

DATE IN 9/2/03	SUSPENSE 9/2/03	ENGINEER M.E.S.	LOGGED IN MS.	TYPE NSC	P.M.E.S.O. 325253288 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

Weasel Fed. #1
NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED
 SEP - 2 2003
 Conservation Division

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]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [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

8/28/03
 Date

jerrys@mackenergycorp.com
 e-mail Address



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

August 28, 2003

Oil Conservation Division
Attn: Mike Stogner
2040 South Pacheco
Santa Fe, NM 87505

Dear Mr. Stogner:

Mack Energy Corporation respectfully requests an administrative approval without notice and hearing of the following unorthodox well locations.

Because of our desire to drill these wells in a timely manner, we also request your approval be expedited. The well locations and legal descriptions are as follows:

Brown Federal #5
1115 FNL & 990 FWL
Sec. 31, T17S, R32E
Lea County, New Mexico

Fox Federal #4
1600 FNL & 1090 FWL
Sec. 31, T17S, R32E
Lea County, New Mexico

Fox Federal #5
2510 FNL & 1650 FWL
Sec. 31, T17S, R32E
Lea County, New Mexico

Weasel Federal #1
1550 FSL & 990 FEL (1)
Sec. 31, T17S, R32E
Lea County, New Mexico

The wells will be completed in the Grayburg formation in the Maljamar-Grayburg-San Andres Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plats (form C-102) filed with the Hobbs office of the Oil Conservation Division (Exhibit A).
- B.) A map showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A topographic map showing the reason for the unorthodox locations, the original Brown #5 and Fox #3 & #4 locations were moved at the request of the BLM representative during the on-site inspection due to the sand dunes that are habitat for a specific Sand Dune Lizard.

Oil Conservation Division

August 28, 2003

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The Weasel #1 location would have fallen on top of or too close to existing gas pipelines, which are visible on the map. This well encroaches the same lease to the south. We are not going to be able to drill the Weasel #2 due to the sand dunes at that location. Therefore, we have staked the Weasel #3 & #4 in the same 40 acre tract.

We are also not going to be able to drill the Fox Federal #2 due to the sand dunes at that location.

All of these unorthodox locations with the exception of the Fox Federal #4 are encroaching upon itself or another lease operated by Mack Energy Corp. The Fox Federal #4 is encroaching upon the NW/4 NW/4 the NE/4 NW/4 and the SE/4 NW/4. Attached is a letter sent to notify Conoco/Phillips of the unorthodox location.

Also, please note that the Mack Energy group has 100% of the working interest in the Mack operated leases.

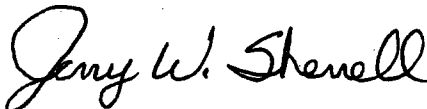
Currently we are completing the Brown Federal #4 and have drilled the Panther Federal #1, Panther Federal #3, and drilling the Fox Federal #1. (Exhibit C).

Should you have any questions concerning the reasons for moving the locations, you can contact Don Peterson at the Carlsbad Bureau of Land Management (505) 887-6544.

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

Sincerely,

MACK ENERGY CORPORATION



*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

August 28, 2003

CERTIFIED RETURN RECEIPT MAIL

7002 0860 0006 7056 4391

ConocoPhillips Company
PO Box 2197
Houston, TX 77251
Attn: Linda Hicks

Dear Madam:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for an unorthodox Grayburg oil well location for the Fox Federal #4. The location for this well is 1600 FNL & 1090 FWL of Section 31-T17S-R32E, Lea County, New Mexico.

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 application has been received.

