

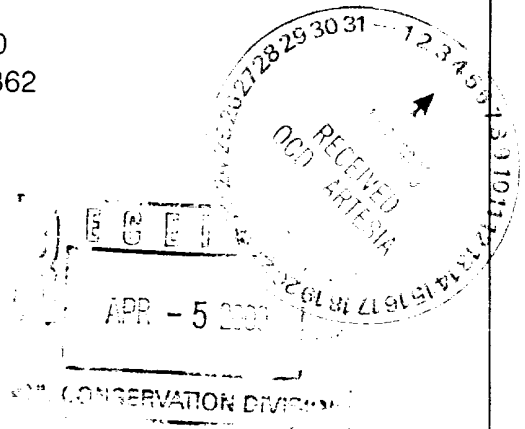
MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-2362

NSL 4/25/00

April 4, 2000

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 vertical well location and direction wellbore.

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:

G.J. West Coop Unit
Surface Location-330 FSL & 1310 FEL
Bottom Hole Location-1775 FSL & 330 FEL
Sec. 28, T17S, R29E
Eddy County, New Mexico

The well will be completed in the Jackson formation in the Grayburg Jackson 7RVS-QN-GB-SA 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 locations, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A map showing the reason for the unorthodox location, this location was picked to get as far away from the G.J. West Coop Unit #3 injection well and also to drill between the G.J. West Coop Unit #4 & #94 to avoid drainage interference. Also, the azimuth of the horizontal is perpendicular to fracture strike, therefore intersecting more fractures.

Oil Conservation Division

April 4, 2000

Page 2

- D.) A horizontal plan view & vertical cross section view, true vertical depths, degree of angle, kickoff point, approximate penetration point of the Jackson Pay (Exhibit D).*
- E.) A type log section from the nearest well penetrating the Jackson Pay (Exhibit E).*

By copy of this letter including the exhibits to all parties, we are notifying them by certified mail return-receipt requested of the unorthodox location. Please find the attached list of parties in which this unorthodox location encroaches. 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



*Matt J. Brewer
Geological Engineer*

MB/

Enclosures

*cc: **CERTIFIED MAIL:***

*SDX Resources, Inc.
P.O. Box 5061
Midland, TX 79704
Attn: Steve Sell*

DISTRICT I
P.O. Box 1982, Hobbs, NM 88241-1982

DISTRICT II
P.O. Drawer 22, Artesia, NM 88211-0712

DISTRICT III
1000 Rio Branco Rd., Aztec, NM 87410

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

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
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	28509	Grayburg Jackson 7RVS-QN-GB-SA
Property Code	Property Name	Well Number
006104	G.J. WEST COOP UNIT	145
OGED No.	Operator Name	Elevation
013837	MACK ENERGY CORPORATION	3554

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	28	17 S	29 E		330	SOUTH	1310	EAST	EDDY

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
I	28	17 S	29 E		1775	SOUTH	330	EAST	EDDY
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

