

Revised March 23, 2017

RECEIVED 8/24/2018	REVIEWER	TYPE NSL	APP NO. 88 35843 JMA 118022 50279
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



### 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

Applicant: Mack Energy Corporation

OGRID Number: 013837

Well Name: Medicine Hat State Com 1H

API: 30-005-64303

Pool: Round Tank; San Andres

Pool Code: 52770

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

NSL-7674

1) TYPE OF APPLICATION: Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL

☐ NSP(PROJECT AREA)

☐ NSP(PROPORTION UNIT)

☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☐ DHC

☐ CTB

☐ PLC

☐ PC

☐ OLS

☐ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX

☐ PMX

☐ SWD

☐ IFI

☐ EOR

☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

A. ☒ Offset operators or lease holders

B. ☐ Royalty, overriding royalty owners, revenue owners

C. ☐ Application requires published notice

D. ☐ Notification and/or concurrent approval by SLO

E. ☐ Notification and/or concurrent approval by BLM

F. ☐ Surface owner

G. ☐ For all of the above, proof of notification or publication is attached, and/or,

H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete

☐ Application  
Content  
Complete

3) 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

Signature

3/28/2018

Date

575-748-1288

Phone Number

jerrys@mec.com  
e-mail Address

**McMillan, Michael, EMNRD**

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**From:** Jerry Sherrell <jerrys@mec.com>  
**Sent:** Wednesday, March 28, 2018 4:41 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** Medicine Hat State Com 1H-NSL  
**Attachments:** 03282018medicine hat NSL043121.pdf

Hey Mike,

Could you take a look at this and let me know if I'm missing anything. I will bring the hard copy up Tuesday when I come to your office.

Jerry W. Sherrell  
Mack Energy Corporation  
PO Box 960  
Artesia, NM 88210  
Office 575-748-1288  
Cell 575-703-7382  
jerrys@mec.com





P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

March 28, 2018

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

**Re: Application of Mack Energy Corporation for administrative approval of an unorthodox well location for its Medicine Hat State Com #1H well in the SW/4 SW/4 of Sec. 35 T15S, R28E, Chaves County, New Mexico.**

Dear Mr. McMillan:

Mack Energy Corporation (OGRID 13837) seeks administrative approval of an unorthodox well location for its **Medicine Hat State Com #1H Well** SHL 200 FSL 900 FWL, BHL 40 FNL 965 FWL Sec. 35 T15S R28E to be completed in the Round Tank; San Andres Pool (Pool Code 52770). Completed interval will be, First Take Point 330 FSL 900 FWL, through Last Take Point 100 FNL 965 FWL Sec. 35 T15S R28E. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 330 feet to the outer boundary of the spacing unit, the completed interval for this well is unorthodox because it is closer to 330 feet to the NWNW boundaries of the project area. Approval of the unorthodox completed interval will allow for efficient well spacing and prevent waste of a productive reservoir.

**Exhibit A** is an as drilled plat for the **Medicine Hat State Com #1H Well** which shows that the completed interval encroaches on the SWSW Sec. 26 T15S R28E.

**Exhibit B** is a map showing the outline of the subject acreage and the surrounding sections.

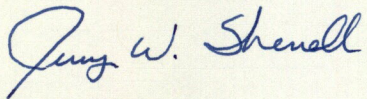
**Exhibit C** is a list of parties affected by the encroachment in the surrounding sections and/or units. Mack Energy is also the operator of the SW/4 of Sec. 26 T15S R28E. A copy of this application with all attachments has been sent to each affected party. A courtesy copy of this application has also been provided to the New Mexico State Land Office.



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

*Sincerely,*

MACK ENERGY CORPORATION

A handwritten signature in blue ink that reads "Jerry W. Sherrell". The signature is fluid and cursive, with the first name "Jerry" being more prominent.

