

Revised March 23, 2017

RECEIVED: <u>11/29/2018</u>	REVIEWER: <u>MAM</u>	TYPE: <u>NS</u>	APP NO: <u>DMAM18333 44470</u>
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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:** Mack Energy Corporation **OGRID Number:** 013837  
**Well Name:** Prince George Federal Com 1H **API:** 30-005-64310  
**Pool:** Round Tank San Andres **Pool Code:** 52770

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

**1) TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

NSL       NSP(PROJECT AREA)       NSP(PORATION 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     IPI     EOR     PFR

*NSL-7790*

**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

11/29/18  
 Date

575-748-1288  
 Phone Number

jerrys@mec.com  
 e-mail Address



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

November 29, 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 Prince George Federal Com 1H well in the NWNE of Sec. 32 T15S, R29E, Chaves County, New Mexico.**

Dear Mr. McMillan:

Mack Energy Corporation (OGRID 13837) seeks administrative approval of an unorthodox well location for its **Prince George Federal Com 1H Well SHL 660 FNL 2285 FEL, Sec. 32 T15S R29E, BHL 4 FNL 2281 FEL Sec. 29 T15S R29E**, completed in the Round Tank; San Andres Pool (Pool Code 52770). Completed interval: **FTP 104 FSL 2281 FEL, through LTP 75 FNL 2281 FEL Sec. 29 T15S R29E**. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 100 feet to the outer boundary of the spacing unit, the completed interval for this well is unorthodox because it is closer than 100 feet to the NWNE of Sec. 29 T15S R29E boundary of the project area. **This well was perforated beyond the setback in an effort to maximize recovery of stranded resources.**

**Exhibit A** is an as drilled plat for the **Prince George Federal Com 1H Well** which shows that the completed interval encroaches on the SWSE Sec. 20 T15S R29E.

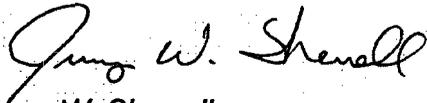
**Exhibit B** is a map showing the outline of the subject acreage and the surrounding sections.

**Exhibit C** is a list of parties affected by the encroachment in the surrounding sections and/or units. A copy of this application with all attachments has been sent to each affected party. Mack Energy is the operator of the offsetting acreage, which has identical interest.

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

Sincerely,

**MACK ENERGY CORPORATION**



**Jerry W. Sherrell**  
**Production Clerk**

**JWS/**  
**Enclosures**

**McMillan, Michael, EMNRD**

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**From:** Jerry Sherrell <jerrys@mec.com>  
**Sent:** Thursday, November 29, 2018 1:32 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Klein, Ranell, EMNRD  
**Subject:** [EXT] Prince George Federal Com 1H  
**Attachments:** Production Workroom\_20181129\_142344.pdf; 12182018220841001.pdf

Michael,

Please see the attached Unorthodox Well Location application.

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

**McMillan, Michael, EMNRD**

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**From:** McMillan, Michael, EMNRD  
**Sent:** Thursday, November 29, 2018 1:35 PM  
**To:** 'Jerry Sherrell'  
**Cc:** Klein, Ranell, EMNRD  
**Subject:** RE: [EXT] Prince George Federal Com 1H

Thanks Jerry:  
Santa Fe OCD received your NSL application on Thursday November 29, 2018

Mike

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**From:** Jerry Sherrell <jerrys@mec.com>  
**Sent:** Thursday, November 29, 2018 1:32 PM  
**To:** McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>  
**Cc:** Klein, Ranell, EMNRD <Ranell.Klein@state.nm.us>  
**Subject:** [EXT] Prince George Federal Com 1H

Michael,

Please see the attached Unorthodox Well Location application.

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

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-9720

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

<sup>1</sup> API Number 30-005-64310		<sup>2</sup> Pool Code 52770		<sup>3</sup> Pool Name Round Tank; San Andres	
<sup>4</sup> Property Code 320814		<sup>5</sup> Property Name PRINCE GEORGE FEDERAL COM			<sup>6</sup> Well Number 1H
<sup>7</sup> OGRD No. 13837		<sup>8</sup> Operator Name MACK ENERGY CORPORATION			<sup>9</sup> Elevation 3781.5