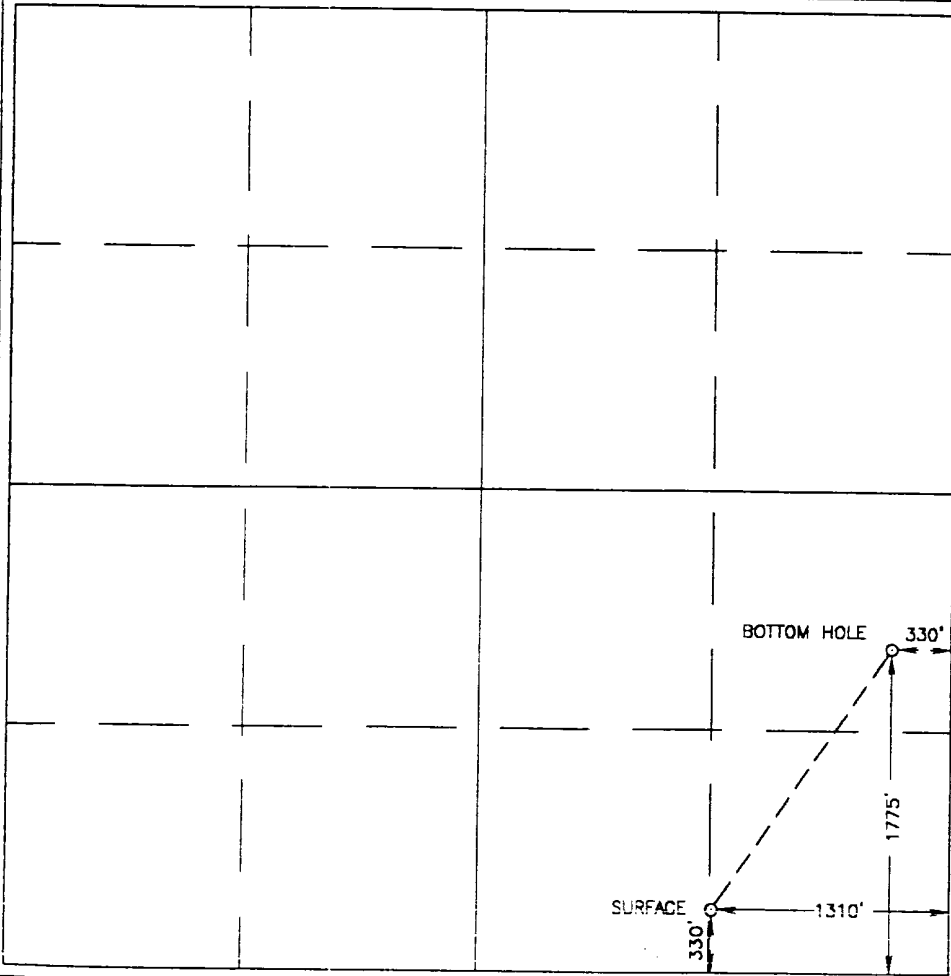
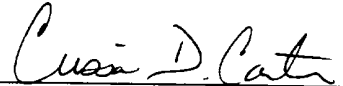
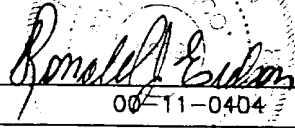
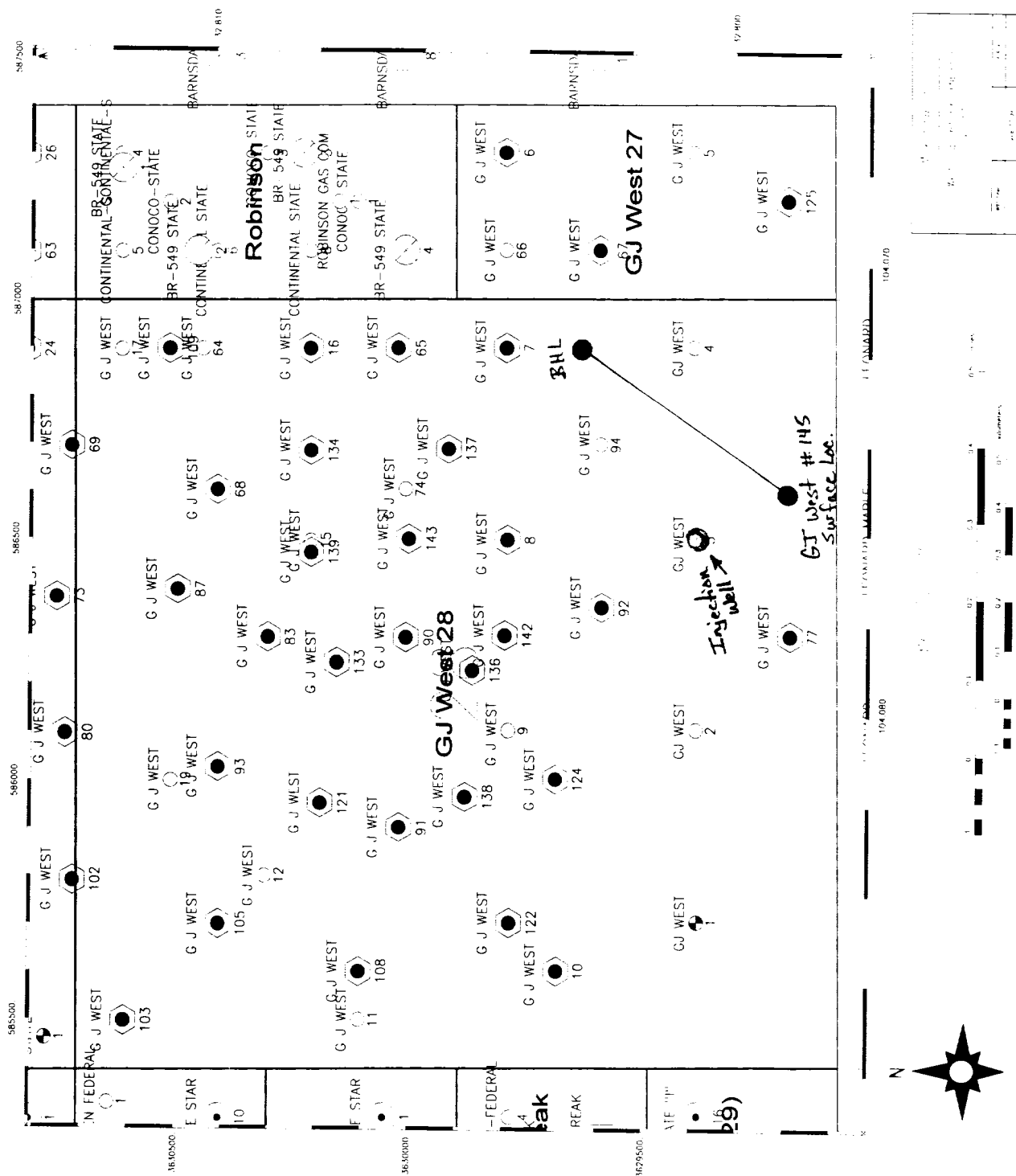
	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Crissa D. Carter Printed Name Production Analyst Title 4/4/00 Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was 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. MARCH 30, 2000 Date Surveyed Signature & Seal of Professional Surveyor  00-11-0404 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641 MACON McDONALD 12186