Jerry W. Sherrell  
Production Clerk

JWS/  
Enclosures



District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-005-64303</b>	<sup>2</sup> Pool Code <b>52770</b>	<sup>3</sup> Pool Name <b>Round Tank; San Andres</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>MEDICINE HAT STATE COM</b>	
<sup>7</sup> OGRID No. <b>13837</b>	<sup>8</sup> Operator Name <b>MACK ENERGY CORPORATION</b>	
	<sup>6</sup> Well Number <b>1H</b>	<sup>9</sup> Elevation <b>3577.6</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>35</b>	<b>15 S</b>	<b>28 E</b>		<b>200</b>	<b>SOUTH</b>	<b>900</b>	<b>WEST</b>	<b>CHAVES</b>

<sup>11</sup> 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
<b>D</b>	<b>35</b>	<b>15 S</b>	<b>28 E</b>		<b>40</b>	<b>NORTH</b>	<b>965</b>	<b>WEST</b>	<b>CHAVES</b>

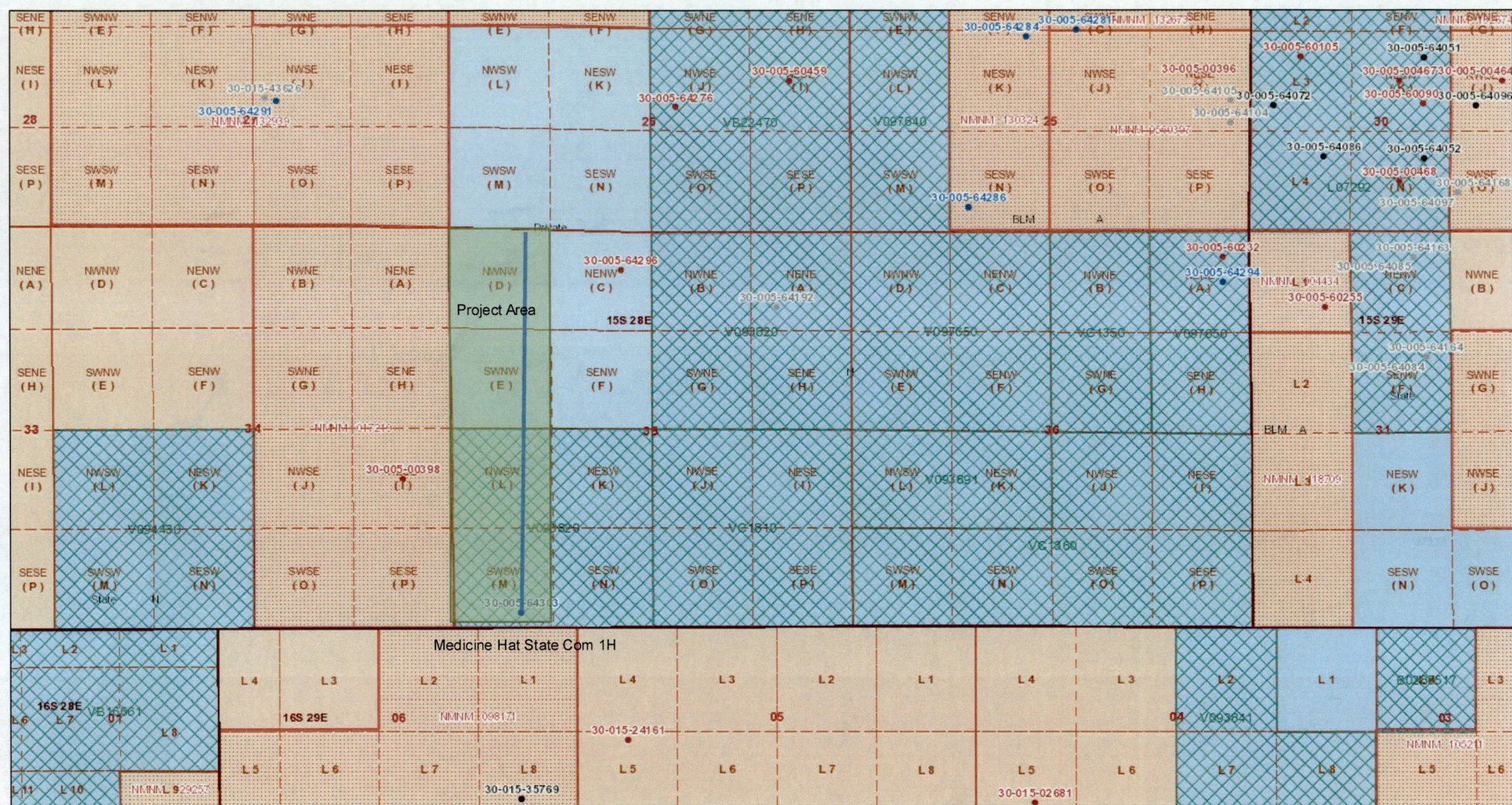
<sup>12</sup> Dedicated Acres <b>160</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Jerry W. Sherrell</u> Date: <u>3/21/2018</u></p> <p>Printed Name: <u>Jerry W. Sherrell</u></p> <p>E-mail Address: <u>jerry@mc.com</u></p>		<p><b>18 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>OCTOBER 26, 2017</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor: <u>[Signature]</u></p> <p>Certificate Number: <u>FILIMON F. JARAMILLO, PLS 12797</u></p> <p>SURVEY NO. 5309</p>	
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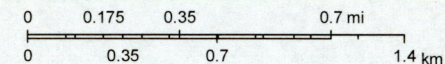
## OCD Well Locations



