

DATE IN 6/29/16	SUSPENSE	ENGINEER LRL	LOGGED IN 6/30/16	TYPE NSL	PLEL APP NO. 1618238426
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ABOVE THIS LINE FOR DIVISION USE ONLY

R: 6/29/16  
via e-mail

NEW MEXICO OIL CONSERVATION DIVISION  
- 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

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

NSL-7441

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A] *MACK ENERGY [13837]*  
 [A] Location - Spacing Unit - Simultaneous Dedication *WELL: CAVERN STATE 16 #1H*  
☒ NSL ☐ NSP ☐ SD *API# 30-015-43841*  
 Check One Only for [B] or [C] *POOL: FOREHAND RANCH;*  
 [B] Commingling - Storage - Measurement *WOLFCAMP (GAS)*  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM *[# 76780]*  
 [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR  
 [D] Other: Specify \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply  
 [A] ☐ Working, Royalty or Overriding Royalty Interest Owners  
 [B] ☒ Offset Operators, Leaseholders or Surface Owner  
 [C] ☐ Application is One Which Requires Published Legal Notice  
 [D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office  
 [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,  
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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

*Jerry W. Sherrell*  
Signature

Production Clerk  
Title

6/29/16  
Date

jerrys@mec.com  
e-mail Address



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

June 29, 2016

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

**Re: Mack Energy respectfully requests an administrative approval of an unorthodox well location for its Cavern State 16 #1H Well to be located in the S/2 of Section 16 Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.**

Dear Mr. Catanach:

Mack Energy Corporation (OGRID 13837) seeks administrative approval of an unorthodox well location for its **Cavern State 16 #1H Well** to be completed in the Forehand Ranch Wolfcamp (Gas) Pool (Pool Code 76780) underlying the S/3 of Section 16, Township 23 South, Range 27 East, Eddy County, New Mexico. This well will be drilled from a surface location of 2310 from the South line and 200 from the West line of Section 16 T23S R27E. The uppermost perforation will be 2310 from the South line and 330 from the West line of Section 16 (Unit L) and the lower most perforation will be 2310 from the South line and 330 from the East line (Unit I). Since the well is governed by Division Rule 19.15.15.10.B which provides for wells in defined gas pools in Eddy County to be spaced on 320 acres and located no closer than 660 feet to the outer boundary of the spacing unit, the completed interval for this well will be unorthodox. Approval of the unorthodox completed interval will allow for efficient well spacing and prevent waste of a productive reservoir.

**Exhibit A** is the Well Location and Acreage Dedication Plat (Form C-102), Which shows that the completed interval of the proposed **Cavern State 16 #1H Well** encroaches on the spacing and proration units to the West, Northwest, North, Northeast and East.

**Exhibit B** is a Midland 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. A copy of this application with all attachments has been sent by certified mail to each affected party advising them that if they have an objection it must be filed in writing with the division within 20 days from the date the division receives this application. 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 cursive script that reads "Jerry W. Sherrell". The signature is written in black ink and is positioned above the printed name and title.

*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**

API Number <b>30-015-43841</b>		Pool Code <b>76780</b>		Pool Name <b>Forehand Ranch; Wolfcamp</b>	
Property Code		Property Name <b>CAVERN STATE 16</b>			Well Number <b>1H</b>
OGRID No. <b>13837</b>		Operator Name <b>MACK ENERGY CORPORATION</b>			Elevation <b>3157.5</b>
Surface Location					
UL or lot no. <b>L</b>	Section <b>16</b>	Township <b>23 S</b>	Range <b>27 E</b>	Lot Idn	Feet from the <b>2310</b>
				North/South line <b>SOUTH</b>	Feet from the <b>200</b>
				East/West line <b>WEST</b>	County <b>EDDY</b>
Bottom Hole Location If Different From Surface					
UL or lot no. <b>I</b>	Section <b>16</b>	Township <b>23 S</b>	Range <b>27 E</b>	Lot Idn	Feet from the <b>2310</b>
				North/South line <b>SOUTH</b>	Feet from the <b>200</b>
				East/West line <b>EAST</b>	County <b>EDDY</b>
Dedicated Acres <b>320</b>		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>NW CORNER SEC. 16 LAT. = 32.3121490°N LONG. = 104.2035856°W NMSP EAST (FT) N = 477316.45 E = 581420.90</p>		<p>NE CORNER SEC. 16 LAT. = 32.3125974°N LONG. = 104.1864732°W NMSP EAST (FT) N = 477486.36 E = 586707.27</p>	
<p>FIRST TAKE POINT 2310' FSU, 330' FWL NAD 83 NM EAST N = 474315.54, E = 581753.98 LAT = 32.3038988°N, LONG = 104.2025193°W</p>		<p>LAST TAKE POINT 2310' FSU, 330' FWL NAD 83 NM EAST N = 474362.48, E = 586380.82 LAT = 32.3040115°N, LONG = 104.1875437°W</p>	
<p>CAVERN STATE 16 1H ELEV. = 3157.5' LAT. = 32.3039038°N (NAD83) LONG. = 104.2029242°W NMSP EAST (FT) N = 474317.18 E = 581628.88</p>		<p>BOTTOM OF HOLE LAT. = 32.3040239°N LONG. = 104.1871109°W NMSP EAST (FT) N = 474367.19 E = 586514.52</p>	
<p>SW CORNER SEC. 16 LAT. = 32.2975515°N LONG. = 104.2035609°W NMSP EAST (FT) N = 472006.08 E = 581434.97</p>		<p>SE CORNER SEC. 16 LAT. = 32.2976802°N LONG. = 104.1864568°W NMSP EAST (FT) N = 472059.63 E = 586719.79</p>	

