

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



November 14, 2016

Mack Energy Corporation
Attn: Ms. Deana Weaver

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7482

Mack Energy Corporation
OGRID 13873
Prince Rupert Federal No. 1
API No. 30-005-64222

Proposed Location:

| | <u>Footages</u> | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|---------------------------------|----------------------|-------------|-------------|-------------|--------------|---------------|
| Surface | 1900` FSL & 330` FWL | L | 20 | 15S | 29E | Chaves |
| Penetration Point | 1642` FSL & 360` FWL | L | 20 | 15S | 29E | Chaves |
| Final perforation (Terminus) | 1649` FSL & 356` FWL | L | 20 | 15S | 29E | Chaves |

Proposed Spacing unit:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|----------------------|--------------|------------------------|------------------|
| Unit L of Section 20 | 40 | Round Tank; San Andres | 52770 |

Reference is made to your application received on November 4, 2016.

You have requested to drill this directional well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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

It is our understanding that you are seeking this NSL in order to allow for efficient well spacing and prevent waste waste of a productive reservoir.

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

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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



DAVID R. CATANACH
Director

DRC/rl

cc: New Mexico Oil Conservation Division – Artesia District Office
Bureau of Land Management – Roswell Field Office