3 / 21 / 2018 8 : 42 : 27 AM

1:18,056

- | Legend                              | Legend                        | Legend                           | Legend                                     |
|-------------------------------------|-------------------------------|----------------------------------|--|
| <b>Lines</b>                        | CO2 New                       | Injection, Active                | Oil, Plugged                               |
| Override 1                          | CO2, Plugged                  | Injection, Cancelled             | Oil, Temporarily Abandoned                 |
| <b>Areas</b>                        | CO2, Temporarily Abandoned    | Injection, New                   | Salt Water Injection, Active               |
| Override 1                          | Gas Active                    | Injection, Plugged               | Salt Water Injection, Cancelled            |
| <b>Well Locations - Large Scale</b> | Gas, Cancelled, Never Drilled | Injection, Temporarily Abandoned | Salt Water Injection, New                  |
| Miscellaneous                       | Gas, New                      | Oil, Active                      | Salt Water Injection, Plugged              |
| CO2 Active                          | Gas, Plugged                  | Oil, Cancelled                   | Salt Water Injection Temporarily Abandoned |
| CO2 Cancelled                       | Gas, Temporarily Abandoned    | Oil, New                         | Water, Active                              |
|                                     |                               |                                  | Water, Cancelled                           |
|                                     |                               |                                  | Water, New                                 |
|                                     |                               |                                  | Water, Plugged                             |
|                                     |                               |                                  | Water, Temporarily Abandoned               |
|                                     |                               |                                  | OCD District Offices                       |
|                                     |                               |                                  | PLSS Townships                             |
|                                     |                               |                                  | PLSS Second Division                       |
|                                     |                               |                                  | PLSS First Division                        |
|                                     |                               |                                  | BLM Fluid Min Leases                       |



U.S. BLM  
Sources: Esri, HERE, Garmin, Intermap, increment P Corp.,  
GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL,  
Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong),

NM OCD Oil and Gas Map. <http://nm-emnrd.maps.arcgis.com/apps/webappviewer/> New Mexico Oil Conservation Division



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**M E M O**

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DATE: March 28, 2018

TO: NMOCD

FROM: STACI SANDERS  
MACK ENERGY CORPORATION

RE: **NON-STANDARD LOCATION**  
MEDICINE HAT STATE COM #1H WELL  
SHL: 200' FSL & 900' FWL, SEC. 35, T15S-R28E  
BHL: 40' FNL & 965' FWL, SEC. 35, T15S-R28E  
CHAVES COUNTY, NEW MEXICO

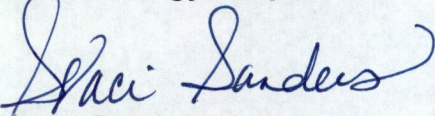
Mack Energy Corporation is seeking the approval of a non-standard location for the Medicine Hat State Com #1H well. Please see the attached exhibit for a list of the leases (with owners) and legal descriptions for this well.

