

ABOVE THIS LINE FOR DIVISION USE ONLY

Fox Fed. #5  
F-31-175-32E

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



RECEIVED  
SEP - 2 2003  
Conservation Division

## 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]

- [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 \_\_\_\_\_
- [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  
Print or Type Name

*Jerry W. Sherrell*  
Signature

Production Clerk  
Title

8/28/03  
Date

jerrys@mackenergycorp.com  
e-mail Address



P.O. Box 960  
Artesia, NM 88211-0960  
Office (505) 748-1288  
Fax (505) 746-9539

August 28, 2003

Oil Conservation Division  
Attn: Mike Stogner  
2040 South Pacheco  
Santa Fe, NM 87505

Dear Mr. Stogner:

Mack Energy Corporation respectfully requests an administrative approval without notice and hearing of the following unorthodox well locations.

Because of our desire to drill these wells in a timely manner, we also request your approval be expedited. The well locations and legal descriptions are as follows:

Brown Federal #5  
1115 FNL & 990 FWL  
Sec. 31, T17S, R32E  
Lea County, New Mexico

Fox Federal #4  
1600 FNL & 1090 FWL  
Sec. 31, T17S, R32E  
Lea County, New Mexico

Fox Federal #5  
2510 FNL & 1650 FWL (F)  
Sec. 31, T17S, R32E  
Lea County, New Mexico

Weasel Federal #1  
1550 FSL & 990 FEL  
Sec. 31, T17S, R32E  
Lea County, New Mexico

The wells will be completed in the Grayburg formation in the Maljamar-Grayburg-San Andres Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plats (form C-102) filed with the Hobbs office of the Oil Conservation Division (Exhibit A).
- B.) A map showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A topographic map showing the reason for the unorthodox locations, the original Brown #5 and Fox #~~3~~ & #4 locations were moved at the request of the BLM representative during the on-site inspection due to the sand dunes that are habitat for a specific Sand Dune Lizard.

Oil Conservation Division  
August 28, 2003  
Page 2

The Weasel #1 location would have fallen on top of or too close to existing gas pipelines, which are visible on the map. This well encroaches the same lease to the south. We are not going to be able to drill the Weasel #2 due to the sand dunes at that location. Therefore, we have staked the Weasel #3 & #4 in the same 40 acre tract.

We are also not going to be able to drill the Fox Federal #2 due to the sand dunes at that location.

All of these unorthodox locations with the exception of the Fox Federal #4 are encroaching upon itself or another lease operated by Mack Energy Corp. The Fox Federal #4 is encroaching upon the NW/4 NW/4 the NE/4 NW/4 and the SE/4 NW/4. Attached is a letter sent to notify Conoco/Phillips of the unorthodox location.

Also, please note that the Mack Energy group has 100% of the working interest in the Mack operated leases.

Currently we are completing the Brown Federal #4 and have drilled the Panther Federal #1, Panther Federal #3, and drilling the Fox Federal #1. (Exhibit C).

Should you have any questions concerning the reasons for moving the locations, you can contact Don Peterson at the Carlsbad Bureau of Land Management (505) 887-6544.

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



P.O. Box 960  
Artesia, NM 88211-0960  
Office (505) 748-1288  
Fax (505) 746-9539

August 28, 2003

**CERTIFIED RETURN RECEIPT MAIL**  
7002 0860 0006 7056 4391

ConocoPhillips Company  
PO Box 2197  
Houston, TX 77251  
Attn: Linda Hicks

Dear Madam:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Grayburg oil well location for the Fox Federal #4. The location for this well is 1600 FNL & 1090 FWL of Section 31-T17S-R32E, Lea County, New Mexico.*

*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 application has been received.*

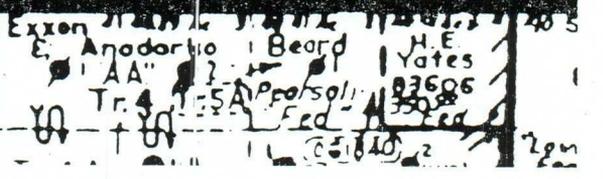
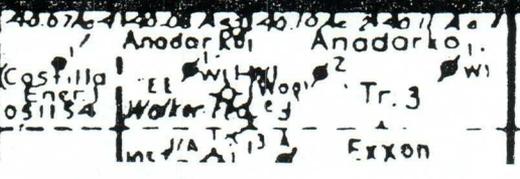
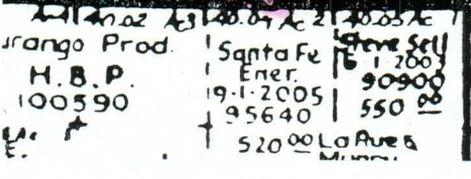
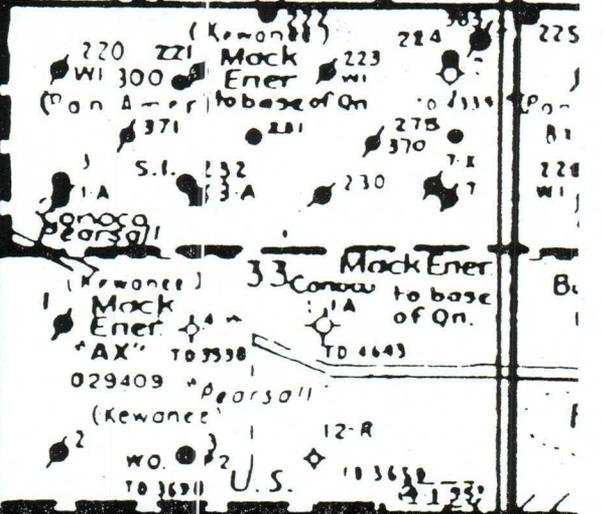
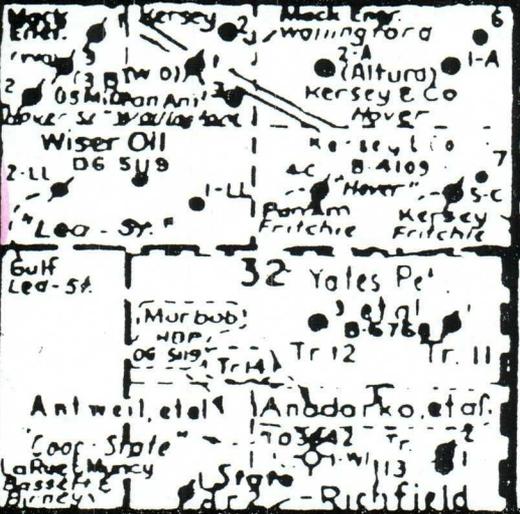
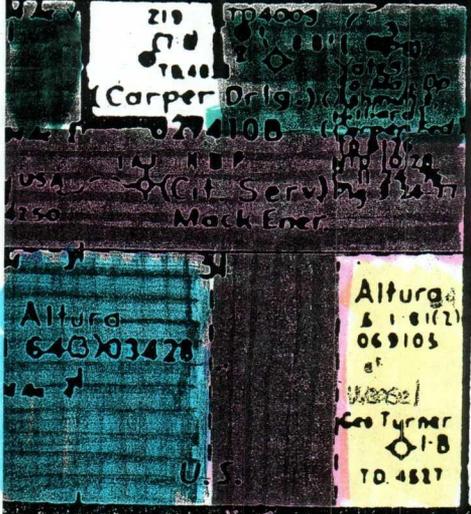
