

121233065

NSL

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

01 JUL 30 PM 1:45

OIL CONSERVATION DIV.

July 26, 2001

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 location.

Because of our desire to drill this well in a timely manner, we also request your approval be expedited. The well location and legal description is as follows:

*BC Federal #6
1595 FNL & 1040 FEL
Sec. 19, T17S, R32E
Lea County, New Mexico*

The well will be completed in the Paddock formation in the Maljamar Paddock Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Hobbs 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.) A map showing the reason for the unorthodox location, the original location would have fallen on top of or too close to existing gas pipeline (Exhibit C).*
- D.) A lease & well location map showing that there is 1 well staked and 3 other possible locations for effective 10-acre spacing on this particular 40-acre tract (Exhibit D).*

Oil Conservation Division

July 26, 2001

Page 2

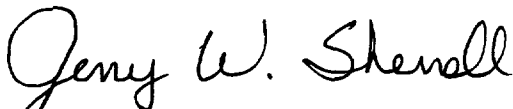
Moving the location 50' west and 55' to the north will give the distance needed to build a location away from the gas pipeline. The location would have to be moved approximately 400 feet east to get away from the pipeline to make it orthodox. This will interfere with the other 3 locations that will be staked in the future. There are no other possible orthodox locations for this well due to future locations being located on 10-acre spacing.

Also, please find the attached Signature Page in which all working interest owners have approved the unorthodox location.

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
P.O. Box 1988, Hobbs, NM 88241-1988

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

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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 44500	Pool Name Maljamar Paddock
Property Code 24936	Property Name BC FEDERAL	Well Number 6
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3958'

Surface Location

UL or lot No. H	Section 19	Township 17-S	Range 32-E	Lot Idn	Feet from the 1595	North/South line NORTH	Feet from the 1040	East/West line EAST	County 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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Jerry W. Sherrell</u> Signature <u>Jerry W. Sherrell</u> Printed Name <u>Production Clerk</u> Title <u>6-25-01</u> 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. JUNE 15, 2001 Date Surveyed Signature & Seal of Professional Surveyor <u>Ronald E. Kidson</u> Professional Surveyor 01-11-0746
	Certificate No. <u>RONALD E. KIDSON 3239</u> <u>GARY KIDSON 12641</u>

