



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

Joanna Prukop  
Cabinet Secretary  
Reese Fullerton  
Deputy Cabinet Secretary

Mark Fesmire  
Division Director  
Oil Conservation Division



July 9, 2008  
Administrative Order NSL-5870

**Mack Energy Corporation**  
P O Box 960  
Artesia, NM 88211-0960  
Attention: Jerry W. Sherrell

Dear Mr. Sherrell:

**Mack's NSL Application: Bay State No. 1 (API No. 30-025-37055)**

Vertical Well: 1680' FSL, 1980' FWL, Unit K (NON-STANDARD)  
Section 13, T18S, R34E, NMPM, Lea County, New Mexico  
80 Acre, E/2 SW/4 of Section 13 Oil Spacing and Proration Unit (First Well)  
Undesignated North Air Strip Bone Spring Pool (00962)

Reference is made to the following:

- (a) Mack Energy Corporation's ("Mack") application for a non-standard well location (**administrative application reference No. pKVR0817653661**) for the subject well that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on June 23, 2008, and
- (b) the Division's records pertinent to Mack's request.

Mack requests authority to re-complete Bay State No. 1 (formerly Big Sky 13 State No. 1) currently shut-in Wolfcamp well into the Undesignated North Air Strip Bone Spring Pool at a non-standard location shown above. The undesignated North Airstrip-Bone Spring Pool is governed by Special Pool Rules as promulgated in Division Order R-8364 on Dec. 18, 1986. Said rules allow 80 acre spacing and require each well (see Rule 4) to be located within 150 feet of the center of the quarter-quarter section the well is located in. This location is 360 feet south of the center of the quarter-quarter section in which the well is located and therefore non-standard. This well will be dedicated to the spacing and proration unit specified above and will be the first Undesignated North Air Strip Bone Spring oil well in this unit.



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Mack proposes to Re-enter the Bay State No. 1 (formerly Big Sky 13 State No. 1) to a depth of 9200 feet, perforate the Bone Spring formation and produce this oil well.

Re-completion of this well will save drilling costs of a new well at a standard location and will prevent waste and protect correlative rights.

It is our understanding that this well location does not encroach on any offsetting spacing units and therefore no notice is necessary.

The 80-acre spacing unit comprised of the E/2 of the SW/4, Units K & N of Section 13 will be dedicated to the Bay State Well No. 1.

Pursuant to the authority granted under the provisions of R-8364 and Division Rule 104, the above-described unorthodox location for the Undesignated North Air Strip Bone Spring Pool 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 40.

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

Sincerely,



Mark E. Fesmire, P.E.  
Division Director

MEF/tw

cc: New Mexico Oil Conservation Division – Hobbs  
State Land Office – Oil, Gas, and Minerals Division