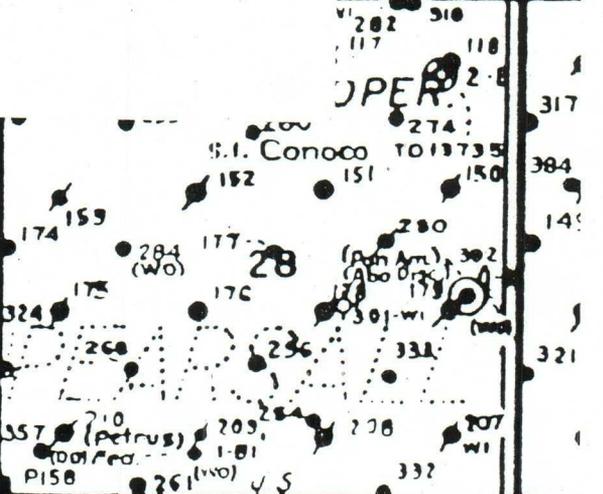
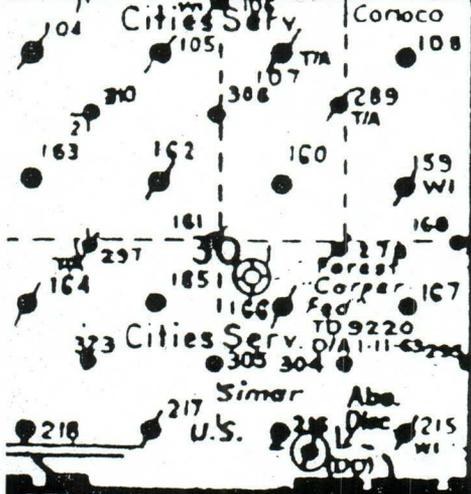
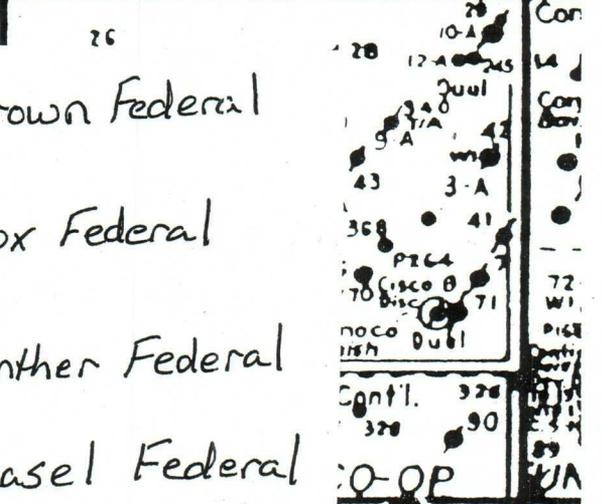
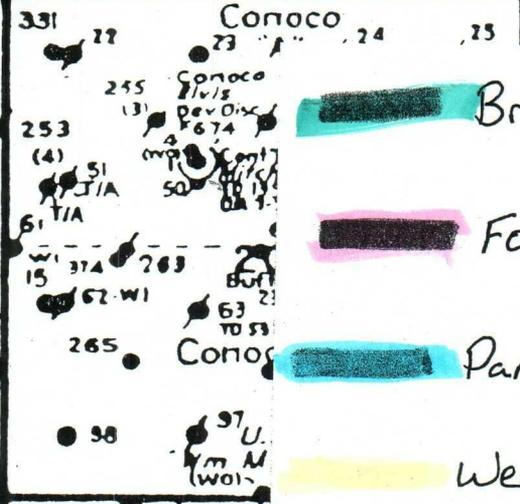
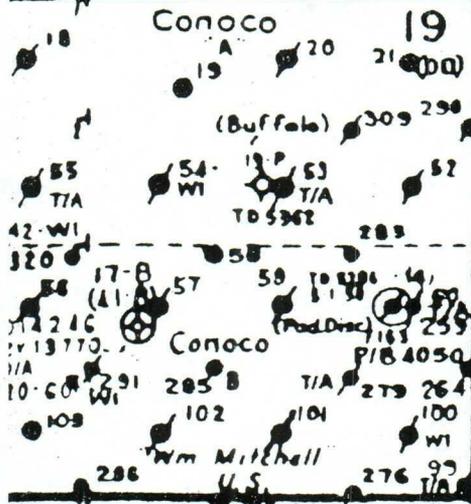
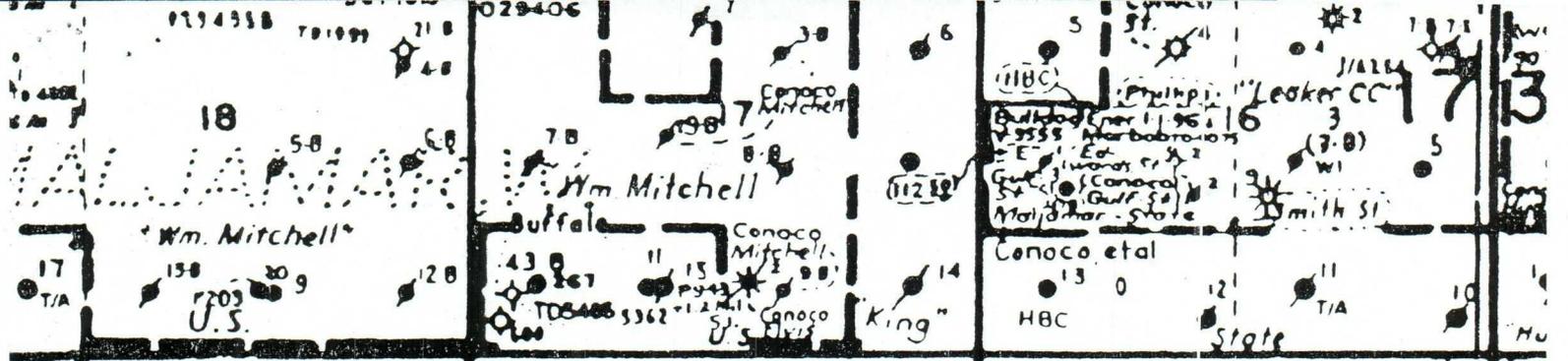
Sincerely,