The Medicine Hat State Com #1H will encroach on the SW/4 of Section 26, T15S-R28E, which is also operated by Mack Energy Corporation. The ownership for this fee lease is identical to the leases for the Medicine Hat State Com #1.

Please do not hesitate to contact me should you require any further information.

Sincerely,

**Mack Energy Corporation**



Staci Sanders  
Land Manager



## **Medicine Hat State Com #1H Leases**

**ST NM V0-9382: SW/4 of Sec. 35, T15S-R28E**

**FEE Lease: NW/4 of Sec. 35, T15S-R28E (also covers SW/4 of Sec. 26, T15S-R28E)**

### **Interest Owners:**

Chase Oil Corporation	WI
P.O. Box 1767	
Artesia, NM 88211	

Robert C. Chase	WI
P.O. Box 297	
Artesia, NM 88211	

Ventana Minerals LLC	WI
P.O. Box 359	
Artesia, NM 88211	

DiaKan Minerals LLC	WI
P.O. Box 693	
Artesia, NM 88211	

Sendero Energy LLC	WI
P.O. Box 556	
Artesia, NM 88211	

Katz Resources LLC	WI
P.O. Box 797	
Artesia, NM 88211	

M Squared Energy LLC	WI
P.O. Box 211	
Artesia, NM 88211	





P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 748-7374

August 1, 2016

Mr. Michael McMillan  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

**RE: Mack Energy Corporation & Chase Affiliates**

Dear Mr. McMillan:

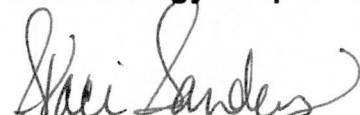
Mack Energy Corporation is a Chase Family owned entity. The following Chase individuals or companies are all affiliates of Mack Energy Corporation and usually own an interest in wells drilled and/or operated by Mack Energy Corporation.

- Mack C. Chase Trust
- Robert C. Chase
- Richard L. Chase or Ventana Minerals LLC
- Gerene Dianne Chase Ferguson or DiaKan Minerals LLC
- Broken Arrow Royalties LLC
- Chase Oil Corporation

All of these family members and companies all office in the same building so notifications can be hand delivered; therefore we request that the certified mail process be waived when these parties are involved.

If you have any questions or need additional information please do not hesitate to contact me. Your assistance is greatly appreciated.

Sincerely,  
**Mack Energy Corporation**

  
Staci Sanders  
Land Manager

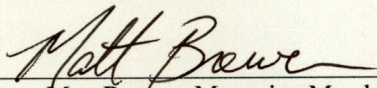
/ss



**SIGNATURE PAGE**

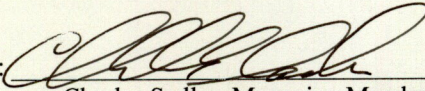
The undersigned approves of Mack Energy Corporation's request for an unorthodox location for our Medicine Hat State Com 1H SHL Unit M, Sec. 35 T15S R28E, BHL Unit D Sec. 35 T15S R28E. Producing interval, First Take Point 330 FSL 900 FWL, Last Take Point 100 FNL 965 FWL. The Medicine Hat State Com 1H is encroaching on the SW/4 of Sec. 26 T15S R28E. By signing of this document you waive your right to object to the Medicine Hat State Com 1H unorthodox location.

**SENDERO ENERGY LLC**

By:   
Matt Brewer, Managing Member

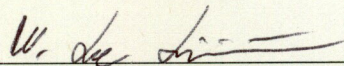
Date: 3/28/18

**KATZ RESOURCES LLC**

By:   
Charles Sadler, Managing Member

Date: 3/28/18

**M SQUARED ENERGY LLC**

By:   
W. Lee Livingston, Managing Member

Date: 3/28/18