Exhibit B

G.J. West Coop Unit #145 IN RED
Sec. 28-T17S-R29E
Surface Loc.-330 FSL & 1310 FEL
BHL-1775 FSL & 330 FEL

[illegible]



12-3069

Scientific Drilling Inc.

Planning Report

Company: Mack Energy Corporation	Date: 04/03/2000	Time: 15:55:09	Page: 1
Field: Graburg Jackson	Co-ordinate(NE) Reference:	Site: Eddy Co. New Mexico, True North	
Site: Eddy Co. New Mexico	Vertical (TVD) Reference:	SITE 0.0 above Mean Sea Level	
Well: G J Horizontal	Section (VS) Reference:	Site (0.0E,0.0N,34.1Azi)	
Wellpath: OH Original hole	Plan:	Plan #1	

Field: Graburg Jackson

Map System: US State Plane Coordinate System 1927
 Ellipsoid: Clarke - 1866
 Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
 North Reference: True
 Geomagnetic Model: igrf2000

Site: Eddy Co. New Mexico

Site Position:	Northing:	ft	Latitude:	
From: Local Only	Easting:	ft	Longitude:	
Position Uncertainty:	0.0 ft		Magnetic Declination:	0.00 deg
Water Depth:	0.0 ft		Grid Convergence:	deg

Well: G J Horizontal

Well Position:	+N/-S	0.0 ft	Northing:	ft	Latitude:
From Slot:	+E/-W	0.0 ft	Easting:	ft	Longitude:
Position Uncertainty:	0.0 ft				

Wellpath: OH Original hole	Drilled From:	Surface
Vertical Section: +N/-S 0.0 ft	Tie-on Depth:	ft
From: Site +E/-W 0.0 ft	V.Section Direction:	34.15 deg
Measured Depth Reference: SITE	Above System Datum:	Mean Sea Level

Plan: Plan #1	Date Composed:	02/07/2000
	Version:	1
Principal: Yes	Locked:	No

Plan Section Information

MD ft	Incl deg	Azimuth deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
2720.0	0.00	0.00	2720.0	0.0	0.0	0.00	0.00	0.00	0.00	
3002.8	90.00	34.15	2800.0	149.0	101.0	31.83	31.83	12.08	34.15	
4568.7	90.00	34.15	2900.0	1445.0	980.0	0.00	0.00	0.00	0.00	Target #1

