

ABOVE THIS LINE FOR DIVISION USE ONLY

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



5632

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 _____

RECEIVED

June
MAY 04 2007

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

- [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

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[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

6/1/07
Date

jerrys@mackenergycorp.com
e-mail Address



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

June 1, 2007

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

Dear Mr. Jones:

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

The well location and legal description is as follows:

White Fang State #1
SHL 990 FSL & 990 FEL
BHL 1014 FSL & 1080 FEL
Sec. 10, T13S R32E
Lea County, New Mexico

The well is completed in the Wolfcamp formation in the Baum Wolfcamp, North Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Hobbs office of the Oil Conservation Division (Exhibit A).
- B.) Directional Survey information showing the unorthodox location, the respective proration units, and the offsetting proration units (Exhibit B).

Mack Energy drilled this well anticipating a morrow completion. During drilling the hole deviated, we brought in a directional company to correct this deviation prior to reaching morrow formation. Morrow production proved to be unproductive. At that time we completed the well uphole in the Wolfcamp formation. Upon reviewing the directional survey from the service company and have discovered that the well bore at completion depth is 24' unorthodox to the North and 90' unorthodox to the West, the well has been shut in until a NSL has been approved. Due to the desire to produce this well, we do request that approval be expedited.

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

Oil Conservation Division

June 1, 2007

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Sincerely,

MACK ENERGY CORPORATION

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

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-38522	Pool Code 4965	Pool Name Baum;Wolfcamp, North
Property Code 36071	Property Name WHITE FANG STATE COM	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4318'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	10	13-S	32-E		990	SOUTH	990	EAST	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 the	East/West line	County
P	10	13S	32E		1014	SOUTH	1080	EAST	LEA

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

<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=801430.3 N X=693797.0 E</p> <p>LAT.=33.201557° N LONG.=103.699775° W</p>	
	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>Jerry W. Sherrell</i> 6/1/07 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>JULY 20, 2006</p> <p>Date Surveyed MR</p> <p>Signature & Seal of Professional Surveyor <i>Ronald W. Edson</i> 7/27/06 06 11 1180</p> <p>Certificate No. GARY EDSON 12841 RONALD W. EDSON 3239</p>

MEMO

DATE: June 1, 2007

TO: NMOCD

FROM: Ronald W. Lanning
Land Manager
Mack Energy Corporation

SUBJECT: White Fang State Lease

Our White Fang State Lease is State of New Mexico Lease No. V-7720-1. It covers the N/2NE/4, SW/4NE/4 and SE/4 of Section 10, T13S, R32E, Lea County, New Mexico. The working interests, royalty interest, and overriding royalty interests are common to all depths throughout the lease.



RWL: