

MACK ENERGY CORPORATION

NSL-4314

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-2362

June 9, 1999

Oil Conservation Division
~~Attn: David Catanach~~
2040 South Pacheco
Santa Fe, NM 87505

JUN 10 1999

Dear Mr. ~~Catanach~~:

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

Because of a deadline to spud by July 1, 1999, we also request your approval be expedited. The well location and legal description is as follows:

MC Federal #1
2275 FNL & 1268 FWL
Sec. 22-T17S-R32E
Lea County, New Mexico

The well will be drilled as a Wildcat Ellenburger and tested for gas in the Ellenburger formation.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).
- B.) A plat showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) Reason for the unorthodox location: The location was selected by using 3D seismic data. Attached is an Ellenburger Structure Map (Exhibit C) generated from 3D Seismic interpretation using Sea Level Datum. The unorthodox location was chosen to obtain optimum reservoir recovery on a structural high.

Oil Conservation Division

June 9, 1999

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Please note that Mack Energy Corporation is the operator of the offsetting proration units in which we are encroaching upon in the Ellenburger formation, therefore no other operators are required to be notified.

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 "Matt J. Brewer".

*Matt J. Brewer
Geological Engineer*

/mb

Enclosures

DISTRICT I

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

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

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

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV

P.O. Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name MC FEDERAL	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4006

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	22	17 S	32 E		2275	NORTH	1268	WEST	LEA

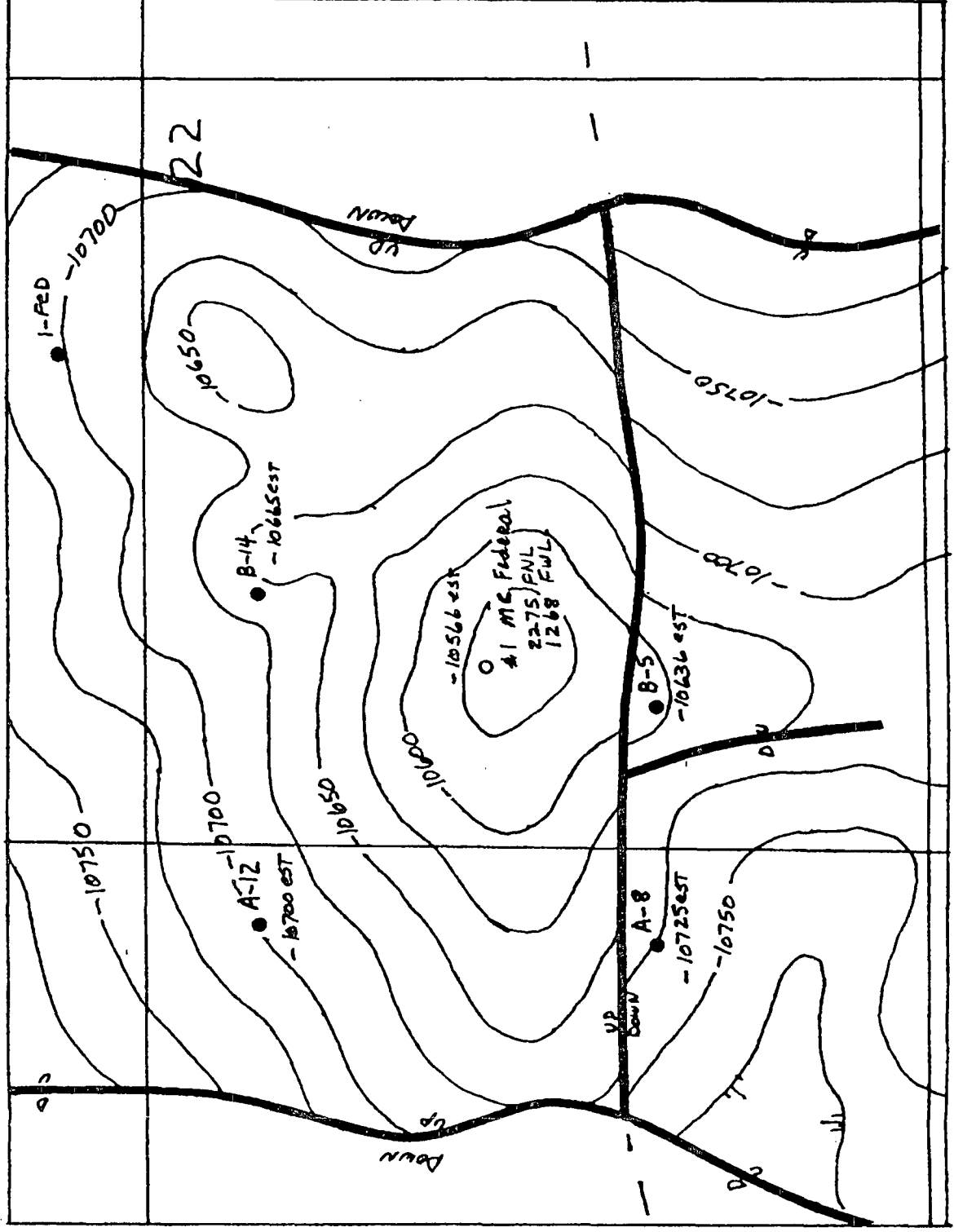
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320									