Exhibit B

BC Federal #6 in Red
Gas Line in Green
Lease line in Yellow

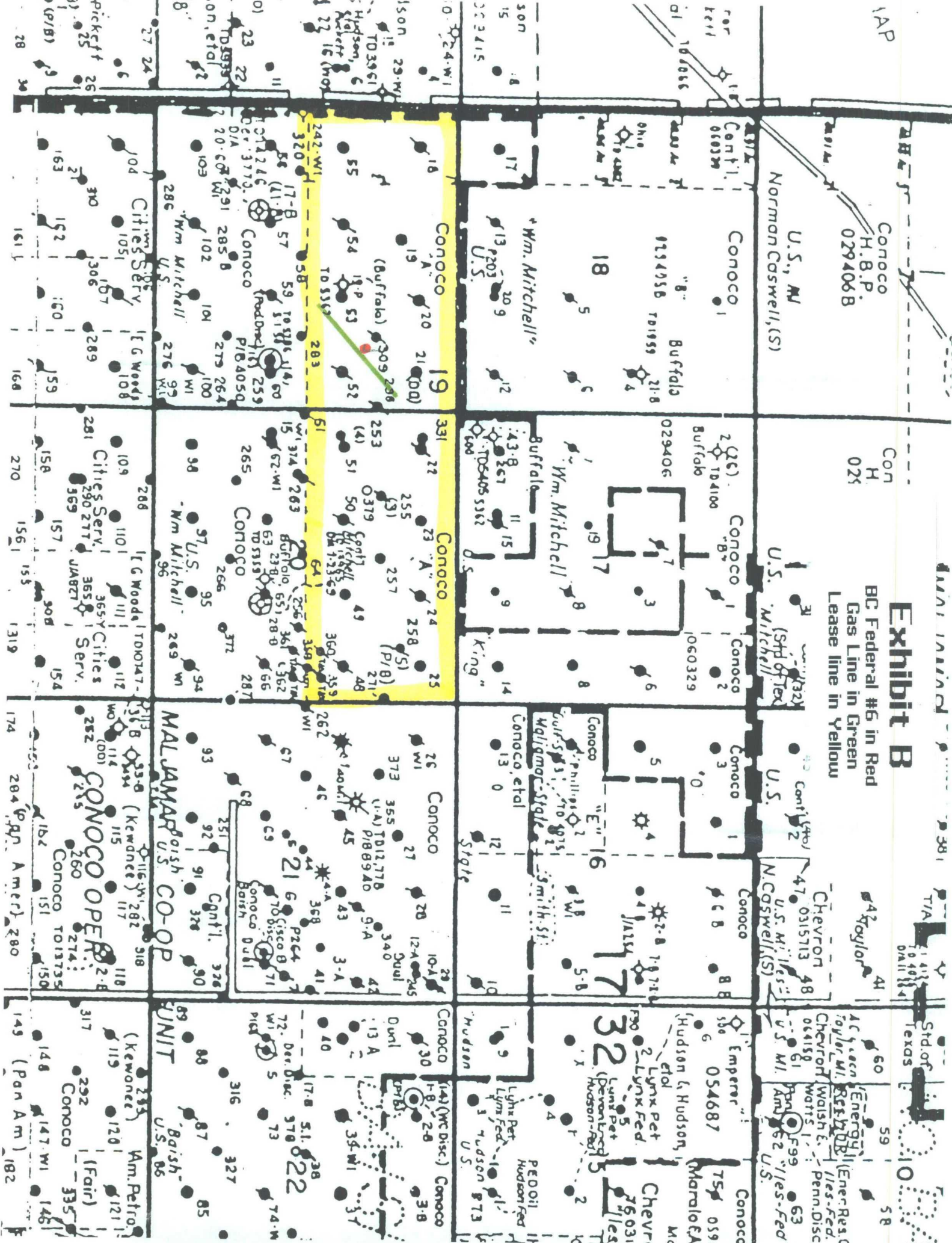
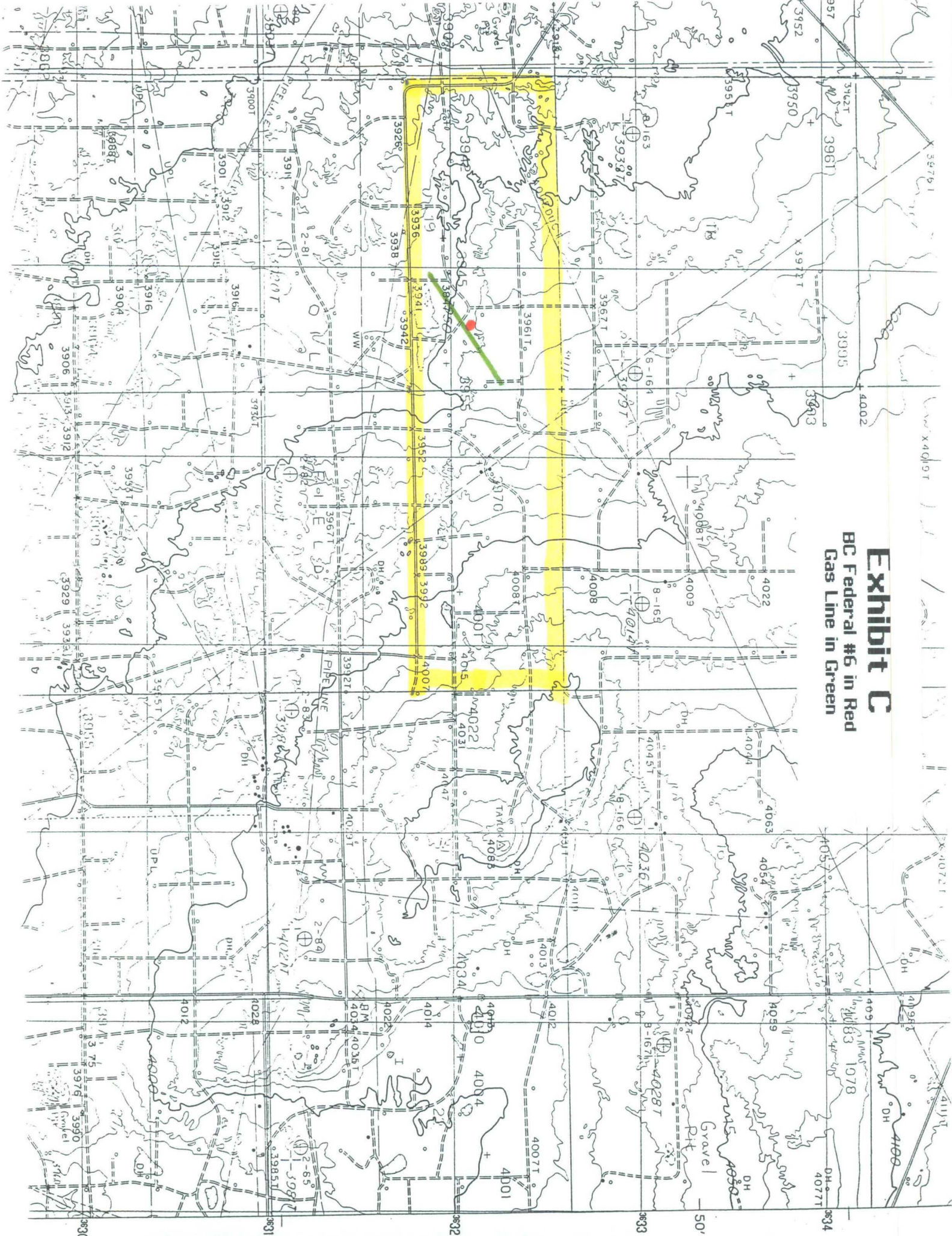


Exhibit C

BC Federal #6 in Red
Gas Line in Green



"B" B.C. 1919

Exhibit D

BC Federal #6 in Red
Gas Line in Green
Lease line in Yellow
Future Locations in Blue

All one lease with common interest

Wm. Mitchell

U.S.