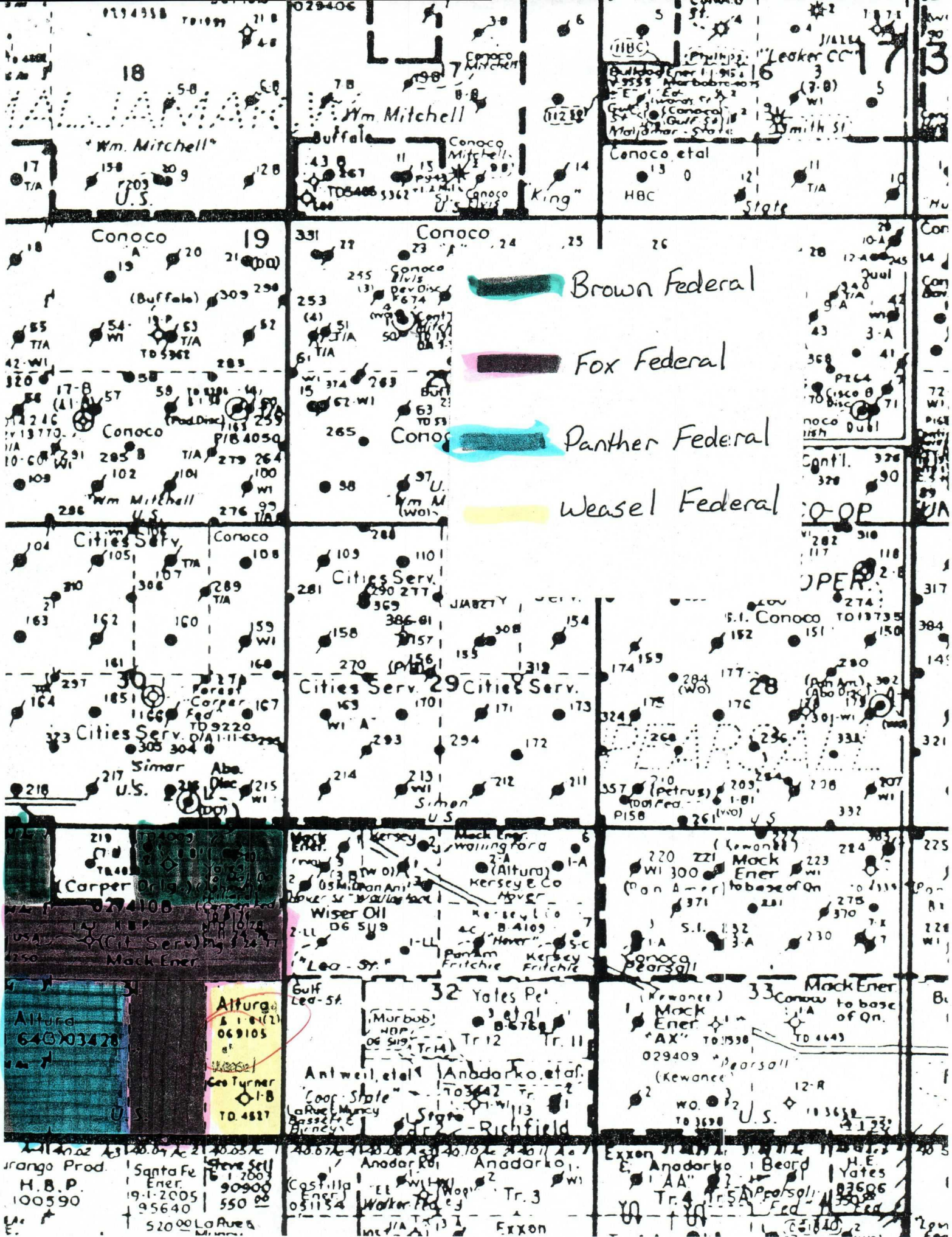
Sincerely,

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

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures



DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 43329	Pool Name Undesignated Maljamar GB SA
Property Code	Property Name WEASEL FEDERAL	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3861'

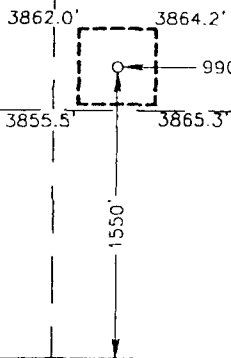
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	31	17-S	32-E		1550	SOUTH	990	EAST	LEA

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
Dedicated Acres 40	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>GEOGRAPHIC COORDINATES SPC NME NAD 1927 Y = 650805.5 Y = 663933.5 LAT. - 32°47'16.87"N LONG. - 103°47'59.63"W</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Crissa D. Carter</i> Signature Crissa D. Carter Printed Name Production Analyst Title 2/10/2003 Date</p>
		<p>SURVEYOR CERTIFICATION</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>JANUARY 21, 2003 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 1/28/03 03.11.0045 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>

Sec : 31 Twp : 17S Rng : 32E Section Type : NORMAL

1 40.96 Federal owned A A	C 40.00 Federal owned U A	B 40.00 Federal owned A A	A 40.00 Federal owned A
2 40.94 Federal owned	F 40.00 Federal owned A	G 40.00 Federal owned	H 40.00 Federal owned
3 40.94 Federal owned A A	K 40.00 Federal owned A A	J 40.00 Federal owned A	I 40.00 Federal owned
4 40.92 Federal owned	N 40.00 Federal owned A	O 40.00 Federal owned	P 40.00 Federal owned A

This is a high-contrast, black and white aerial photograph of a coastal or estuarine area. The image is overlaid with a grid of rectangular sections. Numerous points are marked with numbers in small circles: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12. There are also three labels: 'D+A' located near point 5, 'E' near point 1, and 'F' near point 10. The terrain appears to be a mix of dark, textured areas (possibly vegetation or water) and lighter, more uniform areas (possibly sand or bare ground). A prominent diagonal line, possibly a road or a natural boundary, runs from the upper left towards the lower right. The overall image has a grainy, high-contrast quality typical of older aerial photography.

