

Revised March 23, 2017

RECEIVED: 11/29/2018	REVIEWER: MAM	TYPE: NS	APP NO: DMAM18333 44470
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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: Prince George Federal Com 1H

API: 30-005-64310

Pool: Round Tank San Andres

Pool Code: 52770

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

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

A. Location - Spacing Unit - Simultaneous Dedication

☒ NSL

☐ NSP (PROJECT AREA)

☐ NSP (PRORATION 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

☐ PFR

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

11/29/18

Date

575-748-1288

Phone Number

jerrys@mec.com

e-mail Address



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

November 29, 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 Prince George Federal Com 1H well in the NWNE of Sec. 32 T15S, R29E, Chaves County, New Mexico.

Dear Mr. McMillan:

Mack Energy Corporation (OGRID 13837) seeks administrative approval of an unorthodox well location for its **Prince George Federal Com 1H Well SHL 660 FNL 2285 FEL, Sec. 32 T15S R29E, BHL 4 FNL 2281 FEL Sec. 29 T15S R29E**, completed in the Round Tank; San Andres Pool (Pool Code 52770). Completed interval: FTP 104 FSL 2281 FEL, through LTP 75 FNL 2281 FEL Sec. 29 T15S R29E. Since this acreage is governed by the Division's statewide rules which provides for wells to be located no closer than 100 feet to the outer boundary of the spacing unit, the completed interval for this well is unorthodox because it is closer than 100 feet to the NWNE of Sec. 29 T15S R29E boundary of the project area. **This well was perforated beyond the setback in an effort to maximize recovery of stranded resources.**

Exhibit A is an as drilled plat for the **Prince George Federal Com 1H Well** which shows that the completed interval encroaches on the SWSE Sec. 20 T15S R29E.

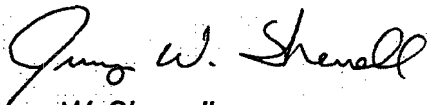
Exhibit B is a map showing the outline of the subject acreage and the surrounding sections.

Exhibit C is a list of parties affected by the encroachment in the surrounding sections and/or units. A copy of this application with all attachments has been sent to each affected party. Mack Energy is the operator of the offsetting acreage, which has identical interest.

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, reading "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk

JWS/
Enclosures

McMillan, Michael, EMNRD

From: Jerry Sherrell <jerrys@mec.com>
Sent: Thursday, November 29, 2018 1:32 PM
To: McMillan, Michael, EMNRD
Cc: Klein, Ranell, EMNRD
Subject: [EXT] Prince George Federal Com 1H
Attachments: Production Workroom_20181129_142344.pdf; 12182018220841001.pdf

Michael,

Please see the attached Unorthodox Well Location application.

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

McMillan, Michael, EMNRD

From: McMillan, Michael, EMNRD
Sent: Thursday, November 29, 2018 1:35 PM
To: 'Jerry Sherrell'
Cc: Klein, Ranell, EMNRD
Subject: RE: [EXT] Prince George Federal Com 1H

Thanks Jerry:
Santa Fe OCD received your NSL application on Thursday November 29, 2018

Mike

From: Jerry Sherrell <jerrys@mec.com>
Sent: Thursday, November 29, 2018 1:32 PM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Cc: Klein, Ranell, EMNRD <Ranell.Klein@state.nm.us>
Subject: [EXT] Prince George Federal Com 1H

Michael,

Please see the attached Unorthodox Well Location application.

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

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

¹ API Number 30-005-64310	² Pool Code 52770	³ Pool Name Round Tank; San Andres
⁴ Property Code 320814	⁵ Property Name PRINCE GEORGE FEDERAL COM	
⁷ OGRD No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	
		⁶ Well Number 1H
		⁹ Elevation 3781.5

" 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	32	15 S	29 E		660	NORTH	2285	EAST	CHAVES

" 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	29	15 S	29 E		4	NORTH	2281	EAST	CHAVES

¹¹ Dedicated Acres 160	¹² Joint or Infill	¹³ Consolidation Code	¹⁴ 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>NW CORNER SEC. 29 LAT. = 32.9941778°N LONG. = 104.0592205°W NMSP EAST (FT) N = 725527.69 E = 625379.72</p> <p>W Q CORNER SEC. 29 LAT. = 32.9869244°N LONG. = 104.0592279°W NMSP EAST (FT) N = 722888.70 E = 625384.34</p> <p>NW CORNER SEC. 32 LAT. = 32.9797418°N LONG. = 104.0594521°W NMSP EAST (FT) N = 720275.20 E = 625322.37</p> <p>W Q CORNER SEC. 32 LAT. = 32.9725584°N LONG. = 104.0593903°W NMSP EAST (FT) N = 717661.83 E = 625348.13</p> <p>SW CORNER SEC. 32 LAT. = 32.9653781°N LONG. = 104.059336°W NMSP EAST (FT) N = 715049.48 E = 625372.33</p>		<p>N Q CORNER SEC. 29 LAT. = 32.9941805°N LONG. = 104.0596128°W NMSP EAST (FT) N = 725535.63 E = 628018.88</p> <p>N Q CORNER SEC. 32 LAT. = 32.9797446°N LONG. = 104.0597446°W NMSP EAST (FT) N = 720283.29 E = 627961.08</p> <p>S Q CORNER SEC. 32 LAT. = 32.9653847°N LONG. = 104.0597188°W NMSP EAST (FT) N = 715058.89 E = 628014.50</p>		<p>NE CORNER SEC. 29 LAT. = 32.9941741°N LONG. = 104.0419921°W NMSP EAST (FT) N = 725540.51 E = 630661.92</p> <p>E Q CORNER SEC. 29 LAT. = 32.9869756°N LONG. = 104.0421225°W NMSP EAST (FT) N = 722921.40 E = 630629.19</p> <p>NE CORNER SEC. 32 LAT. = 32.9797782°N LONG. = 104.0422325°W NMSP EAST (FT) N = 720301.96 E = 630602.71</p> <p>SE CORNER SEC. 32 LAT. = 32.9653899°N LONG. = 104.0421076°W NMSP EAST (FT) N = 715067.95 E = 630655.49</p>	
<p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83). LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE VERTICAL DATUM NAVD83.</p>		<p>AS-DRILLED LAST TAKE POINT 78' FSL, 2281' FEL LAT. = 32.9939748°N LONG. = 104.0494325°W NMSP EAST (FT) N = 725481.77 E = 628380.58</p> <p>AS-DRILLED BOTTOM OF HOLE LAT. = 32.9941898°N LONG. = 104.0494325°W NMSP EAST (FT) N = 725481.77 E = 628380.58</p> <p>AS-DRILLED FIRST TAKE POINT 104' FSL, 2281' FEL LAT. = 32.9800360°N LONG. = 104.0496018°W NMSP EAST (FT) N = 720390.34 E = 630342.65</p>			
<p>PRINCE GEORGE FEDERAL COM 1H ELEV. = 3781.5' LAT. = 32.9779354°N (NAD83) LONG. = 104.0496664°W NMSP EAST (FT) N = 719826.02 E = 628324.91</p>		<p>AS-DRILLED LTP</p>			

" 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 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.

Deana Weaver 11-26-18
Signature Date

Deana Weaver

Printed Name

dweaver@mec.com

E-mail Address

" 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.

NOVEMBER 7, 2013

Date of Survey

FILMON F. JARAMILLO
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
No. 12797
Certificate Number
SURVEY NO. 5610A

Intent ☐ As Drilled ☒

API #

Operator Name: MACK ENERGY CORPORATION	Property Name: PRINCE GEORGE FEDERAL COM	Well Number 1H
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Kick Off Point (KOP)

UL B	Section 32	Township 15S	Range 29E	Lot	Feet 660	From N/S NORTH	Feet 2285	From E/W EAST	County CHAVES
Latitude 32.9779354					Longitude 104.0496664				NAD 83

First Take Point (FTP)

UL O	Section 29	Township 15S	Range 29E	Lot	Feet 104	From N/S SOUTH	Feet 2261	From E/W EAST	County CHAVES
Latitude 32.9800360					Longitude 104.0496018				NAD 83

Last Take Point (LTP)

