

NSL-7786

Revised March 23, 2017

RECEIVED: NOV 4, 2018	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1831857236
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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 Rupert Federal 4H **API:** 30-005-64320
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

Jerry W. Sherrell
 Signature

11/14/18

Date

575-748-1288

Phone Number

jerrys@mec.com
 e-mail Address



NOV 14 2018 AM 10:51

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

November 8, 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 Rupert Federal 4H well in the SWSE of Sec. 17 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 Rupert Federal 4H Well** SHL 565 FSL 1675 FEL, Sec. 17 T15S R29E, BHL 13 FSL 1717 FEL Sec. 20 T15S R29E to be completed in the Round Tank; San Andres Pool (Pool Code 52770). Completed interval will be, First Take Point 100 FNL 1718 FEL, through Last Take Point 50 FSL 1718 FEL Sec. 20 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 SWSE of Sec. 20 T15S R29E boundary 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 **Prince Rupert Federal 4H Well** which shows that the completed interval encroaches on the NWNE Sec. 29 T15S R29E.

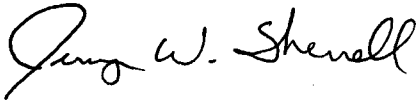
Exhibit B is a map showing the outline of the subject acreage and the surrounding sections.

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.

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".

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

¹ API Number 30-005-64320	² Pool Code 52770	³ Pool Name Round Tank; San Andres
⁴ Property Code 314080	⁵ Property Name PRINCE RUPERT FEDERAL	⁶ Well Number 4H
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	⁹ Elevation 3788.7

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	17	15 S	29 E		565	SOUTH	1675	EAST	CHAVES

¹¹ Bottom Hole Location If Different From Surface

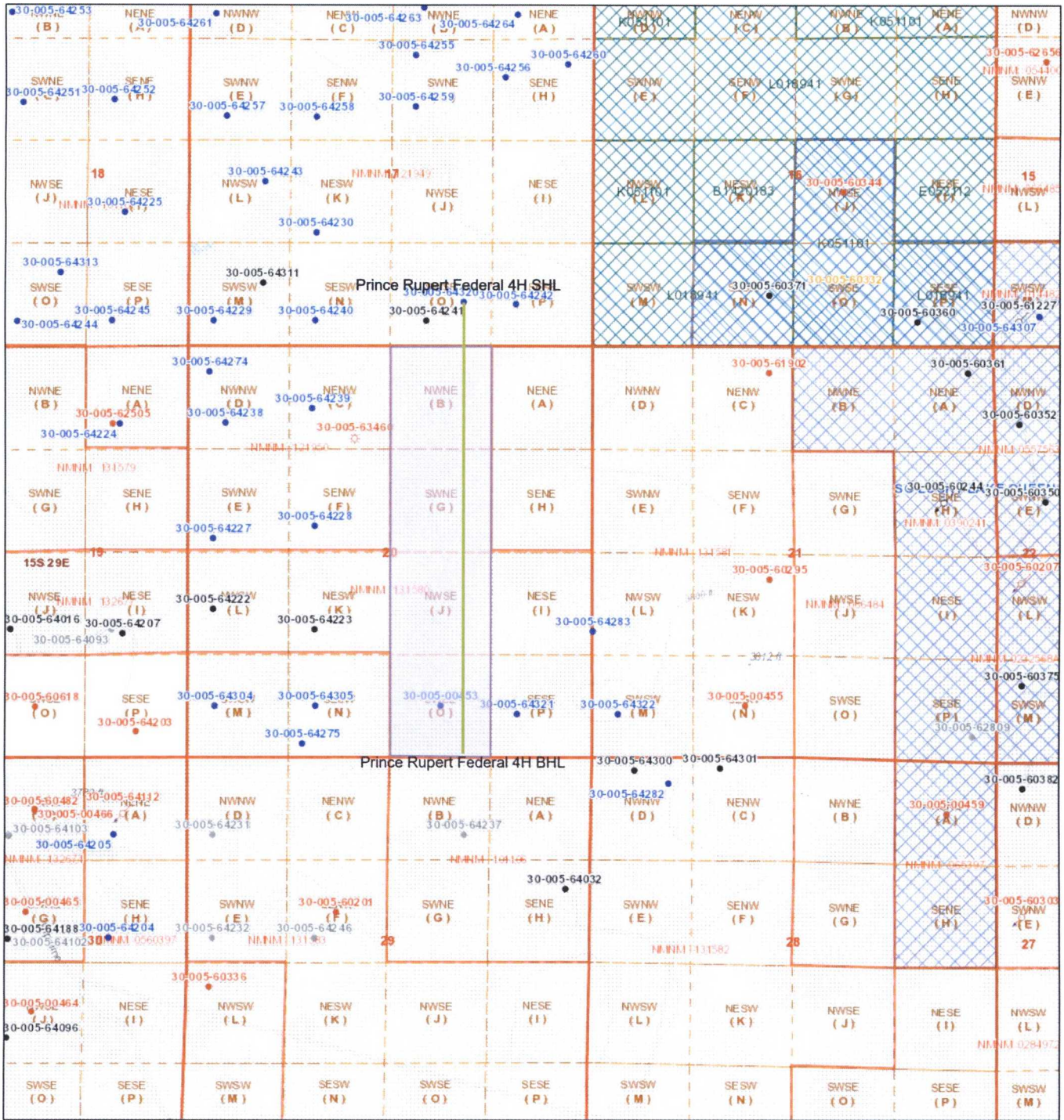
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/ West line	County
O	20	15 S	29 E		13	SOUTH	1717	EAST	CHAVES

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

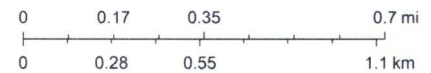
<p>NW CORNER SEC. 17 LAT. = 33.0231877N LONG. = 104.0591511W NMSP EAST (FT) N = 736082.33 E = 625373.48</p> <p>W/4 CORNER SEC. 17 LAT. = 33.0159381N LONG. = 104.0591803W NMSP EAST (FT) N = 733444.71 E = 625371.40</p> <p>SW CORNER SEC. 17 LAT. = 33.0086773N LONG. = 104.0592070W NMSP EAST (FT) N = 730802.99 E = 625370.10</p> <p>W/4 CORNER SEC. 20 LAT. = 33.0014276N LONG. = 104.0592265W NMSP EAST (FT) N = 728185.36 E = 625371.02</p> <p>SW CORNER SEC. 20 LAT. = 32.9941778N LONG. = 104.0592205W NMSP EAST (FT) N = 725527.69 E = 625379.72</p>	<p>589°04'14"E 2643.06 FT N88°47'01"E 2624.38 FT</p> <p>N/4 CORNER SEC. 17 LAT. = 33.0230506N LONG. = 104.0505315W NMSP EAST (FT) N = 736039.47 E = 628015.51</p> <p>PRINCE RUPERT FEDERAL 4H ELEV. = 3788.7 LAT. = 33.0102224N (NAD83) LONG. = 104.0474755W NMSP EAST (FT) N = 731374.73 E = 628964.85</p> <p>S/4 CORNER SEC. 17 LAT. = 33.0086712N LONG. = 104.0506060W NMSP EAST (FT) N = 730807.76 E = 628008.72</p> <p>589°53'47"W 2637.31 FT S89°52'35"W 2634.03 FT</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 BOTTOM OF HOLE LAT. = 32.9942139N LONG. = 104.0475949W NMSP EAST (FT) N = 725550.29 E = 628944.08</p> <p>S/4 CORNER SEC. 20 LAT. = 32.9941805N LONG. = 104.0506126W NMSP EAST (FT) N = 725535.63 E = 628018.88</p> <p>AS-DRILLED LAST TAKE POINT 50' FSL 1716' FEL LAT. = 32.9943158N LONG. = 104.0475929W NMSP EAST (FT) N = 725587.36 E = 628944.58</p> <p>AS-DRILLED LTP AS-DRILLED BHL 1717'</p>	<p>NE CORNER SEC. 17 LAT. = 33.0231840N LONG. = 104.0419727W NMSP EAST (FT) N = 736095.17 E = 630638.62</p> <p>E/4 CORNER SEC. 17 LAT. = 33.0159319N LONG. = 104.0420011W NMSP EAST (FT) N = 733456.63 E = 630637.24</p> <p>SE CORNER SEC. 17 LAT. = 33.0086670N LONG. = 104.0420158W NMSP EAST (FT) N = 730813.44 E = 630640.08</p> <p>AS-DRILLED FIRST TAKE POINT 100' FSL 1716' FEL LAT. = 33.0083953N LONG. = 104.0476281W NMSP EAST (FT) N = 730709.86 E = 628919.88</p> <p>E/4 CORNER SEC. 20 LAT. = 33.0014268N LONG. = 104.0422246W NMSP EAST (FT) N = 728179.05 E = 630583.33</p> <p>SE CORNER SEC. 20 LAT. = 32.9941741N LONG. = 104.0419921W NMSP EAST (FT) N = 725540.51 E = 630661.92</p>	<p>17 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 undivided 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><i>Jerry W. Sherrell</i> 11/7/2018 Signature Date Jerry W. Sherrell Printed Name jerry45@mecc.com E-mail Address</p> <p>18 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.</p> <p>NOVEMBER 2018 Date of Survey F. JARAMILLO NEW MEXICO 12797 Signature and Seal of Professional Surveyor Certificate Number F. JARAMILLO, PLS 12797 SURVEY NO. 6464</p>
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OCD Well Locations