PRODUCING AREA

**OPERATOR CERTIFICATION**  
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 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 as a voluntary pooling agreement or a compulsory pooling under heretofore entered by the division.  
Signature: Jerry W. Sherrill Date: 6/29/2016  
Printed Name: Jerry W. Sherrill  
Email Address: jerryse@mecc.com

**SURVEYOR CERTIFICATION**  
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.  
JUNE 24, 2016  
Date of Survey  
Signature and Seal of Professional Surveyor: [Signature]  
Certificate Number: FL 10001 PL 10001 PLS 12797  
SURVEY NO. 4763



**E/2NE/4 Sec. 15, T23S, R27E**

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

Robert C. Chase  
P.O. Box 297  
Artesia, NM 88211-0297

Ventana Minerals LLC  
P.O. Box 359  
Artesia, NM 88211-0359

DiaKan Minerals LLC  
P.O. Box 693  
Artesia, NM 88211-0693

**NE/4NW/4, NW/4NE/4 Sec. 15, T23S, R27E**

Chase Oil Corporation, Robert C. Chase, Ventana Minerals LLC & DiaKan Minerals LLC

**NW/4NW/4, S/2NW/4, SW/4NE/4, SW/4 Sec. 15, T23S, R27E**

Tritex Energy A, LP  
15455 Dallas Parkway, Suite 600  
Addison, TX 75001

✓ Ray Westall Operating, Inc.  
P.O. Box 4  
Loco Hills, NM 88255

✓ Chevron USA Inc.  
1400 Smith Street  
Houston, TX 77002

**N/2 Sec. 16, T23S, R27E**

Nadel & Gussman Permian, LLC  
15 East 5th Street, Suite 3300  
Tulsa, OK 74103

Crown Oil Partners V, LP  
PO Box 50820  
Midland, TX 79710

Crump Energy Partners II, LP  
PO Box 50820  
Midland, TX 79710

**N/2 Sec. 17, T23S, R27E**

Chase Oil Corporation

S/2 Sec. 17, T23S, R27E.

Mobil Producing Texas & New Mexico, Inc.

P.O. Box 2305

Houston, Texas 77252



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

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7024 4011**

Commissioner of Public Lands  
P.O. Box 1148  
Santa Fe, NM 87504-1148

***Re: Mack Energy respectfully requests an administrative approval of an unorthodox well location for its Cavern State 16 #1H Well to be located in the S/2 of Section 16 Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.***

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

*Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within the 20 days after the date of this notice.*

Sincerely,

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7024 4004**

Crump Energy Partners II, LP  
PO Box 50820  
Midland, TX 79710

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7024 3991**

Crown Oil Partners V, LP  
PO Box 50820  
Midland, TX 79710

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

*Jerry W. Sherrell*  
Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7024 3984

Nadel & Gussman Permian, LLC  
15 East 5th Street, Suite 3300  
Tulsa, OK 74103

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

*Jerry W. Sherrell*  
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

---

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7024 3977**

Mobil Producing Texas & New Mexico, Inc.  
P.O. Box 2305  
Houston, Texas 77252

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

A handwritten signature in black ink that reads "Jerry W. Sherrell".

*Jerry W. Sherrell*  
Production Clerk

*JWS/*

*Enclosures*



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

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7031 3816**


Chevron USA Inc.  
1400 Smith Street  
Houston, TX 77002

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

  
Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

---

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7031 3809**

Ray Westall Operating, Inc.  
P.O. Box 4  
Loco Hills, NM 88255

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7031 3793**

Tritex Energy A, LP  
15455 Dallas Parkway, Suite 600  
Addison, TX 75001

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style.

