Hat State Com 1H-NSL
Attachments: 03282018medicine hat NSL043121.pdf

Hey Mike,

Could you take a look at this and let me know if I'm missing anything. I will bring the hard copy up Tuesday when I come to your office.

Jerry W. Sherrell
Mack Energy Corporation
PO Box 960
Artesia, NM 88210
Office 575-748-1288
Cell 575-703-7382
jerrys@mec.com



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

March 28, 2018

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

Re: Application of Mack Energy Corporation for administrative approval of an unorthodox well location for its Medicine Hat State Com #1H well in the SW/4 SW/4 of Sec. 35 T15S, R28E, Chaves County, New Mexico.

Dear Mr. McMillan:

Mack Energy Corporation (OGRID 13837) seeks administrative approval of an unorthodox well location for its **Medicine Hat State Com #1H Well** SHL 200 FSL 900 FWL, BHL 40 FNL 965 FWL Sec. 35 T15S R28E to be completed in the Round Tank; San Andres Pool (Pool Code 52770). Completed interval will be, First Take Point 330 FSL 900 FWL, through Last Take Point 100 FNL 965 FWL Sec. 35 T15S R28E. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well is unorthodox because it is closer to 330 feet to the NWNW boundaries of the project area. Approval of the unorthodox completed interval will allow for efficient well spacing and prevent waste of a productive reservoir.

Exhibit A is an as drilled plat for the **Medicine Hat State Com #1H Well** which shows that the completed interval encroaches on the SWSW Sec. 26 T15S R28E.

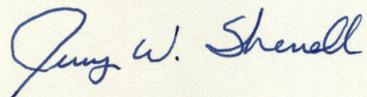
Exhibit B is a map showing the outline of the subject acreage and the surrounding sections.

Exhibit C is a list of parties affected by the encroachment in the surrounding sections and/or units. Mack Energy is also the operator of the SW/4 of Sec. 26 T15S R28E. A copy of this application with all attachments has been sent to each affected party. A courtesy copy of this application has also been provided to the New Mexico State Land Office.

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

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in blue ink that reads "Jerry W. Sherrell". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Jerry W. Sherrell
Production Clerk

JWS/
Enclosures

M E M O

DATE: March 28, 2018

TO: NMOCD

FROM: STACI SANDERS
MACK ENERGY CORPORATION

RE: **NON-STANDARD LOCATION**
MEDICINE HAT STATE COM #1H WELL
SHL: 200' FSL & 900' FWL, SEC. 35, T15S-R28E
BHL: 40' FNL & 965' FWL, SEC. 35, T15S-R28E
CHAVES COUNTY, NEW MEXICO

Mack Energy Corporation is seeking the approval of a non-standard location for the Medicine Hat State Com #1H well. Please see the attached exhibit for a list of the leases (with owners) and legal descriptions for this well.

The Medicine Hat State Com #1H will encroach on the SW/4 of Section 26, T15S-R28E, which is also operated by Mack Energy Corporation. The ownership for this fee lease is identical to the leases for the Medicine Hat State Com #1.

Please do not hesitate to contact me should you require any further information.

Sincerely,

Mack Energy Corporation



Staci Sanders
Land Manager

Medicine Hat State Com #1H Leases

ST NM V0-9382: SW/4 of Sec. 35, T15S-R28E

FEE Lease: NW/4 of Sec. 35, T15S-R28E (also covers SW/4 of Sec. 26, T15S-R28E)

Interest Owners:

Chase Oil Corporation WI
P.O. Box 1767
Artesia, NM 88211

Robert C. Chase WI
P.O. Box 297
Artesia, NM 88211

Ventana Minerals LLC WI
P.O. Box 359
Artesia, NM 88211

DiaKan Minerals LLC WI
P.O. Box 693
Artesia, NM 88211

Sendero Energy LLC WI
P.O. Box 556
Artesia, NM 88211

Katz Resources LLC WI
P.O. Box 797
Artesia, NM 88211

M Squared Energy LLC WI
P.O. Box 211
Artesia, NM 88211



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 748-7374

August 1, 2016

Mr. Michael McMillan
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RE: Mack Energy Corporation & Chase Affiliates

Dear Mr. McMillan:

Mack Energy Corporation is a Chase Family owned entity. The following Chase individuals or companies are all affiliates of Mack Energy Corporation and usually own an interest in wells drilled and/or operated by Mack Energy Corporation.

- Mack C. Chase Trust
- Robert C. Chase
- Richard L. Chase or Ventana Minerals LLC
- Gerene Dianne Chase Ferguson or DiaKan Minerals LLC
- Broken Arrow Royalties LLC
- Chase Oil Corporation

All of these family members and companies all office in the same building so notifications can be hand delivered; therefore we request that the certified mail process be waived when these parties are involved.

If you have any questions or need additional information please do not hesitate to contact me. Your assistance is greatly appreciated.

Sincerely,
Mack Energy Corporation

A handwritten signature in black ink that reads "Staci Sanders". The signature is written in a cursive, flowing style.

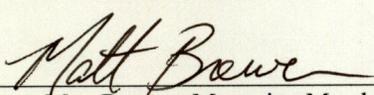
Staci Sanders
Land Manager

/ss

SIGNATURE PAGE

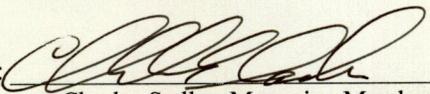
The undersigned approves of Mack Energy Corporation's request for an unorthodox location for our Medicine Hat State Com 1H SHL Unit M, Sec. 35 T15S R28E, BHL Unit D Sec. 35 T15S R28E. Producing interval, First Take Point 330 FSL 900 FWL, Last Take Point 100 FNL 965 FWL. The Medicine Hat State Com 1H is encroaching on the SW/4 of Sec. 26 T15S R28E. By signing of this document you waive your right to object to the Medicine Hat State Com 1H unorthodox location.

SENDERO ENERGY LLC

By: 
Matt Brewer, Managing Member

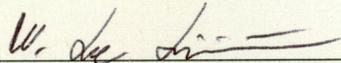
Date: 3/28/18

KATZ RESOURCES LLC

By: 
Charles Sadler, Managing Member

Date: 3/28/18

M SQUARED ENERGY LLC

By: 
W. Lee Livingston, Managing Member

Date: 3/28/18