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style with a large, prominent initial "J".

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



Brown Federal

Fox Federal

Panther Federal

Weasel Federal

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

1980, Hobbs, NM 88241-1980  
**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88211-0719  
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
**DISTRICT IV**  
P.O. Box 2088, SANTA FE, N.M. 87504-2088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number	Pool Code 43329	Pool Name Maljamar 3B SA
Property Code 32539	Property Name FOX FEDERAL	Well Number 5
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3858'

**Surface Location**

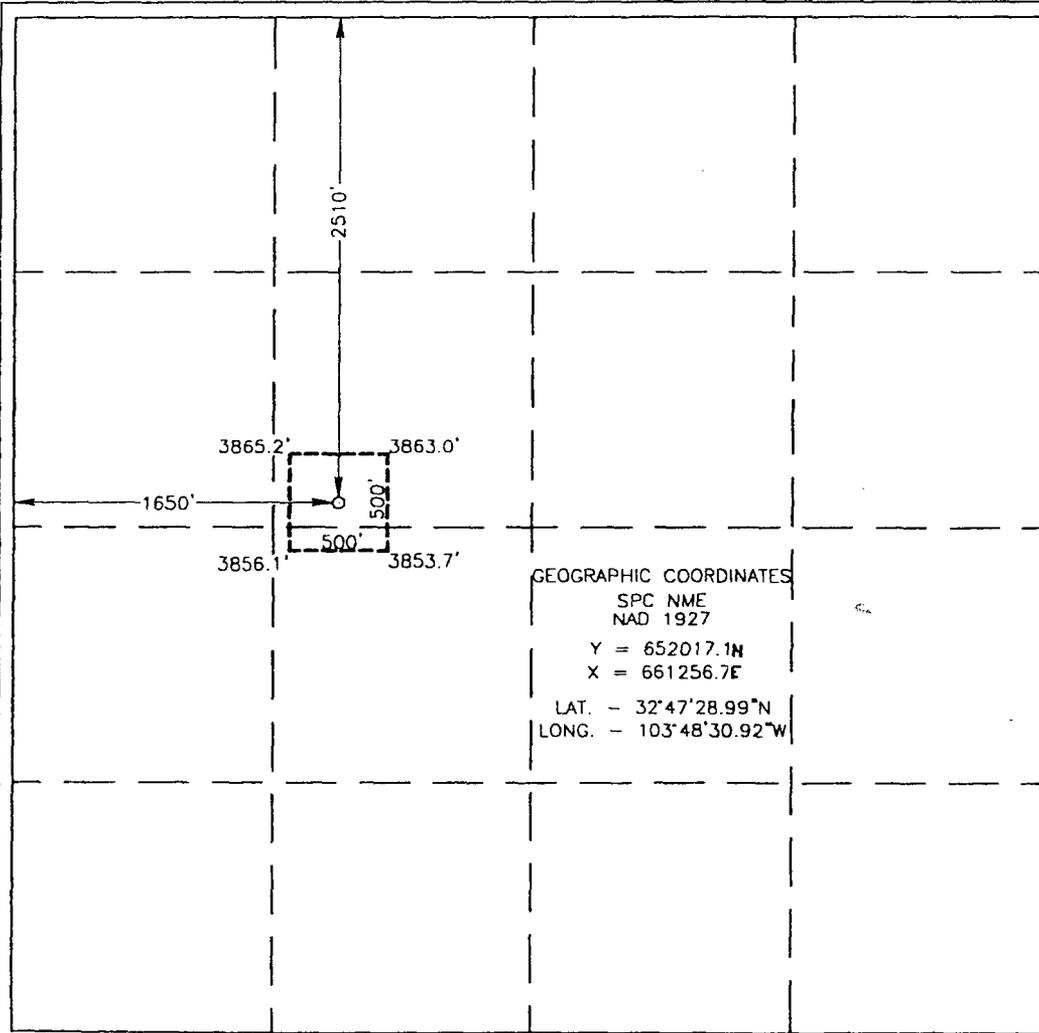
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	31	17-S	32-E		2510	NORTH	1650	WEST	LEA

**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from th:	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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 the the information contained herein is true and complete to the best of my knowledge and belief.