*Jerry W. Sherrell  
Production Clerk*

*JWS/*

*Enclosures*



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

June 29, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3779

Ventana Minerals LLC  
P.O. Box 359  
Artesia, NM 88211-0359

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

A handwritten signature in black ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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

---

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7031 3786**

DiaKan Minerals LLC  
P.O. Box 693  
Artesia, NM 88211-0693

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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Office (575) 748-1288  
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---

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7031 3762**

Robert C. Chase  
P.O. Box 297  
Artesia, NM 88211-0297

*Dear Sir or Madam:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Wolfcamp gas well location in the Forehand Ranch; Wolfcamp Pool(76780) for the Cavern State 16 #1H Well under Rule 104.F. (3). The location for this well is Section 16-T23S-R27E, SHL 2310 FSL 330 FWL, BHL 2310 FSL 330 FEL, Eddy County, New Mexico. This well is encroaching the W/2 of Section 15 T23S R27E, N/2 Section 16 T23S R27E and E/2 Section 17 T23S R27E.*

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*Sincerely,*

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures



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Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

June 29, 2016

**VIA CERTIFIED MAIL 7015 0640 0006 7031 3755**

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

*Dear Sir or Madam:*

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*Sincerely,*

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Clerk

JWS/

Enclosures

## **Lowe, Leonard, EMNRD**

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**From:** Jerry Sherrell <jerrys@mec.com>  
**Sent:** Monday, August 01, 2016 3:41 PM  
**To:** Lowe, Leonard, EMNRD; 'Jones, William V., EMNRD (William.V.Jones@state.nm.us)'  
**Cc:** Travis Lanning; Staci Sanders  
**Subject:** FW: Cavern State 16 1H Well

Mr. Lowe,

Please see the email below. If you have any other questions or concerns, please let me know.

Thanks,

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

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**From:** Caleb Hopson [mailto:chopson@bcoperating.com]  
**Sent:** Monday, August 01, 2016 3:36 PM  
**To:** Hall, Justin  
**Cc:** Jerry Sherrell  
**Subject:** RE: Cavern State 16 1H Well

Justin – You are correct. BC received notification through Crown Oil Partners V, LP and Crump Energy Partners II, LLC. We have no objections to WPX's NSL regarding the Cavern 16 State #1H.

Please let me know if you need anything else.

Thanks,

Caleb Hopson  
**BC Operating, Inc.**  
4000 N. Big Spring, ste 310  
Midland, Tx 79705  
OFF: 432-684-9696 ext. 762

**BC OPERATING, INC.**  
*Crown Oil Partners V, LP*  
*Crump Energy Partners II, LLC*

**From:** Hall, Justin [mailto:Justin.Hall@wpxenergy.com]  
**Sent:** Monday, August 01, 2016 3:12 PM  
**To:** Caleb Hopson <chopson@bcoperating.com>  
**Cc:** Jerry Sherrell <jerrys@mec.com>  
**Subject:** Cavern State 16 1H Well

Caleb – Thanks again for your help on this one. The NMOCD has requested that we get confirmation that BC Operating, Inc. ("BC") has been made aware of our Non-Standard Well Location application for the planned Cavern State 16 1H well. BC, which is a fully owned subsidiary and designated Operator for Crown Oil Partners V, LP and Crump Energy Partners II, LLC, should have received the notification of this planned well through their parent companies and did not have any objections to the planned well.

If that is correct, can you please respond to this email and confirm that BC was in receipt of the notification? If that is true, we will forward this email to Leonard Lowe ([Leonard.Lowe@state.nm.us](mailto:Leonard.Lowe@state.nm.us)) with the NMOCD for confirmation of your receipt of notification.

Please let me know if you have any questions.

Thanks,

Justin R. Hall  
Senior Landman - Permian Basin

**WPXENERGY**

3500 One Williams Center, MD 35  
Tulsa, OK 74172  
(539) 573-8967  
[justin.hall@wpxenergy.com](mailto:justin.hall@wpxenergy.com)

**Lowe, Leonard, EMNRD**

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**From:** Lowe, Leonard, EMNRD  
**Sent:** Thursday, August 04, 2016 9:31 AM  
**To:** 'jerrys@mec.com'  
**Cc:** Bayliss, Randolph, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; Holm, Anchor E.; Martin, Ed  
**Subject:** NSL-7441 (Cavern State 16 Well No. 1H, Eddy County) 16 23S 27E\_APPROVED  
**Importance:** High

Mr. Jerry W. Sherrell,

The following permit has been issued and will soon be available on the Division's web site:  
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

**NSL-7441**

Mack Energy Corporation

API: 30-015-43841

WELL: Cavern State 16 Well No. 1H, Eddy County

**Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>