

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John H. Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey  
Division Director  
Oil Conservation Division



May 10, 2012

Mack Energy Corporation  
Attn: Jerry W. Sherrell

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6608  
Administrative Application Reference No. pTWG12-10455206

Mack Energy Corporation  
OGRID 13837  
Mia Michelle State Well No. 1  
API No. 30-005-21175

**Proposed Location:**

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
467 FNL & 1200 FEL	A	32	15S	30E	Chaves

**Proposed Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 NE/4 of Section 32	40	South Double L; San Andres	19150

Reference is made to your application received on April 13, 2012.

You have requested to re-complete this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location in order to utilize an existing wellbore.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia  
New Mexico State Land Office