

SUSPENSE

ENGINEER

LOGGED IN 6-6-05

TYPE

NSL

APP NO.

PSEM05157-0800

45027

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] [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 _____

[21] 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

[31] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[41] 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

Signature

Production Clerk

Title

5/27/2005

Date

jerrys@mackenergycorp.com
e-mail Address

2005 JUN 3 PM 12 19

RECEIVED

JUL 01 2005

OCC-ARTESIA



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

May 27, 2005

Oil Conservation Division
Attn: Mike Stogner
1220 South St. Francis Dr.
Santa Fe, NM 87505

Dear Mr. Stogner:

Mack Energy Corporation respectfully requests administrative approval of the following unorthodox well location.

Bulls State Com #1 (Formerly Red Lake Sand Unit #37)
2310 FSL & 990 FEL
Sec. 20, T17S R28E, API 30-015-33110
Eddy County, New Mexico

The well will be recompleted in the Queen formation in the Undes. Red Lake Shores Queen Gas Pool.

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 location, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A list fo the overriding royalty owners in the NE/4 of Sec. 20, T17S, R28E.

Mack Energy is proposing to re-complete the Bulls State Com #1. This well was originally drilled in 2003 as the Red Lake Sand Unit #37 to a total depth of 2421'. The acreage dedicated to this well is 160 acres, SE/4 of Sec. 20 T17S R28E. Mack Energy Corp. also operates the acreage that we are encroaching upon (NE/4) and therefore no offset operators need be notified.

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

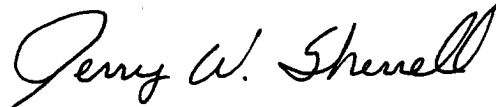
Oil Conservation Division

May 27, 2005

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Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell". The signature is written in black ink and is positioned above the printed name and title.

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

DISTRICT II

Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

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

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

NOV 18 2003

AMENDED REPORT

API Number 30-015-33110	Pool Code	Pool Name Queen
Property Code	Property Name BULLS STATE COM	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3632'

Surface Location

UL or lot No. 1	Section 20	Township 17-S	Range 28-E	Lot Idn	Feet from the 2310	North/South line SOUTH	Feet from the 990	East/West line EAST	County EDDY
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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
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Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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

GEODETIC COORDINATES

NAD 27 NME
Y = 661546.3 N
X = 543435.9 E
LAT. 32°49'06.96"N
LONG. 104°11'31.00"W

RECEIVED

JUL 01 2005

OCD-ARTESIA

OPERATOR CERTIFICATION

I hereby certify that 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

5/13/2005
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 11, 2003

Date Surveyed A.W.B

Signature & Seal of
Professional Surveyor

Gary E. Eason
03.11.1243

Certificate No. GARY EASON 12641