

MAY 29 2009

Form C-103

June 19, 2008

AM

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. 30-015-36257
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other _____		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. VB-1034
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Santa Claus State
4. Well Location Unit Letter <u>E</u> <u>2310</u> feet from the <u>North</u> line and <u>330</u> feet from the <u>West</u> line Section <u>15</u> Township <u>16S</u> Range <u>28E</u> NMPM County <u>Eddy</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR etc.) 3577' GR		9. OGRID Number 013837
		10. Pool Name or Wildcat Crow Flats; Wolfcamp

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
 DOWNHOLE COMMINGLE ☐

OTHER: Name Change ☒

SUBSEQUENT REPORT OF:

REMEDIALWORK ☐ ALTERING CASING ☐  
 COMMENCE DRILLING OPNS. ☐ P AND A ☐  
 CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy is requesting that the Santa Claus State Com #1 name be changed to the Santa Claus State #1. This well was intended to be drilled horizontal across Unit E,F,G,H of Sec. 15 T16S R28E. Unit H was never penetrated, but encroached upon, resulting in NSL-6035.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 5/28/09

Type or print name Jerry W. Sherrell E-mail address: jerrys@mackenergycorp.com PHONE: (575)748-1288

**For State Use Only**

APPROVED BY: Josqui Weaver TITLE Geologists DATE 6/1/2009

Conditions of Approval (if any):

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

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

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

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 30-015-36257	Pool Code 97102	Pool Name Crow Flats;Wolfcamp
Property Code 37104	Property Name SANTA CLAUS STATE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3577'

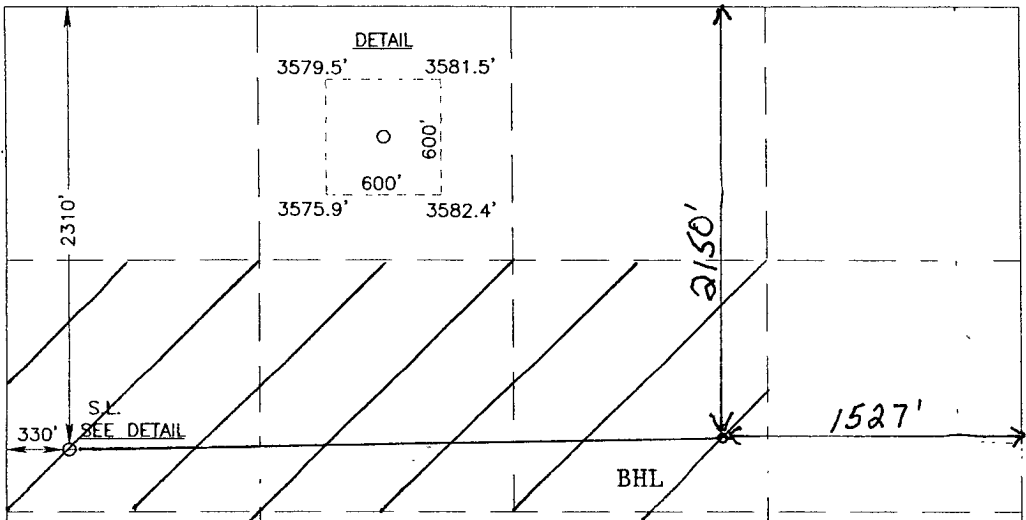
**Surface Location**


UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	15	16-S	28-E		2310	NORTH	330	WEST	EDDY

**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
H G	15	16-S	28-E		2150	NORTH	1527	EAST	EDDY
Dedicated Acres 120	Joint or Infill	Consolidation Code	Order No.						

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>DETAIL</p> <p>3579.5' 3581.5'</p> <p>600'</p> <p>3575.9' 3582.4'</p> <p>2310'</p> <p>330'</p> <p>SL SEE DETAIL</p> <p>BHL</p> <p>1527'</p> <p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION</p> <p>Y=699852.5 N X=549879.4 E</p> <p>LAT.=32.923865° N LONG.=104.170779° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><i>Jerry W. Sherrell</i> 3/17/09 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p><i>Ronald J. Eidson</i> Signature</p> <p>RONALD J. EIDSON NEW MEXICO OCTOBER 10, 2007 3239 Date Surveyed Professional Surveyor</p> <p>07.11.1406</p> <p>Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239</p>
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# 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



May 20, 2009

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

## Administrative Order NSL-6035

**Re: Santa Claus State Well No. 1**  
**API No. 30-015-36257**  
**Unit E, Section 15-16S-28E**  
**Eddy County, New Mexico**

Dear Mr. Sherrell:

Reference is made to the following:

(a) your application (**administrative application reference No. pKAA09-12047940**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 30, 2009, and

(b) the Division's records pertinent to this request.

Mack Energy Corporation [OGRID 013837] (Mack) has requested to drill the above-referenced well as a horizontal well in the Wolfcamp formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 2310 feet from the North line and 330 feet from the West line  
(Unit E) of Section 15, Township 16S, Range 28E, NMPM  
Eddy County, New Mexico

Point of Penetration: 2275 feet from the North line and 802 feet from the West line  
(Unit E) of said section

Terminus 2150 feet from the North line and 1527 feet from the East line  
(Unit G) of said section

Oil Conservation Division \* 1220 South St. Francis Drive

\* Santa Fe, New Mexico 87505

\* Phone: (505) 476-3440 \* Fax (505) 476-3462 \* <http://www.emnrd.state.nm.us>



May 20, 2009

Page 2

The SW/4 NE/4 and S/2 NW/4 of Section 15 will be dedicated to the proposed well to form a project area comprising three adjacent, standard 40-acre spacing units in the undesignated Crow Flats Wolfcamp Pool (97102). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because a portion of the producing interval will be less than 330 feet from the eastern boundary of the project area, and therefore outside the producing area.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for engineering reasons. It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location 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 5.9.

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

Sincerely,



2 Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Artesia  
New Mexico State Land Office - Santa Fe