



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

December 28, 2001

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: Crissa D. Carter
ccarter@pvtnetworks.net

Telefax No. (505) 746-9539

Administrative Order NSL-4678

Dear Ms. Carter:

Reference is made to the following: (i) your application (*application reference No. pKRV0-135128811*) that was submitted to the New Mexico Oil Conservation Division ("Division") on December 13, 2001; and (ii) the Division's records in Santa Fe: all concerning Mack Energy Corporation's request for an unorthodox Paddock oil well location for the proposed BC Federal Well No. 7 to be drilled 2410 feet from the North line and 1650 feet from the East line (Unit G) of Section 19, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. The SW/4 NE/4 of Section 19 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 (44500).

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.

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

12/13/01	1/2/02	ENGINEER MS	LOGGED IN RV	TYPE NSL	APP NO. 135128811
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTS-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

DEC 13 2001

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/cr,
[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.

Crissa D. Carter
Print or Type Name

Crissa D. Carter
Signature

Production Analyst
Title

12/10/01
Date

ccarter@pvtnetworks.net
e-mail Address

MACK ENERGY CORPORATION

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

November 28, 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 #7
2410 FNL & 1650 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 pipelines (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
November 28, 2001
Page 2*

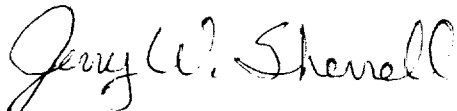
Moving the location 100' to the south will give the distance needed to build a location away from the gas pipelines. The location would have to be moved approximately 500' north to get away from the pipelines to make it orthodox. This will interfere with the other 3 locations that will be staked in the 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". The signature is written in dark ink and is positioned above the printed name and title.

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures

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

Free Lease - 3 Copies

DISTRICT II

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
		44500	Maljamar Paddock
Property Code	Property Name		Well Number
24936	B.C. FEDERAL		7
OGRID No.	Operator Name		Elevation
013837	MACK ENERGY CORPORATION		3944'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	19	17-S	32-E		2410	NORTH	1650	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	Joint or Infill	Consolidation Code	Order No.						
40									

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

LOT 1		
LOT 2		
LOT 3	<p style="text-align: center;">40.95 AC</p> <p style="text-align: center;">40.98 AC</p> <p style="text-align: center;">40.98 AC</p> <p style="text-align: center;">40.98 AC</p> <p style="text-align: center;">40.98 AC</p>	<p style="text-align: center;">2410'</p> <p style="text-align: center;">3945.6' 3946.3'</p> <p style="text-align: center;">3937.3' 3942.0'</p> <p style="text-align: center;">1650'</p> <p style="text-align: center;"> GEODETIC COORDINATE SPC NME NAD 1927 Y=662682.9 X=663208.3 LAT. 32°49'14.43"N LONG. 103°48'07.42"W </p>
LOT 4		

OPERATOR CERTIFICATION

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

Signature

Crissa D. Carter
 Printed Name

Production Analyst
 Title

11/28/2001
 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.

NOVEMBER 21, 2001

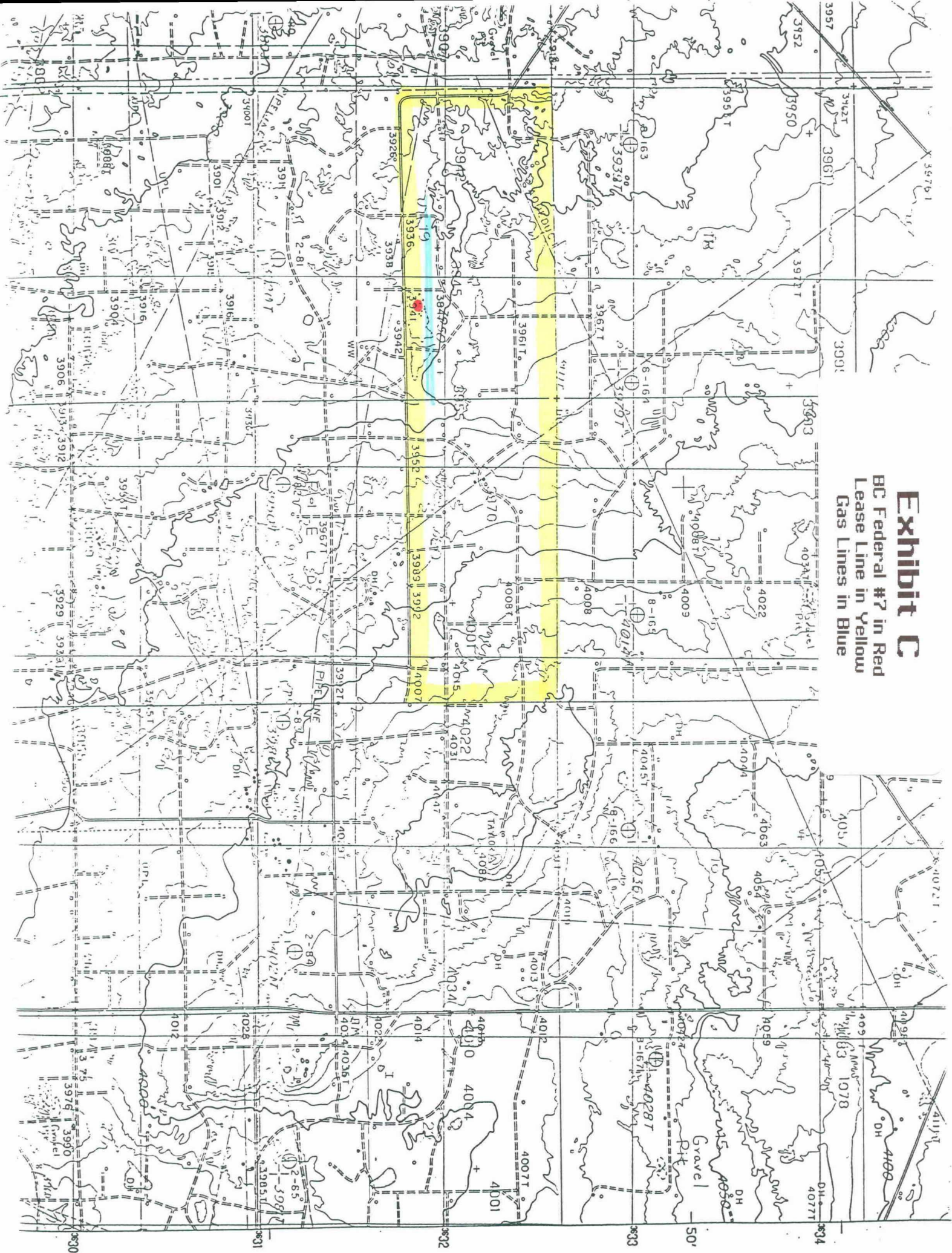
Date Surveyed _____ AWB

Signature & Seal of
 Professional Surveyor

01.11.1226

Certificate No. RONALD J. EIDSON 3239
 GARY EIDSON 12641

Exhibit C
BC Federal #7 in Red
Lease Line in Yellow
Gas Lines in Blue

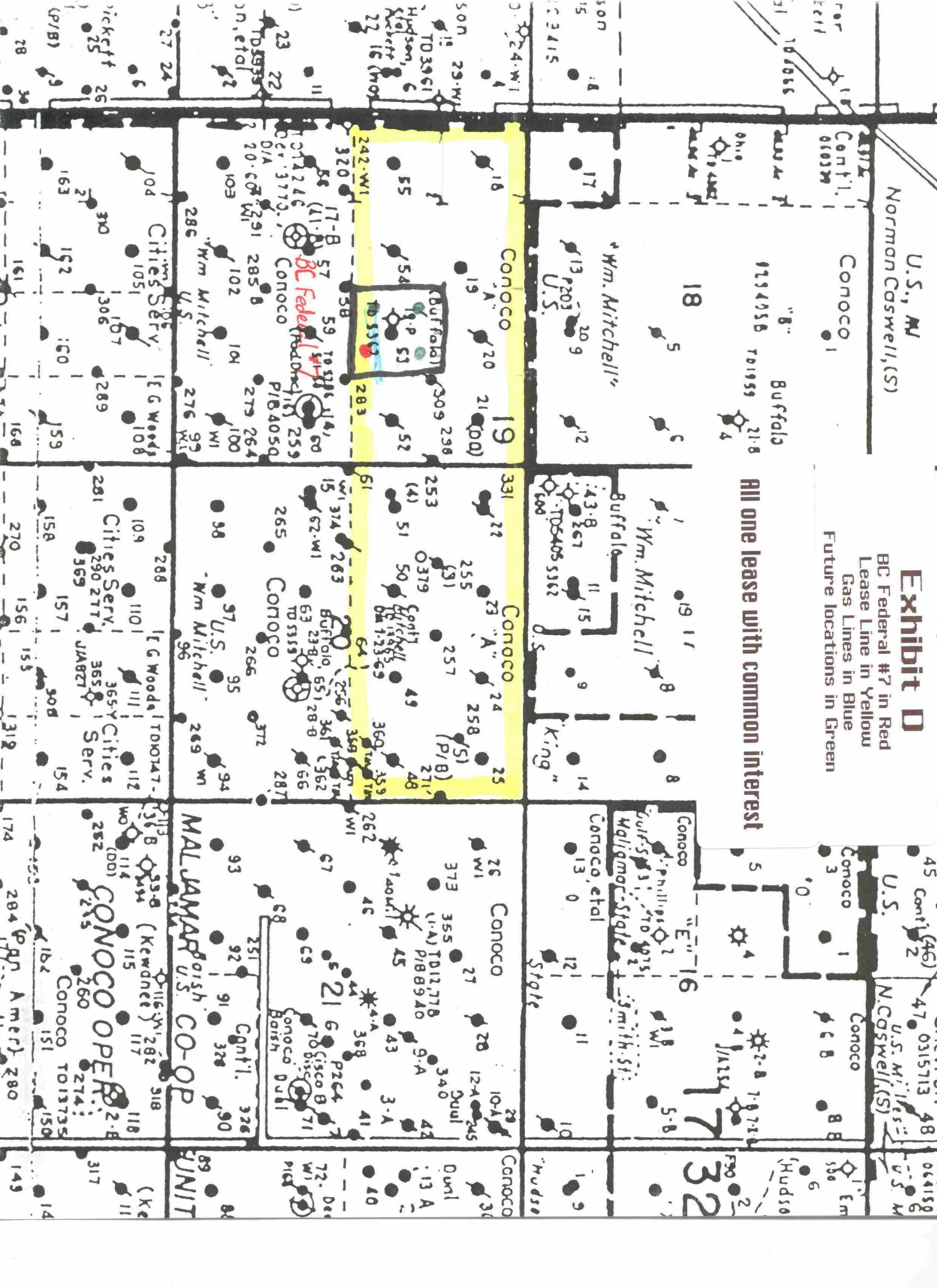


U.S., M
Norman Caswell, (S)

Exhibit D

BC Federal #7 in Red
Lease Line in Yellow
Gas Lines in Blue
Future locations in Green

All one lease with common interest

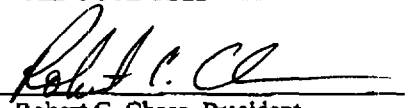


SIGNATURE PAGE

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

BC Federal #7
2410 FNL 1650 FEL
Sec 19 T17S R32E

CHASE OIL CORPORATION

By: 
Robert C. Chase, President


Date: 12/3/01

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

By: 
Mack C. Chase, Trustee

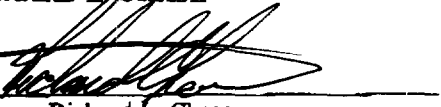
Date: 12/3/01

ROBERT C. CHASE

By: 
Robert C. Chase

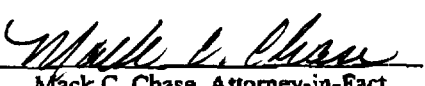
Date: 12/3/01

RICHARD L. CHASE

By: 
Richard L. Chase

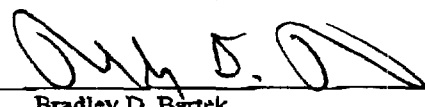
Date: 12/3/01

GERENE DIANNE CHASE CROUCH
Dealing in her sole and separate property

By: 
Mack C. Chase, Attorney-in-Fact

Date: 12/3/01

BRADLEY D. BARTEK

By: 
Bradley D. Bartek

Date: 12/3/01

SIGNATURE PAGE

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

**BC Federal #7
2410 FNL 1650 FWL
Sec 19 T17S R32E**

CONOCO INC.

