

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

DENVER • ASPEN  
BOULDER • COLORADO SPRINGS  
DENVER TECH CENTER  
BILLINGS • BOISE  
CHEYENNE • JACKSON HOLE  
SALT LAKE CITY • SANTA FE  
WASHINGTON, D.C.

P.O. BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
110 NORTH GUADALUPE, SUITE 1  
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421  
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

April 29, 2003

**HAND-DELIVERED**

Lori Wrotenbery, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

**RECEIVED**

APR 29 2003

Oil Conservation Division

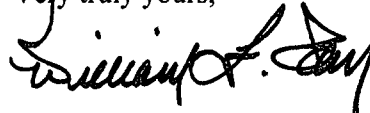
*Case 13070*

Re: Application of Mack Energy Corporation for compulsory pooling of four 40-acre spacing and proration units, Lea County, New Mexico

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Mack Energy Corporation in the above-referenced case as well as a copy of the legal advertisement. Mack Energy Corporation requests that this matter be placed on the docket for the May 22, 2003 examiner hearings.

Very truly yours,



William F. Carr

Enclosures

cc: Mr. Ronald W. Lanning  
Mack Energy Corporation  
Post Office Box 960  
Artesia, New Mexico 88210

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**RECEIVED**

**IN THE MATTER OF THE APPLICATION  
OF MACK ENERGY CORPORATION  
FOR COMPULSORY POOLING OF FOUR  
40-ACRE SPACING AND PRORATION UNITS,  
LEA COUNTY, NEW MEXICO.**

APR 29 2000

Oil Conservation Div.  
CASE NO. 13020

**APPLICATION**

MACK ENERGY CORPORATION, ("Mack Energy") through its undersigned attorneys, hereby makes application pursuant to the provisions of N.M.Stat.Ann. § 70-2-17, (1978), for an order pooling all mineral interests in all formations and/or pools developed on 40-acre spacing from the surface to a depth of 5000 feet in four 40-acre spacing and proration units located on located in the SW/4 of Section 31, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico which include but is not necessarily limited to the Undesignated Yates-Maljamar Pool, Undesignated Pearsall-Seven Rivers Pool, Undesignated Pearsall Queen Pool, and the Maljamar Grayburg-San Andres Pool; and in support of its application states:

1. Mack Energy Corporation is a working interest owner in the SW/4 of said Section 31 and has the right to drill thereon.
2. Mack Energy proposes to dedicate the following-described spacing or proration units in the SW/4 of Section 31, Township 17 South, Range 32 East, NMPM, to its Panther Federal Well Nos. 1, 3, 5, and 6 of said Section 31 to be drilled at the following standard oil well locations, to test any and all formations from the surface to a depth of 5000 feet:

NW/4 SW/4: (Lot 3)	Panther Federal Well No. 1, 1650 feet from the South line and 330 feet from the West line (Unit L),
NE/4 SW/4:	Panther Federal Well No. 3 1650 feet from the South and West lines (Unit K),
SW/4 SW/4: (Lot 4)	Panther Federal Well No. 5 990 feet from the South and West lines (Unit M), and

SE/4 SW/4:

Panther Federal Well No. 6  
990 feet from the South line and 2310 feet from the West line  
(Unit N).

3. Mack Energy has sought and been unable to obtain a voluntary agreement for the development of these lands from The Brooks Moleen Trust, c/o Branch Bank and Trust, Post Office Box 687, Columbia, South Carolina 29202-0687, Attention Audrey Varn, and has been advised by Branch Bank that it is unable to act upon any of Mack Energy's proposals for the voluntary commitment of this interest to the proposed wells.

4. Said pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

5. In order to permit the Mack Energy to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Mack Energy Corporation should be designated the operator of the wells to be drilled.

WHEREFORE, Mack Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 22, 2003 and, after notice and hearing as required by law, the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration units,
- B. designating Mack Energy Corporation operator of these units and the wells to be drilled thereon,
- C. authorizing Mack Energy Corporation to recover its costs of drilling, equipping and completing each well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by Mack Energy Corporation in drilling and completing each well against any working interest owner who does not voluntarily

participate in the drilling of the well.

Respectfully submitted,  
HOLLAND & HART LLP

By: 

WILLIAM F. CARR  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR MACK ENERGY CORPORATION

CASE 13070

**Application of Mack Energy Corporation for compulsory pooling of four 40-acre spacing and proration units, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the surface to a depth of 5000 feet in the following described spacing and proration units located in the SW/4 of Section 31, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico for its Panther Federal Well Nos. 1, 3, 5, and 6:

NW/4 SW/4: (Lot 3)	Panther Federal Well No. 1, 1650 feet from the South line and 330 feet from the West line (Unit L),
NE/4 SW/4:	Panther Federal Well No. 3 1650 feet from the South and West lines (Unit K),
SW/4 SW/4: (Lot 4)	Panther Federal Well No. 5 990 feet from the South and West lines (Unit M), and
SE/4 SW/4:	Panther Federal Well No. 6 990 feet from the South line and 2310 feet from the West line (Unit N).

Applicant proposes to drill each well to test any and all formations from the surface to a depth of 5000 feet that are developed on 40-acre spacing under each quarter-quarter section which includes but is not necessarily limited to the Undesignated Yates-Maljamar Pool, Undesignated Pearsall-Seven Rivers Pool, Undesignated Pearsall Queen Pool, and the Maljamar Grayburg-San Andres Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Mack Energy Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles Southwest of Maljamar, New Mexico.