U.S.

"King"

Conoco, et al

Conoco
Gulf States
Mallinco-Style

Conoco

Conoco

Conoco

BC Fed. #6
(Buffalo)

Conoco

Conoco

242-W1

W1 314

Conoco

W1

Conoco

Conoco

W1

20-60 W1

W1 314

Conoco

W1

Wm Mitchell

Wm Mitchell

MALAMAR

Cities Serv

Cities Serv

W1

Cities Serv

W1

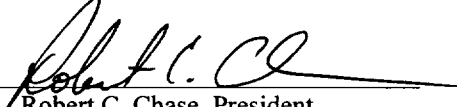
CONOCO

SIGNATURE PAGE

The undersigned approves of Mack Energy Corporation's request to drill the following unorthodox Location. This well encroaches the NW/4 NE/4, NE/4 NE/4, SW/4 NE/4 Sec 19 T17S R32E.

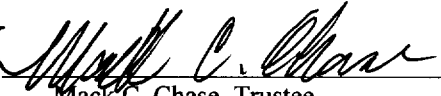
**BC Federal #6
1595 FNL 1040 FEL
Sec 19 T17S R32E**

CHASE OIL CORPORATION

By: 
Robert C. Chase, President

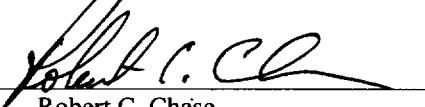
Date: 7-13-01

**MACK C. AND MARILYN Y. CHASE
TRUST, U/T/A DATED 11/21/83**

By: 
Mack C. Chase, Trustee

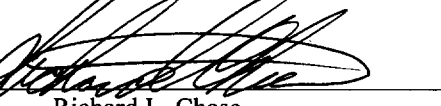
Date: 7-13-01

ROBERT C. CHASE

By: 
Robert C. Chase

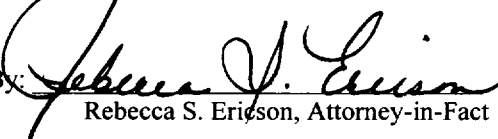
Date: 7-13-01

RICHARD L. CHASE

By: 
Richard L. Chase

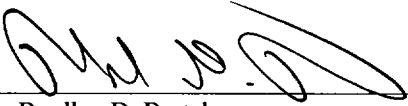
Date: 7-13-01

**GERENE DIANNE CHASE CROUCH
Dealing in her sole and separate property**

By: 
Rebecca S. Ericson, Attorney-in-Fact

Date: 7-13-01

BRADLEY D. BARTEK

By: 
Bradley D. Bartek

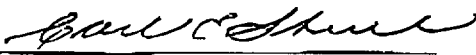
Date: 7-13-01

SIGNATURE PAGE

The undersigned approves of Maack Energy Corporation's request to drill the following unorthodox Location. This well encroaches the NW/4 NE/4, NE/4 NE/4, SW/4 NE/4 Sec 19 T17S R32E.

