

ABOVE THIS LINE FOR DIVISION USE ONLY

R: 6/29/16
via e-mail

NEW MEXICO OIL CONSERVATION DIVISION
- 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

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

NSL-7441

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]:
- [A] Location - Spacing Unit - Simultaneous Dedication
- NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
- DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
- WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

MACK ENERGY [13837]
WELL: CAVERN STATE 16 #1H
API# 30-015-43841
POOL: FOREHAND RANCH;
WOLFCAMP (GAS)
[# 76780]

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] 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		Production Clerk	6/29/16
Print or Type Name	Signature	Title	Date
		jerrys@mec.com	
		e-mail Address	



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

June 29, 2016

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

Re: Mack Energy respectfully requests an administrative approval of an unorthodox well location for its Cavern State 16 #1H Well to be located in the S/2 of Section 16 Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Mr. Catanach:

Mack Energy Corporation (OGRID 13837) seeks administrative approval of an unorthodox well location for its **Cavern State 16 #1H Well** to be completed in the Forehand Ranch Wolfcamp (Gas) Pool (Pool Code 76780) underlying the S/3 of Section 16, Township 23 South, Range 27 East, Eddy County, New Mexico. This well will be drilled from a surface location of 2310 from the South line and 200 from the West line of Section 16 T23S R27E. The uppermost perforation will be 2310 from the South line and 330 from the West line of Section 16 (Unit L) and the lower most perforation will be 2310 from the South line and 330 from the East line (Unit I). Since the well is governed by Division Rule 19.15.15.10.B which provides for wells in defined gas pools in Eddy County to be spaced on 320 acres and located no closer than 660 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox. Approval of the unorthodox completed interval will allow for efficient well spacing and prevent waste of a productive reservoir.

Exhibit A is the Well Location and Acreage Dedication Plat (Form C-102), Which shows that the completed interval of the proposed **Cavern State 16 #1H Well** encroaches on the spacing and proration units to the West, Northwest, North, Northeast and East.

Exhibit B is a Midland 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. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. 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 black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style with a large initial "J" and a distinct "W".

Jerry W. Sherrell
Production Clerk

JWS/
Enclosures

District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-43841		Pool Code 76780	Pool Name Forehand Ranch; Wolfcamp
Property Code	Property Name CAVERN STATE 16		Well Number 1H
OGRID No. 13837	Operator Name MACK ENERGY CORPORATION		Elevation 3157.5

