

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



April 29, 2014

Mack Energy Corp
Attn: Mr. Jerry Sherrell

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL7053
Administrative Application Reference No. pMAM1405260729

Mack Energy Corp
OGRID 13837
Victoria Federal Well No. 5
API No. 30-005-pending

Proposed Location:

<u>Footages</u>	<u>Unit/Lot</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
2285 FNL & 230 FWL	2	19	15S	29E	Chaves

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 NW/4 of Section 19	40.471	Round Tank; San Andres	52770

Reference is made to your application received on March 12, 2014.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location at the request of Bureau of Land Management (BLM) to avoid impact with a playa.

April 29, 2014
Page 2

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

DONE at Santa Fe, New Mexico, on April 29, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia
Bureau of Land Management - Roswell