**BC Federal #6
1595 FNL 1040 FEL
Sec 19 T17S R32E**

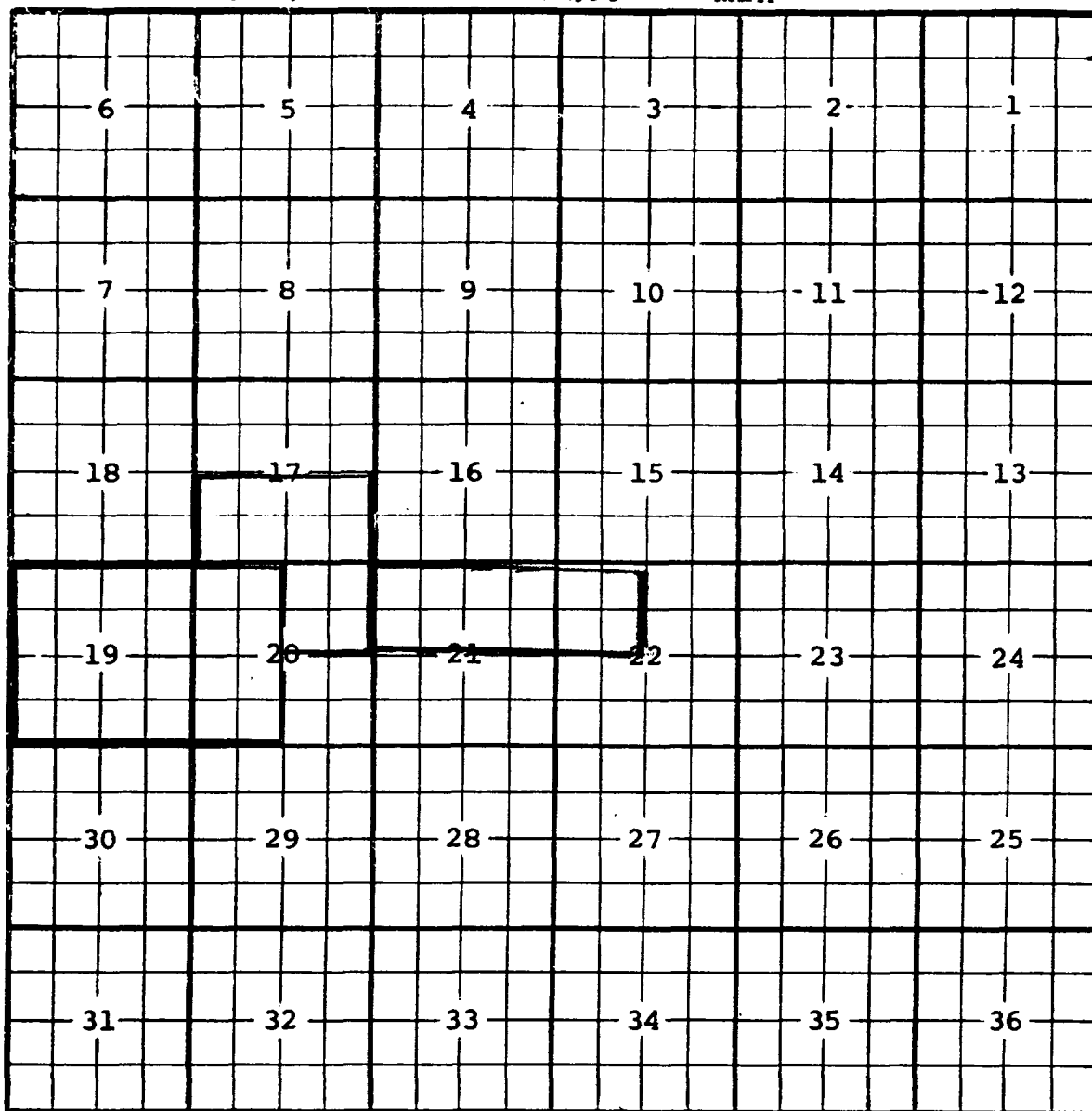
CONOCO INC.

By: 

Date: 7/16/01

COUNTY LeaPOOL Maljamar - PaddeckTOWNSHIP 17 SouthRANGE 32 East

NMFM



Description: All Sec. 19; $\frac{W}{2}$ Sec. 20 (R-27,7-8-50)

Ext: $\frac{S}{2}$ Sec. 17; $\frac{NE}{4}$ Sec. 20 (R-38,12-20-50)

Ext: $\frac{N}{2}$ Sec. 21, $\frac{NW}{4}$ Sec. 22 (R-11533,2-8-01)



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

September 22, 1999

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

Telefax No. (505) 746-2362

Administrative Order NSL-4361

Dear Mr. Brewer:

Reference is made to the following: (i) your application dated September 1, 1999; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the New Mexico Oil Conservation Division in Santa Fe ("Division") on Tuesday, September 7, 1999; and (iii) the records of the Division: all concerning Mack Energy Corporation's request for an unorthodox Paddock oil well location for the proposed MC Federal "20" Well No. 1 to be drilled 330 feet from the North line and 1575 feet from the West line (Unit C) of Section 20, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. The NE/4 NW/4 of Section 20 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Maljamar-Paddock Pool.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that the N/2 of Section 20 is a portion of a single Federal lease issued by the U. S. Bureau of Land Management in which Conoco, Inc. is lessee; however, under farmout agreement Mack Energy Corporation is the leasehold operator of certain oil and gas rights below the base of the San Andres formation to the top of the Wolfcamp formation.

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

Sincerely

Lori Wrotenbery
Director

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

NSL 9/22/99

SECRET

SEP - 2 1999

7-10-1941

*Attn: Mike Stogner
2040 South Pacheco
Santa Fe, NM 87505*

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

MC Federal 20 #1
330 FNL & 1575 FWL
Sec. 20, T17S, R32E
Lea County, New Mexico

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.) *A map showing the reason for the unorthodox location, the original location would have fallen on top of or too close to existing powerlines (Exhibit C).*

education plat (form C-102) filed with the
ervation Division (Exhibit A).

unorthodox locations, the respective
etting proration units (Exhibit B).

or the unorthodox location, the original
n top of or too close to existing powerlines

Per [illegible] 7, 1999.
Math [illegible] Inc. as to the
base of SH to the [illegible]
M. C.