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Matt J. Brewer</u> Signature Matt J. Brewer Printed Name Geological Engineer Title 4/30/99 Date
	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. APRIL 23, 1999 Date Surveyed Signature <u>Ronald J. Eidson</u> Professional Surveyor NEW MEXICO 3239 P.O. Num 99-14-0370 Certificate No. RONALD J. EIDSON, 3239 GARLAND EIDSON, 12641 EDWARD McDONALD, 12185

Resolution Geophysical Services
David M. Mitchell 6/99



(Exhibit C)

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION06/14/99 10:19:56
OGOMWA -TP7E
PAGE NO: 1

Sec : 22 Twp : 17S Rng : 32E Section Type : NORMAL

D 40.00 Federal owned U A	C 40.00 Federal owned A	B 40.00 Federal owned A	A 40.00 Federal owned
E 40.00 Federal owned U A A	F 40.00 Federal owned U A	G 40.00 Federal owned U A	H 40.00 Federal owned U A A

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION06/14/99 10:20:16
OGOMWA -TP7E
PAGE NO: 2

Sec : 22 Twp : 17S Rng : 32E Section Type : NORMAL

L 40.00 Federal owned U A A	K 40.00 Federal owned U A	J 40.00 Federal owned U A A A	I 40.00 Federal owned U A A
M 40.00 Federal owned U A A A	N 40.00 Federal owned U A A	O 40.00 Federal owned U A A	P 40.00 Federal owned U A A

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

TRANSMITTAL COVER SHEET

**OIL CONSERVATION DIVISION
ENGINEERING BUREAU
(505) 827-7131 (OFFICE)
(505) 827-1389 (FAX)**

PLEASE DELIVER THIS FAX TO:

TO: MATT BREWER
FROM: OCO
SUBJECT: MC FEDERAL # 1
DATE: 6-14-99 2:25pm
PAGES: 2 (INCLUDING COVER SHEET)

**IF YOU HAVE ANY PROBLEMS RECEIVING THIS FAX, PLEASE CALL THE
OFFICE NUMBER ABOVE.**



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

July 15, 1999

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: Matt Brewer

Telefax No. (505) 746-2362

Corrected Administrative Order NSL-4314

Dear Mr. Brewer:

Reference is made to your application dated June 10, 1999 for an unorthodox gas well location within the Ellenburger formation for Mack Energy Corporation's proposed MC Federal Well No. 1 to be drilled 2275 feet from the North line and 1268 feet from the West line (Unit E) of Section 22, Township 17 South, Range 32 East, NMPM, **Lea** County, New Mexico. The W/2 of Section 22 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit.

The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery
Director

LW/MWA/kv

cc: New Mexico Oil Conservation Division - **Hobbs**
U. S. Bureau of Land Management - Carlsbad