By: 

Date: 12/2/01

CRL
12/7/01

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

12/28/01 12:46:
OGOMES -TQ
PAGE NO:

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 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

12/28/01 12:46:
OGOMES -TQ
PAGE NO:

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

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

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

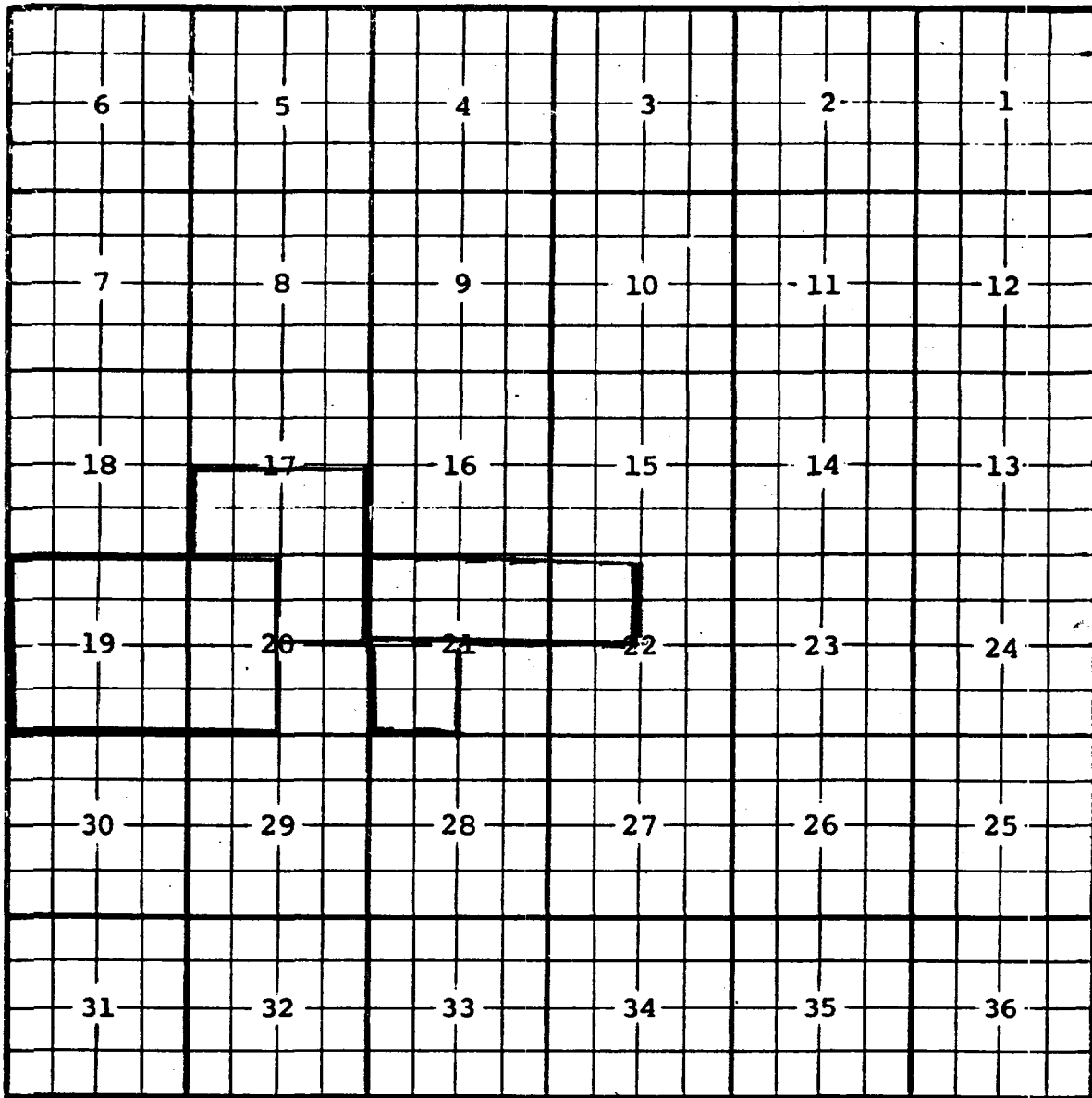
PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

COUNTY LeaPOOL Maljamar - PaddockTOWNSHIP 17 SouthRANGE 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) Ext: $\frac{SE}{4}$ Sec. 21 (R-11662,10-12-01)