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 23, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960

Attention: Jerry W. Sherrell

Re: *Administrative application for an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to drill the proposed BC Federal Well No. 6 at an unorthodox oil well location 1595 feet from the North line and 1040 feet from the East line (Unit H) of Section 19, Township 17 South, Range 32 East, NMPM, to test the Maljamar-Paddock Pool, Lea County, New Mexico, within a standard 40-acre oil spacing and proration unit for comprising the SE/4 NE/4 of Section 19.*

Dear Mr. Sherrell:

From the information provided there appear to be plenty of areas within the standard drilling window for this particular 40-acre tract [see Division Rule 104.B (1)] on the southeast side of the pipeline that are "clear" to drill.

This unorthodox oil well location is hereby deemed unnecessary; therefore, your application is hereby denied.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
Kathy Valdes, NMOCD - Santa Fe

120139664 NSL

8/7/01

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

OIL CONSERVATION DIV.
01 JUL 18 PM 1:29

July 13, 2001

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 location pursuant to Order R-7808 of the New Mexico Oil Conservation Division.

The well location and legal description is as follows:

BC Federal #6
1595 FNL & 1040 FEL
Sec. 19-T17S-R32E
Lea County, New Mexico

The well will be completed in the Paddock formation in the Maljamar Paddock Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Hobbs office of the Oil Conservation Division (Exhibit A).
- B.) A plat showing the proposed unorthodox location, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A map showing the reason for the unorthodox location, the original location had to be moved 50' west and 55' north to clear the Gas line. (Exhibit C).

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

Oil Conservation Division

July 13, 2001

Page 2

Thank you for your assistance in this matter. If you have any questions, please feel free to call me at (505)748-1288.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style with a large, looped "J" and a long, sweeping underline.

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

DISTRICT I
P.O. Box 1988, Hobbs, NM 88241-1988

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artesia, 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 44500	Pool Name Maljamar Paddock
Property Code 24936	Property Name BC FEDERAL	Well Number 6
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3958'

Surface Location

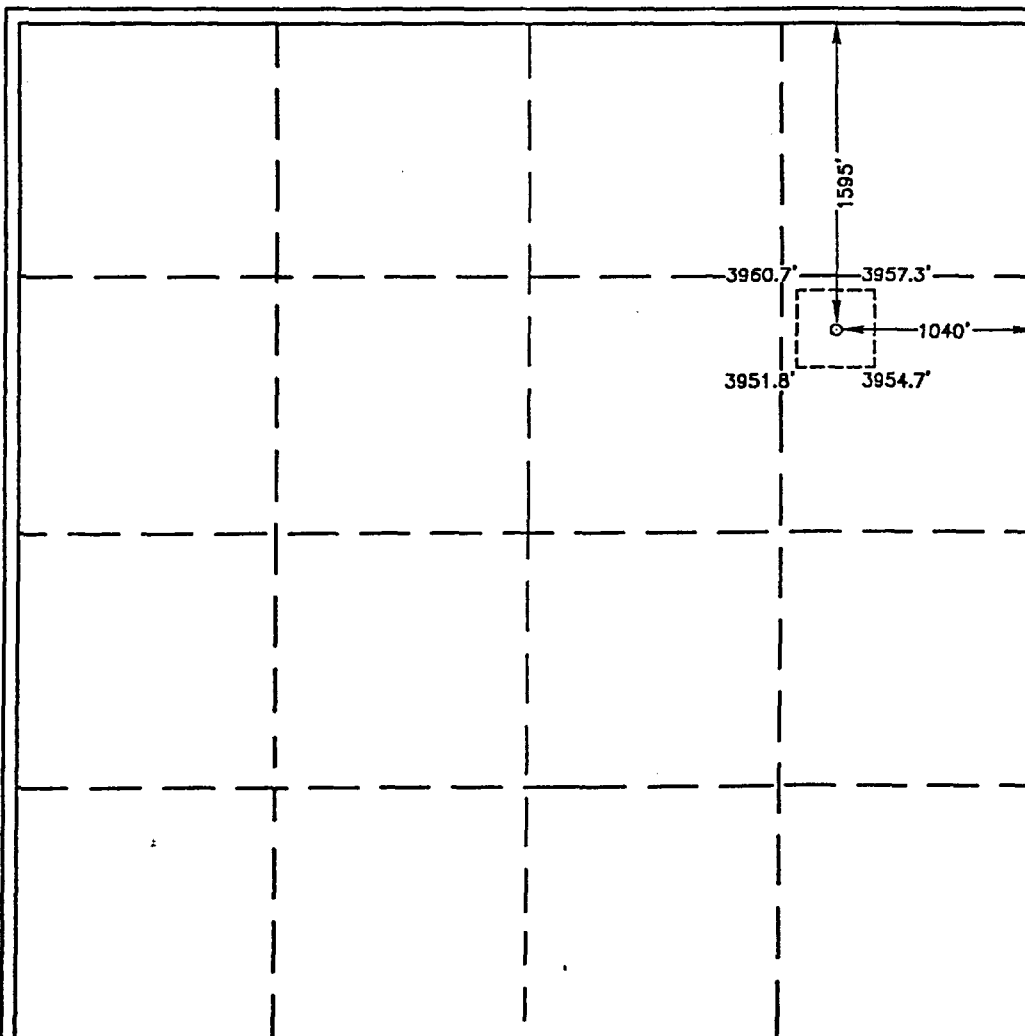
UL or lot No. H	Section 19	Township 17-S	Range 32-E	Lot Idn	Feet from the 1595	North/South line NORTH	Feet from the 1040	East/West line EAST	County LEA
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