Surface Location

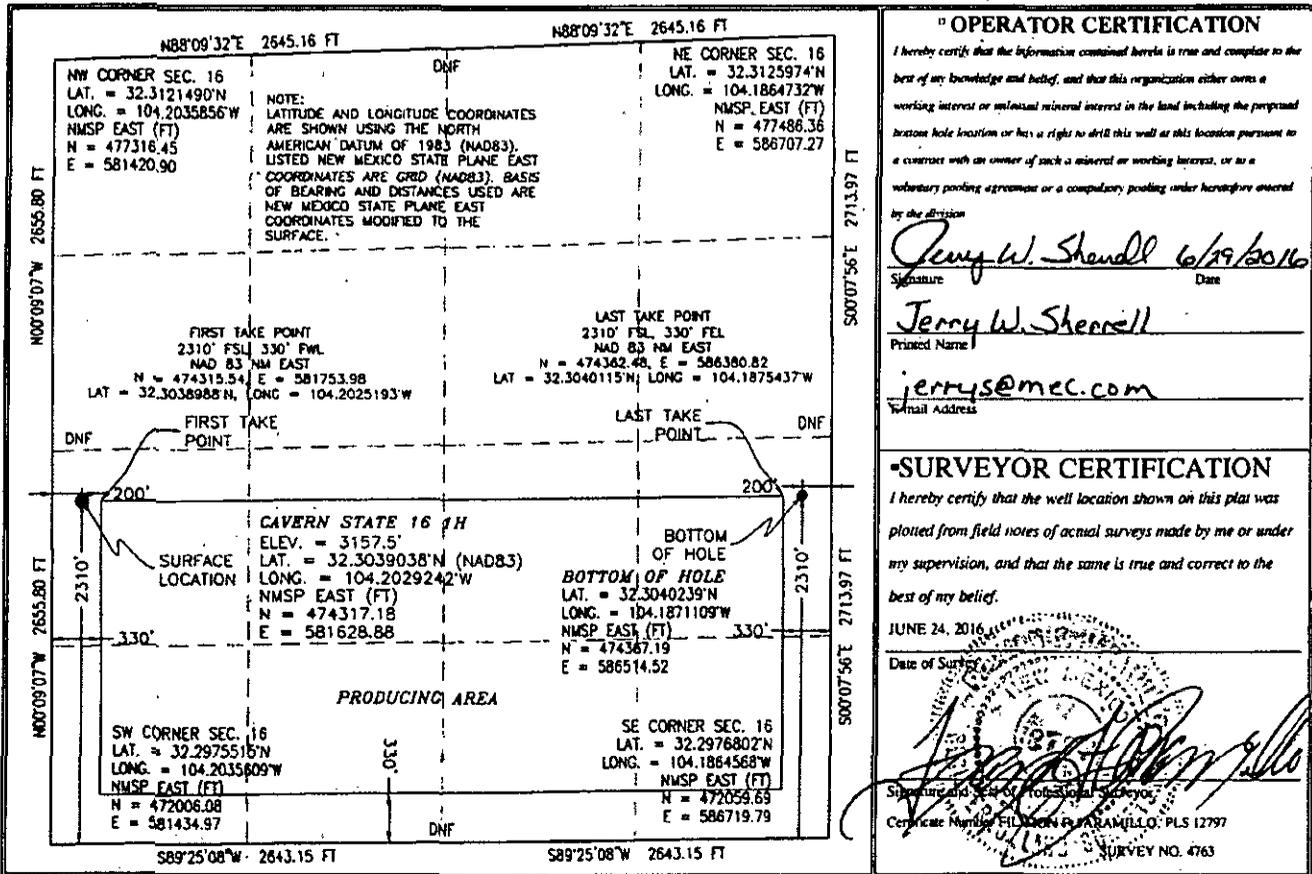
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	23 S	27 E		2310	SOUTH	200	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	16	23 S	27 E		2310	SOUTH	200	EAST	EDDY

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling under heretofore entered by the division

Jerry W. Sherrill 6/29/2016
Signature Date

Jerry W. Sherrill
Printed Name

jerry@mecc.com
Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JUNE 24, 2016
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor
Certificate Number: FILLIPON P. RAMILLO, PLS 12797
SURVEY NO. 4763

E/2NE/4 Sec. 15, T23S, R27E

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

Robert C. Chase
P.O. Box 297
Artesia, NM 88211-0297

Ventana Minerals LLC
P.O. Box 359
Artesia, NM 88211-0359

DiaKan Minerals LLC
P.O. Box 693
Artesia, NM 88211-0693

NE/4NW/4, NW/4NE/4 Sec. 15, T23S, R27E

Chase Oil Corporation, Robert C. Chase, Ventana Minerals LLC & DiaKan Minerals LLC

NW/4NW/4, S/2NW/4, SW/4NE/4, SW/4 Sec. 15, T23S, R27E

Tritex Energy A, LP
15455 Dallas Parkway, Suite 600
Addison, TX 75001

✓ Ray Westall Operating, Inc.
P.O. Box 4
Loco Hills, NM 88255

✓ Chevron USA Inc.
1400 Smith Street
Houston, TX 77002

N/2 Sec. 16, T23S, R27E

Nadel & Gussman Permian, LLC
15 East 5th Street, Suite 3300
Tulsa, OK 74103

Crown Oil Partners V, LP
PO Box 50820
Midland, TX 79710

Crump Energy Partners II, LP
PO Box 50820
Midland, TX 79710

N/2 Sec. 17, T23S, R27E

Chase Oil Corporation

S/2 Sec. 17, T23S, R27E.

Mobil Producing Texas & New Mexico, Inc.

P.O. Box 2305

Houston, Texas 77252



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

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7024 4011

Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Mack Energy respectfully requests an administrative approval of an unorthodox well location for its Cavern State 16 #1H Well to be located in the S/2 of Section 16 Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

Dear Sir:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within the 20 days after the date of this notice.

