

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 29, 2016

Mack Energy Corporation
Attn: Mr. Jerry W. Sherrell

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7441

Mack Energy Corporation
OGRID 13837
Cavern 16 State Well No. 1H
API No. 30-015-43841

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2310` FSL & 200` FWL	L	16	23S	27E	Eddy
Penetration Point	2310` FSL & 330` FWL	L	16	23S	27E	Eddy
Final perforation	2310` FSL & 330` FEL	I	16	23S	27E	Eddy
Terminus	2310` FSL & 200` FEL	I	16	23S	27E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 of Section 16	160	Forehand Ranch; Wolfcamp (Gas)	76780

Reference is made to your application received on June 29, 2016.

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Division Rule 19.15.15.10.B NMAC, which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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 NSL in order to allow for efficient well spacing and to preventing waste of a productive reservoir.

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 19.15.15.13 (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.



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division