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



OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Jerry W. Sherrell
Signature

Jerry W. Sherrell
Printed Name

Production Clerk
Title

6-25-01
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.

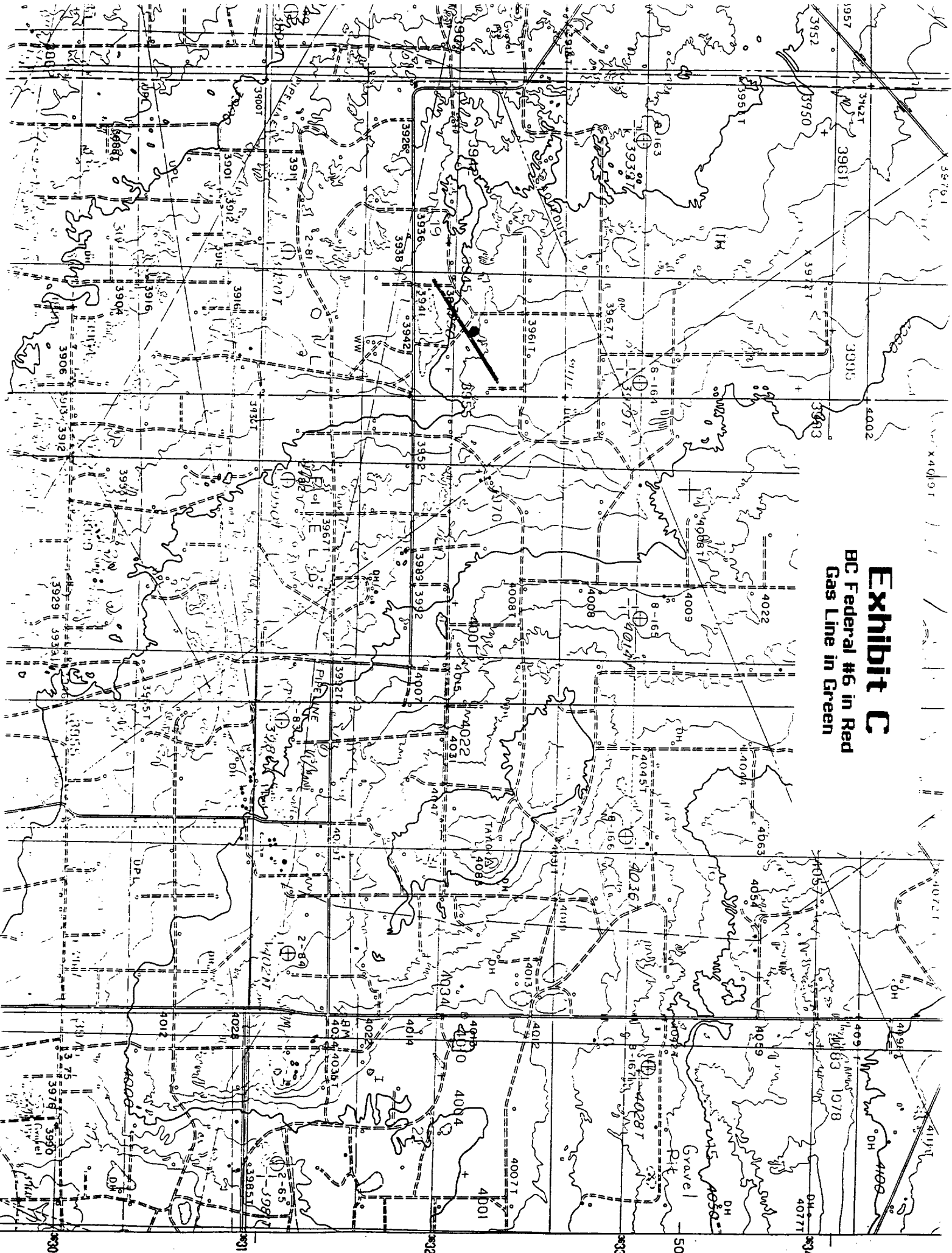
JUNE 15, 2001

Date Surveyed
Signature & Seal of
Professional Surveyor

Ronald E. Kidson
01-11-0746

Certificate No. RONALD E. KIDSON 3239
GARY KIDSON 12641

**BC Federal #6 in Red
Gas Line in Green**

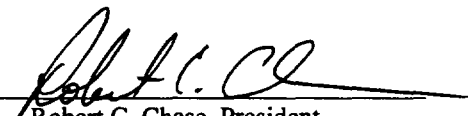


SIGNATURE PAGE

The undersigned approves of Mack Energy Corporation's request to drill the following unorthodox Location. This well encroaches the NW/4 NE/4, NE/4 NE/4, SW/4 NE/4 Sec 19 T17S R32E.

**BC Federal #6
1595 FNL 1040 FEL
Sec 19 T17S R32E**

CHASE OIL CORPORATION

By: 
Robert C. Chase, President


Date: 7-13-01

**MACK C. AND MARILYN Y. CHASE
TRUST, U/T/A DATED 11/21/83**

By: 
Mack C. Chase, Trustee


Date: 7-13-01

ROBERT C. CHASE

By: 
Robert C. Chase

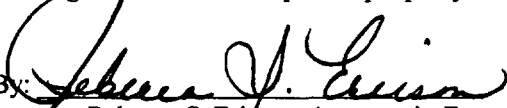
Date: 7-13-01

RICHARD L. CHASE

By: 
Richard L. Chase

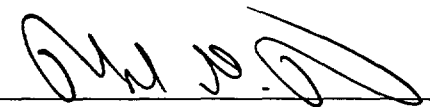
Date: 7-13-01

GERENE DIANNE CHASE CROUCH
Dealing in her sole and separate property

By: 
Rebecca S. Eriqson, Attorney-in-Fact

Date: 7-13-01

BRADLEY D. BARTEK

By: 
Bradley D. Bartek

Date: 7-13-01

SIGNATURE PAGE

The undersigned approves of Mack Energy Corporation's request to drill the following unorthodox Location. This well encroaches the NW/4 NE/4, NE/4 NE/4, SW/4 NE/4 Sec 19 T17S R32E.

**BC Federal #6
1595 FNL 1040 FEL
Sec 19 T17S R32E**

CONOCO INC.

By: 

Date: 7/11/01

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

07/23/01 14:04:10
OGOMES -TPZ2
PAGE NO: 1

Sec : 19 Twp : 17S Rng : 32E Section Type : NORMAL

1 40.98 Federal owned U A	C 40.00 Federal owned U A	B 40.00 Federal owned U A A	A 40.00 Federal owned U A
2 40.98 Federal owned U 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	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