Sincerely,

A handwritten signature in black ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



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

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7024 4004

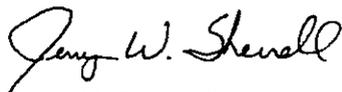
Crump Energy Partners II, LP
PO Box 50820
Midland, TX 79710

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavem State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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Sincerely,


Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7024 3991

Crown Oil Partners V, LP
PO Box 50820
Midland, TX 79710

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



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June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7024 3984

Nadel & Gussman Permian, LLC
15 East 5th Street, Suite 3300
Tulsa, OK 74103

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavem State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7024 3977

Mobil Producing Texas & New Mexico, Inc.
P.O. Box 2305
Houston, Texas 77252

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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Production Clerk*

JWS/

Enclosures



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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3816

Chevron USA Inc.
1400 Smith Street
Houston, TX 77002

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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Jerry W. Sherrell
Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3809

Ray Westall Operating, Inc.
P.O. Box 4
Loco Hills, NM 88255

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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Production Clerk*

JWS/

Enclosures



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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3793

Tritex Energy A, LP
15455 Dallas Parkway, Suite 600
Addison, TX 75001

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960
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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3779

Ventana Minerals LLC
P.O. Box 359
Artesia, NM 88211-0359

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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Jerry W. Sherrell
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JWS/

Enclosures



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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3786

DiaKan Minerals LLC
P.O. Box 693
Artesia, NM 88211-0693

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3762

Robert C. Chase
P.O. Box 297
Artesia, NM 88211-0297

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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*Jerry W. Sherrell
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JWS/

Enclosures



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Artesia, NM 88211-0960
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Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3755

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

Dear Sir or Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavem State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.

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A handwritten signature in black ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

Lowe, Leonard, EMNRD

From: Jerry Sherrell <jerrys@mec.com>
Sent: Monday, August 01, 2016 3:41 PM
To: Lowe, Leonard, EMNRD; 'Jones, William V., EMNRD (William.V.Jones@state.nm.us)'
Cc: Travis Lanning; Staci Sanders
Subject: FW: Cavern State 16 1H Well

Mr. Lowe,

Please see the email below. If you have any other questions or concerns, please let me know.

Thanks,

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

From: Caleb Hopson [mailto:chopson@bcoperating.com]
Sent: Monday, August 01, 2016 3:36 PM
To: Hall, Justin
Cc: Jerry Sherrell
Subject: RE: Cavern State 16 1H Well

Justin – You are correct. BC received notification through Crown Oil Partners V, LP and Crump Energy Partners II, LLC. We have no objections to WPX's NSL regarding the Cavern 16 State #1H.

Please let me know if you need anything else.

Thanks,

Caleb Hopson
BC Operating, Inc.
4000 N. Big Spring, ste 310
Midland, Tx 79705
OFF: 432-684-9696 ext. 762

BC OPERATING, INC.
Crown Oil Partners V, LP
Crump Energy Partners II, LLC

From: Hall, Justin [mailto:Justin.Hall@wpxenergy.com]
Sent: Monday, August 01, 2016 3:12 PM
To: Caleb Hopson <chopson@bcoperating.com>
Cc: Jerry Sherrell <jerrys@mec.com>
Subject: Cavern State 16 1H Well

Caleb – Thanks again for your help on this one. The NMOCD has requested that we get confirmation that BC Operating, Inc. (“BC”) has been made aware of our Non-Standard Well Location application for the planned Cavern State 16 1H well. BC, which is a fully owned subsidiary and designated Operator for Crown Oil Partners V, LP and Crump Energy Partners II, LLC, should have received the notification of this planned well through their parent companies and did not have any objections to the planned well.

If that is correct, can you please respond to this email and confirm that BC was in receipt of the notification? If that is true, we will forward this email to Leonard Lowe (Leonard.Lowe@state.nm.us) with the NMOCD for confirmation of your receipt of notification.

Please let me know if you have any questions.

Thanks,

Justin R. Hall
Senior Landman - Permian Basin

WPXENERGY


3500 One Williams Center, MD 35
Tulsa, OK 74172
(539) 573-8967
justin.hall@wpxenergy.com

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Thursday, August 04, 2016 9:31 AM
To: 'jerrys@mec.com'
Cc: Bayliss, Randolph, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; Holm, Anchor E.; Martin, Ed
Subject: NSL-7441 (Cavern State 16 Well No. 1H, Eddy County) 16 23S 27E_APPROVED
Importance: High

Mr. Jerry W. Sherrell,

The following permit has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

NSL-7441

Mack Energy Corporation

API: 30-015-43841

WELL: Cavern State 16 Well No. 1H, Eddy County

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>