11/8/2018, 9:32:12 AM

1:18,056



- | | | |
|---|--|--|
|  Override 1 |  CO2, Temporarily Abandoned |  Oil, New |
|  Override 1 |  Gas Active |  Oil, Plugged |
| Well Locations - Small Scale | | |
|  Active |  Gas, Cancelled, Never Drilled |  Oil, Temporarily Abandoned |
|  New |  Gas, New |  Salt Water Injection, Active |
|  Plugged |  Gas, Plugged |  Salt Water Injection, Cancelled |
|  Cancelled |  Gas, Temporarily Abandoned |  Salt Water Injection, New |
|  Temporarily Abandoned |  Injection, Active |  Salt Water Injection, Plugged |
| |  Injection, Cancelled |  Salt Water Injection Temporarily Abandoned |
| Well Locations - Large Scale | | |
|  Miscellaneous |  Injection, New |  Water, Active |
|  CO2 Active |  Injection, Plugged |  Water, Cancelled |
|  CO2 Cancelled |  Injection, Temporarily Abandoned |  Water, New |
|  CO2 New |  Oil, Active |  Water, Plugged |
|  CO2, Plugged |  Oil, Cancelled |  Water, Temporarily Abandoned |

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

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

M E M O

DATE: November 7, 2018

TO: NMOCD

FROM: STACI SANDERS
MACK ENERGY CORPORATION

RE: **NON-STANDARD LOCATION**
PRINCE RUPERT FEDERAL #4H WELL (API #30-005-64320)
SHL: 565' FSL & 1675' FEL, SEC. 17, T15S-R29E
FTP: 100' FNL & 1718' FEL, SEC. 20, T15S-R29E
LTP: 50' FSL & 1716' FEL, SEC. 20, T15S-R29E
BHL: 13' FNL & 1717' FEL, SEC. 20, T15S-R29E
CHAVES COUNTY, NEW MEXICO

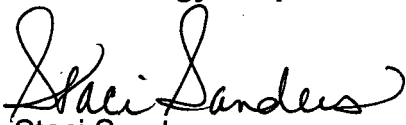
Mack Energy Corporation is seeking the approval of a non-standard location for the Prince Rupert Federal #4H well. Please see the attached exhibit for a list of the leases (with owners) and legal descriptions for this well.

The Prince Rupert Federal #4H will encroach on Federal Lease NMNM-101106 in the NW/4 NE/4 of Section 29, T15S-R29E, which is also operated by Mack Energy Corporation. The ownership for this lease is identical to the lease for the Prince Rupert Federal #4H (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 Rupert Federal #4H Lease

USA Lease NMNM131580: W/2NE/4, N/2SW/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

Encroaching on the following Lease:

USA Lease NMNM-101106: NW/4 NE/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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, December 7, 2018 9:03 AM
To: 'Jerry Sherrell'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Cordero, Gilbert, EMNRD; 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Dawson, Scott, EMNRD; 'jglover@blm.gov'
Subject: NSL-7786_Mack Energy Corporation_Prince Rupert Federal Com No. 4H API #: 30-005-64320

Importance: High

Mr. Jerry W. Sherrell,

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

NSL-7786

Mack Energy Corporation

API #: 30-005-64320

WELL: Prince Rupert Federal Com No. 4H

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

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

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