07/23/01 14:04:19
OGOMES -TPZ2
PAGE NO: 2

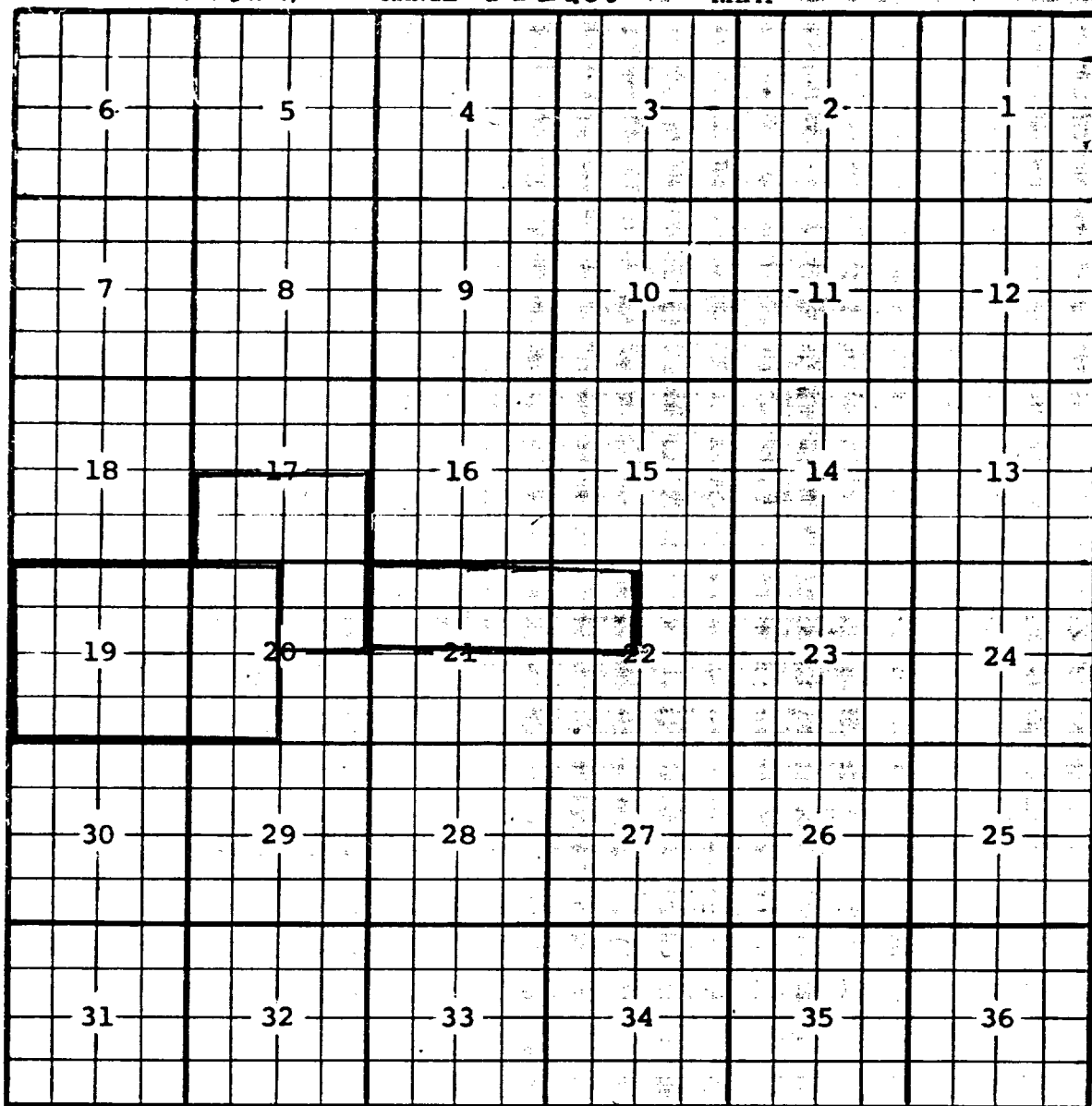
Sec : 19 Twp : 17S Rng : 32E Section Type : NORMAL

3 40.98 Federal owned U A A A	K 40.00 Federal owned U A	J 40.00 Federal owned U A A	I 40.00 Federal owned U A A A A
4 40.98 Federal owned U A A	N 40.00 Federal owned U A	O 40.00 Federal owned U A	P 40.00 Federal owned U A A A A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

COUNTY *Lea*POOL *Maljamar - Paddock*TOWNSHIP *17 South*RANGE *32 East*

NMPM



Description: All Sec. 19; $\frac{W}{2}$ Sec. 20 (R-27.7-8-50)

Ext: $\frac{S}{2}$ Sec. 17; $\frac{NE}{4}$ Sec. 20 (R-38, 12-20-50)

Ext: $\frac{N}{2}$ Sec. 21, $\frac{NW}{4}$ Sec. 22 (R-11533, 2-8-01)

New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received:

7-18-2001

Date of Preliminary Review:

7-23-2001

(Note: Must be within 10-days of received date)

Results:

 Application Complete

✓

Application Incomplete

Date Incomplete Letter Sent:

Deadline to Submit Requested Information:

Phone Call Date:

(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed?

 Yes

 No

Date Application Processed:

Date Application Returned:

(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)

Note: Appl. deemed denied, request was deemed unnecessary.

7/23/01

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION08/02/01 11:55:21
OGOMES -TP0F
PAGE NO: 1

Sec : 19 Twp : 17S Rng : 32E Section Type : NORMAL

1 40.98 Federal owned U A	C 40.00 Federal owned U A	B 40.00 Federal owned U A A	A 40.00 Federal owned U A
2 40.98 Federal owned U 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 :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/02/01 11:55:27
OGOMES -TP0F
PAGE NO: 2

Sec : 19 Twp : 17S Rng : 32E Section Type : NORMAL

3 40.98 Federal owned U A A A	K 40.00 Federal owned U A	J 40.00 Federal owned U A A	I 40.00 Federal owned U A A A A
4 40.98 Federal owned U A A	N 40.00 Federal owned U A	O 40.00 Federal owned U A	P 40.00 Federal owned U A A A A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

121233065

New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received: 7-30-2001

Date of Preliminary Review: 8-2-2001
(Note: Must be within 10-days of received date)

Results: ✓ Application Complete Application Incomplete

Date Incomplete Letter Sent: NA

Deadline to Submit Requested Information: NA

Phone Call Date: NA
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed: 8-2-2001

Date Application Returned: NA
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)