UL B	Section 29	Township 15S	Range 29E	Lot	Feet 75	From N/S NORTH	Feet 2281	From E/W EAST	County CHAVES
Latitude 32.9939748					Longitude 104.0494335				NAD 83

Is this well the defining well for the Horizontal Spacing Unit? ☐

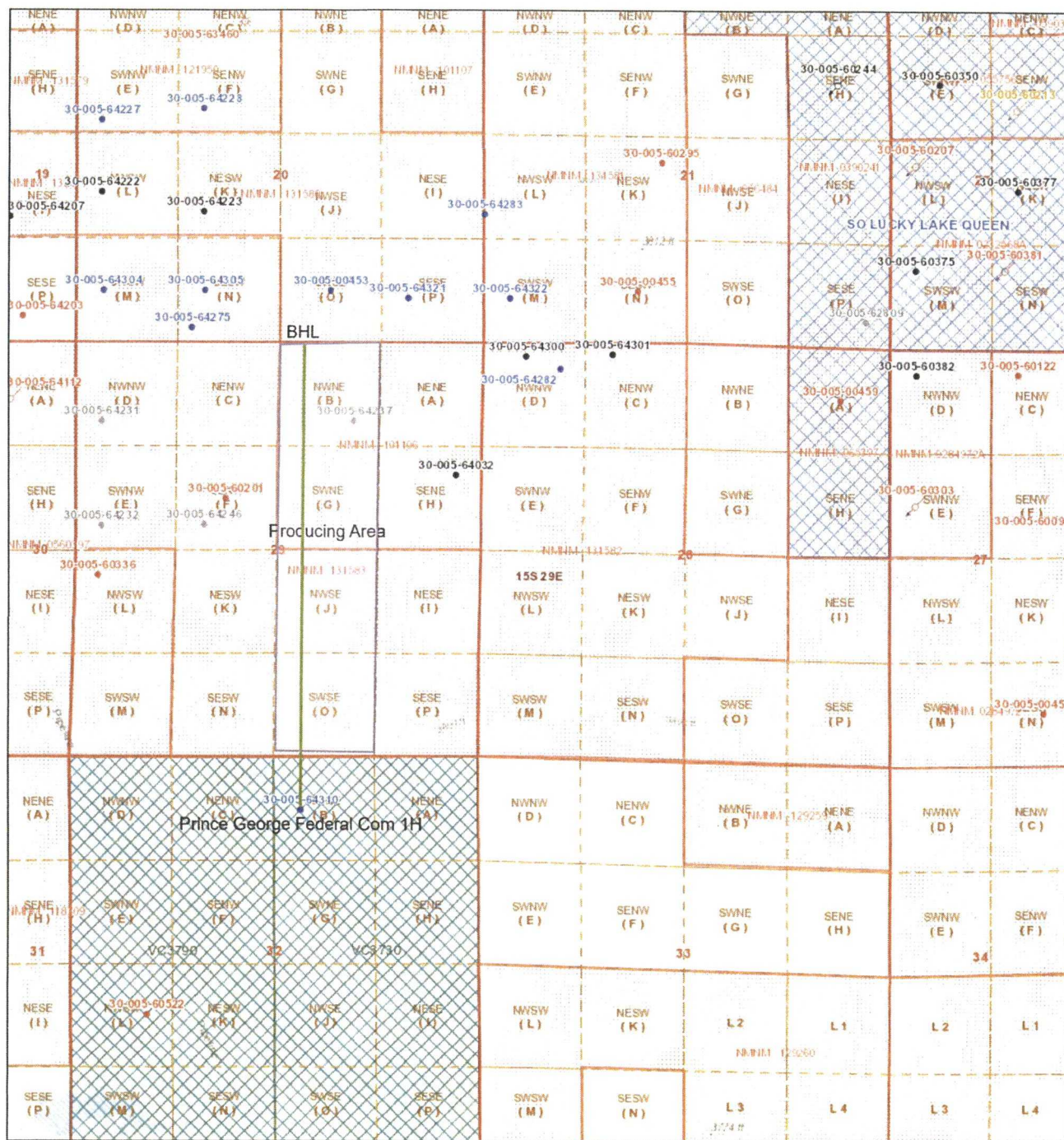
Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