*Jerry W. Sherrell*  
Signature  
Jerry W. Sherrell  
Printed Name  
Production Clerk  
Title  
8/1/2003  
Date

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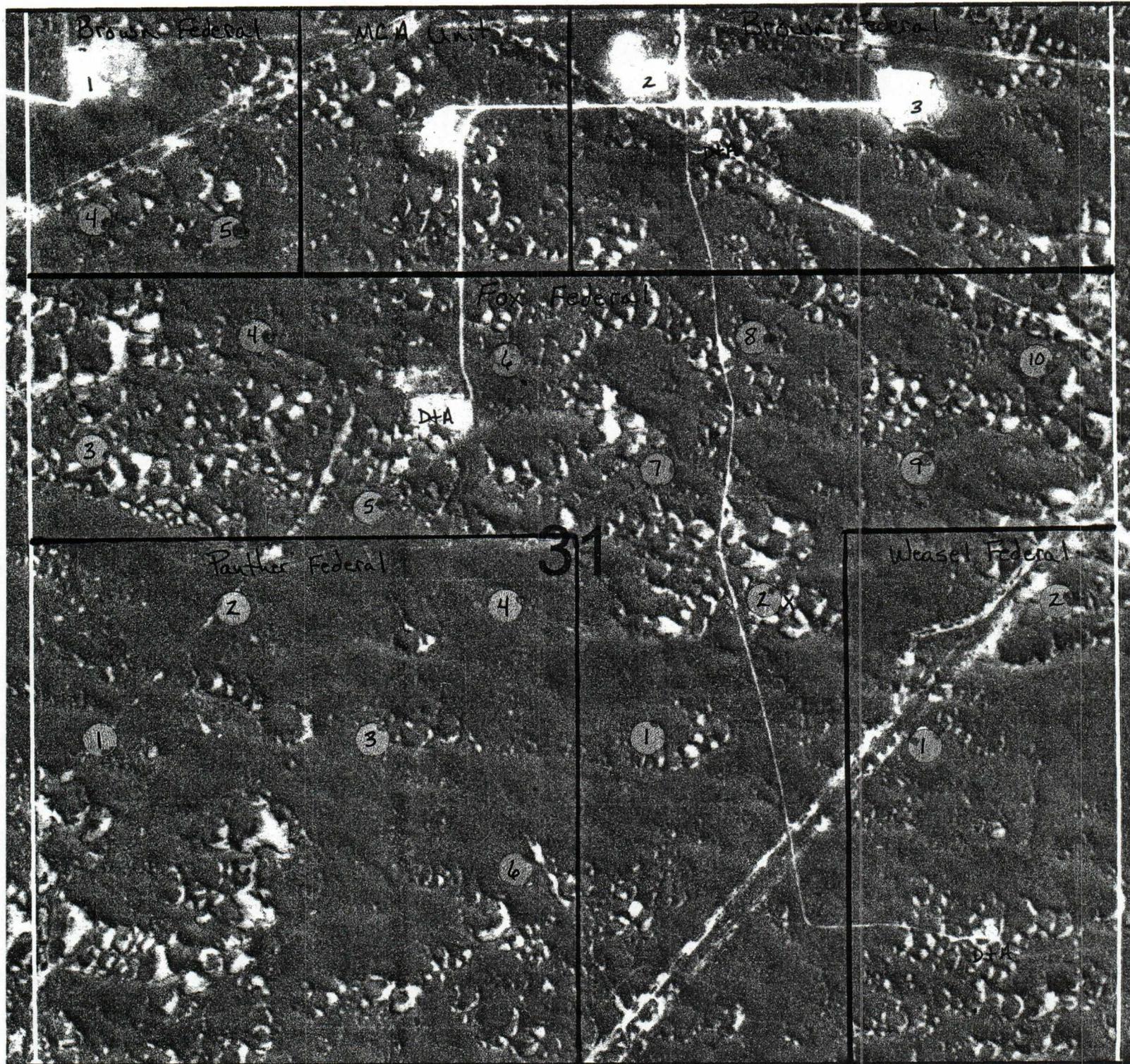
**SURVEYOR CERTIFICATION**

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.

JULY 21, 2003  
Date Surveyed LA  
Signature Seal of Professional Surveyor  
*Ronald J. Eidson* 7/23/03  
03.11.0611  
Certificate No. RONALD J. EIDSON 3239  
GARY EIDSON 12641

1 40.96  Federal owned A A	C 40.00  Federal owned U A	B 40.00  Federal owned A A	A 40.00  Federal owned A
2 40.94  Federal owned	F 40.00  Federal owned A	G 40.00  Federal owned	H 40.00  Federal owned
3 40.94  Federal owned A A	K 40.00  Federal owned A A	J 40.00  Federal owned A	I 40.00  Federal owned
4 40.92  Federal owned	N 40.00  Federal owned A	O 40.00  Federal owned	P 40.00  Federal owned A

# Other Fox Weasel E



Scale 1:8,000