" Surface Location

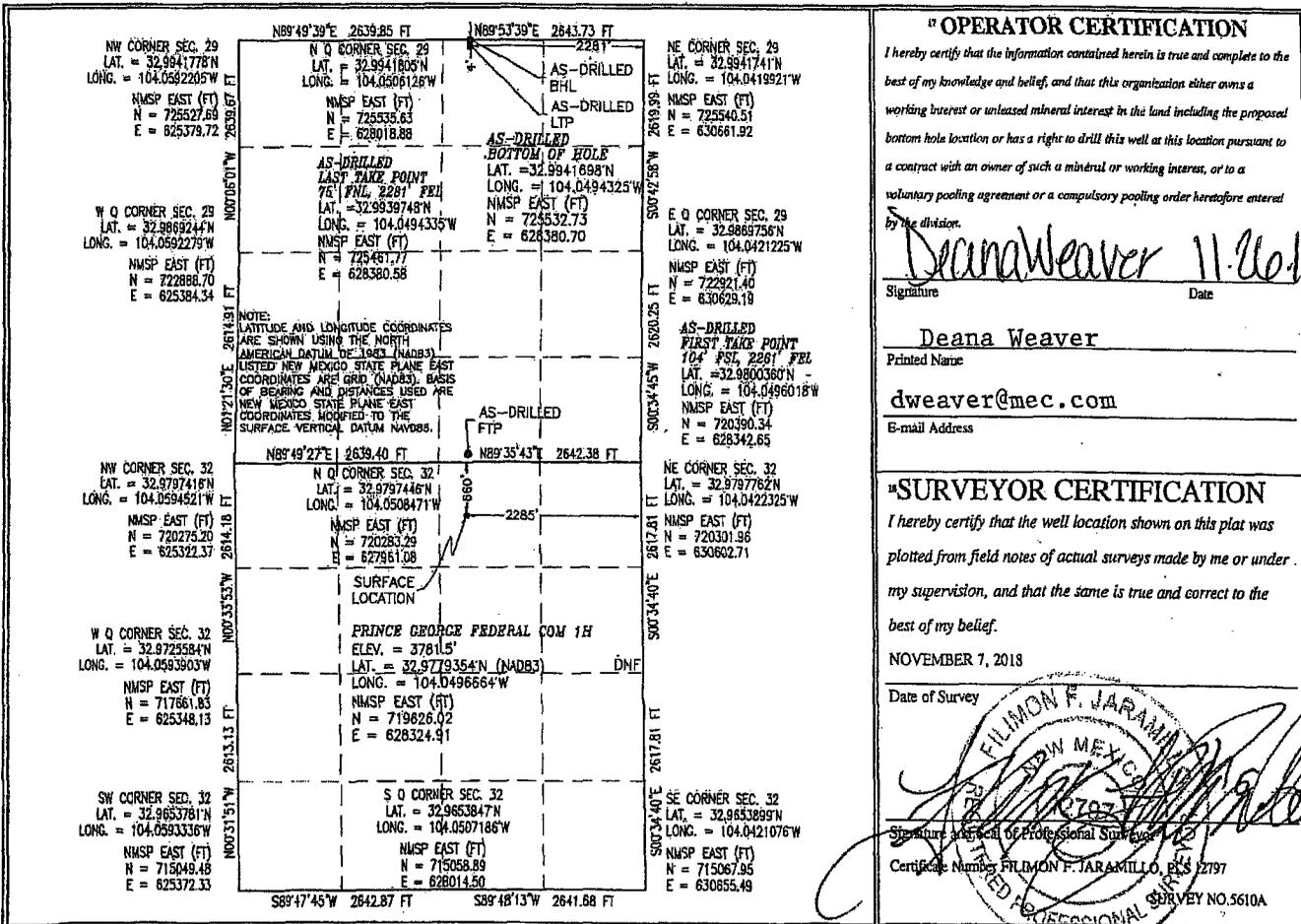
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	15 S	29 E		660	NORTH	2285	EAST	CHAVES

" 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
B	29	15 S	29 E		4	NORTH	2281	EAST	CHAVES

<sup>11</sup> Dedicated Acres 160	<sup>12</sup> Joint or Infill	<sup>13</sup> Consolidation Code	<sup>14</sup> 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 unleased 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 order heretofore entered by the division.  
*Deana Weaver* 11-26-13  
Signature Date

Deana Weaver  
Printed Name  
dweaver@mec.com  
E-mail 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.  
NOVEMBER 7, 2013  
Date of Survey  
FILMON F. JARAMILLO  
REGISTERED PROFESSIONAL SURVEYOR  
Certificate Number FILMON F. JARAMILLO, R.S. 12797  
SURVEY NO. 5610A

Intent  As Drilled

API #

Operator Name: <b>MACK ENERGY CORPORATION</b>	Property Name: <b>PRINCE GEORGE FEDERAL COM</b>	Well Number <b>1H</b>
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Kick Off Point (KOP)

UL <b>B</b>	Section <b>32</b>	Township <b>15S</b>	Range <b>29E</b>	Lot	Feet <b>660</b>	From N/S <b>NORTH</b>	Feet <b>2285</b>	From E/W <b>EAST</b>	County <b>CHAVES</b>
Latitude <b>32.9779354</b>					Longitude <b>104.0496664</b>			NAD <b>83</b>	

First Take Point (FTP)

UL <b>O</b>	Section <b>29</b>	Township <b>15S</b>	Range <b>29E</b>	Lot	Feet <b>104</b>	From N/S <b>SOUTH</b>	Feet <b>2261</b>	From E/W <b>EAST</b>	County <b>CHAVES</b>
Latitude <b>32.9800360</b>					Longitude <b>104.0496018</b>			NAD <b>83</b>	

Last Take Point (LTP)

UL <b>B</b>	Section <b>29</b>	Township <b>15S</b>	Range <b>29E</b>	Lot	Feet <b>75</b>	From N/S <b>NORTH</b>	Feet <b>2281</b>	From E/W <b>EAST</b>	County <b>CHAVES</b>
Latitude <b>32.9939748</b>					Longitude <b>104.0494335</b>			NAD <b>83</b>	

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #

Operator Name:	Property Name:	Well Number



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**M E M O**

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DATE: November 29, 2018

TO: NMOCD

FROM: STACI SANDERS  
MACK ENERGY CORPORATION

RE: **NON-STANDARD LOCATION**  
PRINCE GEORGE FEDERAL COM #1H WELL (API #30-005-64310)  
SHL: 660' FNL & 2285' FEL, SEC. 32, T15S-R29E  
FTP: 104' FSL & 2261' FEL, SEC. 29, T15S-R29E  
LTP: 75' FNL & 2281' FEL, SEC. 29, T15S-R29E  
BHL: 4' FNL & 2281' FEL, SEC. 29, T15S-R29E  
CHAVES COUNTY, NEW MEXICO

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

The Prince George Federal Com #1H will encroach on Federal Lease NMNM-131580 in the SW/4 SE/4 of Section 20, T15S-R29E, which is also operated by Mack Energy Corporation. The ownership for this lease is identical to the leases for the Prince George Federal Com #1H (see ownership attached).

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

Sincerely,

**Mack Energy Corporation**



Staci Sanders  
Land Manager

**Prince George Federal Com #1H Leases**

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**USA Lease NMNM-101106: W/2 NE/4 of Sec. 29, T15S-R29E**  
**USA Lease NMNM-131583: W/2 SE/4 of Sec. 29, T15S-R29E**

**Interest Owners:**

Chase Oil Corporation P.O. Box 1767 Artesia, NM 88211	WI
Robert C. Chase P.O. Box 297 Artesia, NM 88211	WI
Ventana Minerals LLC P.O. Box 359 Artesia, NM 88211	WI
DiaKan Minerals LLC P.O. Box 693 Artesia, NM 88211	WI
Sendero Energy LLC P.O. Box 556 Artesia, NM 88211	WI
Katz Resources LLC P.O. Box 797 Artesia, NM 88211	WI
M Squared Energy LLC P.O. Box 211 Artesia, NM 88211	WI

**Encroaching on the following Lease:**

**USA Lease NMNM131580: SW/4 SE/4 of Sec. 20, T15S-R29E**

**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:

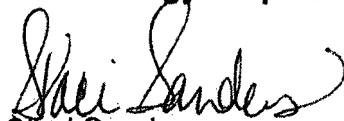
Mack Energy Corporation is a Chase Family owned entity. The following Chase individuals or companies are all affiliates of Mack Energy Corporation and usually own an interest in wells drilled and/or operated by Mack Energy Corporation.

- 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**

  
Staci Sanders  
Land Manager

/ss

SIGNATURE PAGE

**The undersigned approves of Mack Energy Corporation's request for administrative approval of an unorthodox well location for its Prince George Federal Com 1H well in the NWNE of Sec. 32 T15S, R29E, Chaves County, New Mexico. Encroaching upon the SWSE of Sec. 20 T15S R29E.**

**SENDERO ENERGY LLC**

By:   
Matt Brewer, Managing Member

Date: 11/29/2018

**KATZ RESOURCES LLC**

By:   
Charles Sadler, Managing Member

Date: 11/29/18

**M SQUARED ENERGY LLC**

By:   
W. Lee Livingston, Managing Member

Date: 11/29/2018