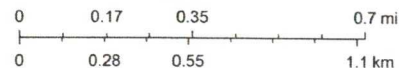
OCD Well Locations



11/29/2018, 9:29:31 AM

1:18,056

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> Override 1 Well Locations - Small Scale Active New Plugged Cancelled Temporarily Abandoned Well Locations - Large Scale Miscellaneous CO2 Active CO2 Cancelled CO2 New CO2, Plugged | <ul style="list-style-type: none"> CO2, Temporarily Abandoned Gas Active Gas, Cancelled, Never Drilled Gas, New Gas, Plugged Gas, Temporarily Abandoned Injection, Active Injection, Cancelled Injection, New Injection, Plugged Injection, Temporarily Abandoned Oil, Active Oil, Cancelled | <ul style="list-style-type: none"> Oil, New Oil, Plugged Oil, Temporarily Abandoned Salt Water Injection, Active Salt Water Injection, Cancelled Salt Water Injection, New Salt Water Injection, Plugged Salt Water Injection Temporarily Abandoned Water, Active Water, Cancelled Water, New Water, Plugged Water, Temporarily Abandoned |
|---|---|--|



Bureau of Land Management, Texas Parks & Wildlife, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, EPA, USDA, OCD, BLM

M E M O

DATE: November 29, 2018

TO: NMOCD

FROM: STACI SANDERS
MACK ENERGY CORPORATION

RE: **NON-STANDARD LOCATION**
PRINCE GEORGE FEDERAL COM #1H WELL (API #30-005-64310)
SHL: 660' FNL & 2285' FEL, SEC. 32, T15S-R29E
FTP: 104' FSL & 2261' FEL, SEC. 29, T15S-R29E
LTP: 75' FNL & 2281' FEL, SEC. 29, T15S-R29E
BHL: 4' FNL & 2281' FEL, SEC. 29, T15S-R29E
CHAVES COUNTY, NEW MEXICO

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

The Prince George Federal Com #1H will encroach on Federal Lease NMNM-131580 in the SW/4 SE/4 of Section 20, T15S-R29E, which is also operated by Mack Energy Corporation. The ownership for this lease is identical to the leases for the Prince George Federal Com #1H (see ownership attached).

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

Sincerely,

Mack Energy Corporation



Staci Sanders
Land Manager

Prince George Federal Com #1H Leases

USA Lease NMNM-101106: W/2 NE/4 of Sec. 29, T15S-R29E

USA Lease NMNM-131583: W/2 SE/4 of Sec. 29, T15S-R29E

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

Encroaching on the following Lease:

USA Lease NMNM131580: SW/4 SE/4 of Sec. 20, T15S-R29E

Interest Owners:

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

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

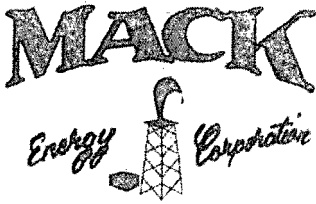
Ventana Minerals LLC WI
P.O. Box 359
Artesia, NM 88211

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:

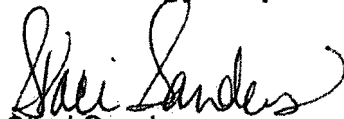
Mack Energy Corporation is a Chase Family owned entity. The following Chase individuals or companies are all affiliates of Mack Energy Corporation and usually own an interest in wells drilled and/or operated by Mack Energy Corporation.

- 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 administrative approval of an unorthodox well location for its Prince George Federal Com 1H well in the NWNE of Sec. 32 T15S, R29E, Chaves County, New Mexico. Encroaching upon the SWSE of Sec. 20 T15S R29E.

SENDERO ENERGY LLC

By: Matt Brewer
Matt Brewer, Managing Member

Date: 11/29/2018

KATZ RESOURCES LLC

By: Charles Sadler
Charles Sadler, Managing Member

Date: 11/29/18

M SQUARED ENERGY LLC

By: W. Lee Livingston
W. Lee Livingston, Managing Member

Date: 11/29/2018