

MACK ENERGY CORPORATION

~~OLM~~ 9/17/98
OLS

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-2362

August 27, 1998

Oil Conservation Division
Attn: Ben Stone
2040 South Pacheco
Santa Fe, NM 87505

AUG 28 1998

Re: Sinclair Parke Federal
NM-0467930
Sec. 22-T17S-R30E
Eddy County, New Mexico

Dear Mr. Stone:

Mack Energy Corporation, as operator of the aforementioned lease, respectfully requests an administrative approval for off lease storage (OLS) and measurement (OLM) for economic, environmental, and safety reasons.

It is requested that off lease storage and measurement of the Loco Hills Paddock Pool production be approved for the Sinclair Parke Federal lease (State of NM Lease NM-0467930) located in the SE/4 NW/4 of Section 22-T17S-R30E. The storage facility will be located in the NW/4 SE/4 of Section 22-T17S-R30E at the Dexter Federal (State of NM Lease LC-0290206) Well #6 (2310 FSL & 2310 FEL).
The two leases will not be commingled.

Mack Energy has made notification to all parties owning any interest in the Sinclair Parke lease. Attached, as part of this application is a copy of the sundry notice to the BLM, lease map, topographic map, and a site facility diagram of the Storage Facility.

Mack Energy Corporation is respectfully requesting administrative approval of this application for Off Lease Storage and Measurement. Should you require any additional information concerning this application, please call Matt J. Brewer at the above number. Thank you for your consideration of this request.

Sincerely,

Matt J. Brewer
Matt J. Brewer
Geological Engineer

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Mack Energy Corporation

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T. R., M. or Survey Description)

Sec. 22-T17S-R30E

5. Lease Designation and Serial No.

NM-0467930

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Sinclair Parke Lease

9. API Well No.

10. Field and Pool, or Exploratory Area

Loco Hills Paddock

11. County or Parish, State

Eddy, NM

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recor:pletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other <u>Off Lease Storage</u>	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recor:pletion Report and Log form.)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)*

Mack Energy proposes off lease storage and measurement of hydrocarbons from the Loco Hills Paddock Pool of the Sinclair Parke Lease. The storage facility will be located NW/4 SE/4, Section 22-T17S-R30E, which is on the Dexter Federal Lease. Mack Energy has applied for a Right of Way with the BLM's Realty Section. The two leases will not be commingled. Included is a surface ownership map, topographic map, and a site diagram. The proposed application will not result in reduced royalty or improper measurement of production.

14. I hereby certify that the foregoing is true and correct

Signed Matt J. Brewer Title Geological Engineer Date 8/27/98

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: