



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**GARY E. JOHNSON**  
Governor  
**Betty Rivera**  
Cabinet Secretary

December 11, 2002

**Lori Wrotenbery**  
Director  
Oil Conservation Division



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

**Attention: Crissa D. Carter**

**Re:** Administrative application (application reference No. **pKRV0-234330277**) for an exception to Division Rule 104.C (3), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for Mack Energy Corporation's existing Berry "A" Federal Well No. 5 (API No. 30-15-23155) at an unorthodox Seven Rivers gas well location 990 feet from the North line and 2200 feet from the West line (Unit C) of Section 21, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, within a 160-acre shallow gas spacing unit comprising the NW/4 of Section 21.

Dear Ms. Carter:

The New Mexico Oil Conservation Division ("Division") received your application on December 5, 2002. I have reviewed it and determined it to be unnecessary. The vertical limits of the Grayburg-Jackson Pool (28509) underlying all of Section 21 include the Seven Rivers, Queen, Grayburg, and San Andres formations in their entirety (see copies of Division Orders No. R-5011 and R-10654 and a page from the Division's nomenclature book attached for reference). This pool is an oil pool and is subject to Division Rule 104.B (1), which require 40-acre oil spacing and proration units and for wells to be located no closer than 330 feet to any boundary of such unit. The location of this well is "standard" for the existing 40-acre oil spacing and proration unit comprising the NE/4 NW/4 (Unit C) of Section 21, which is also dedicated to Mack Energy Corporation's Berry "A" Federal Well No. 1 (API No. 30-015-04252), located at a standard oil well location 330 feet from the North line and 1650 feet from the West line (Unit C) of Section 21.

Furthermore, Division Rules 506.A and 506.B (2) apply in this instance (see attached). The gas production from this well and your existing 40-acre oil spacing and proartion unit is subject to this pool's casinghead gas allowable. I am therefore **dismissing** your application and returning it to you at this time.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

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