Section 1 : Start DLS 31.83 TFO 34.15

MD ft	Incl deg	Azimuth deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2720.0	0.00	0.00	2720.0	0.0	0.0	0.0	0.00	0.00	0.00	0.00
2730.0	3.18	34.15	2730.0	0.2	0.2	0.3	31.83	31.83	0.00	0.00
2740.0	6.37	34.15	2740.0	0.9	0.6	1.1	31.83	31.83	0.00	0.00
2750.0	9.55	34.15	2749.9	2.1	1.4	2.5	31.83	31.83	0.00	0.00
2760.0	12.73	34.15	2759.7	3.7	2.5	4.4	31.83	31.83	0.00	0.00
2770.0	15.92	34.15	2769.4	5.7	3.9	6.9	31.83	31.83	0.00	0.00
2780.0	19.10	34.15	2778.9	8.2	5.6	9.9	31.83	31.83	0.00	0.00
2790.0	22.28	34.15	2788.2	11.1	7.5	13.4	31.83	31.83	0.00	0.00
2800.0	25.46	34.15	2797.4	14.5	9.8	17.5	31.83	31.83	0.00	0.00
2810.0	28.65	34.15	2806.3	18.2	12.4	22.0	31.83	31.83	0.00	0.00
2820.0	31.83	34.15	2814.9	22.4	15.2	27.1	31.83	31.83	0.00	0.00
2830.0	35.01	34.15	2823.3	27.0	18.3	32.6	31.83	31.83	0.00	0.00
2840.0	38.20	34.15	2831.3	31.9	21.6	38.5	31.83	31.83	0.00	0.00
2850.0	41.38	34.15	2839.0	37.2	25.2	44.9	31.83	31.83	0.00	0.00
2860.0	44.56	34.15	2846.3	42.8	29.0	51.8	31.83	31.83	0.00	0.00
2870.0	47.75	34.15	2853.2	48.8	33.1	59.0	31.83	31.83	0.00	0.00
2880.0	50.93	34.15	2859.7	55.1	37.4	66.5	31.83	31.83	0.00	0.00
2890.0	54.11	34.15	2865.8	61.6	41.8	74.5	31.83	31.83	0.00	0.00
2900.0	57.29	34.15	2871.5	68.5	46.4	82.7	31.83	31.83	0.00	0.00
2910.0	60.48	34.15	2876.6	75.6	51.2	91.3	31.83	31.83	0.00	0.00
2920.0	63.66	34.15	2881.3	82.9	56.2	100.1	31.83	31.83	0.00	0.00
2930.0	66.84	34.15	2885.5	90.4	61.3	109.2	31.83	31.83	0.00	0.00
2940.0	70.03	34.15	2889.2	98.1	66.5	118.5	31.83	31.83	0.00	0.00
2950.0	73.21	34.15	2892.3	105.9	71.8	128.0	31.83	31.83	0.00	0.00

Scientific Drilling Inc.

Planning Report

Company: Mack Energy Corporation Field: Graburg Jackson Site: Eddy Co. New Mexico Well: G J Horizontal Wellpath: OH Original hole	Date: 04/03/2000 Co-ordinate(NE) Reference: Vertical (TVD) Reference: Section (VS) Reference: Plan:	Time: 15:55:09 Site: Eddy Co. New Mexico, True North SITE 0.0 above Mean Sea Level Site (0.0E,0.0N,34.1Azi) Plan #1	Page: 2
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Section 1 : Start DLS 31.83 TFO 34.15

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2960.0	76.39	34.15	2895.0	113.9	77.3	137.7	31.83	31.83	0.00	0.00
2970.0	79.58	34.15	2897.0	122.0	82.8	147.4	31.83	31.83	0.00	0.00
2980.0	82.76	34.15	2898.6	130.2	88.3	157.3	31.83	31.83	0.00	0.00
2990.0	85.94	34.15	2899.6	138.4	93.9	167.3	31.83	31.83	0.00	0.00
3000.0	89.12	34.15	2900.0	146.7	99.5	177.3	31.83	31.83	0.00	0.00
3002.8	90.00	34.15	2900.0	149.0	101.0	180.0	31.83	31.83	0.00	0.00

Section 2 : Start Hold

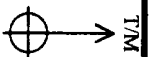
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
3100.0	90.00	34.15	2900.0	229.5	155.6	277.3	0.00	0.00	0.00	0.00
3200.0	90.00	34.15	2900.0	312.2	211.7	377.3	0.00	0.00	0.00	0.00
3300.0	90.00	34.15	2900.0	395.0	267.9	477.3	0.00	0.00	0.00	0.00
3400.0	90.00	34.15	2900.0	477.7	324.0	577.3	0.00	0.00	0.00	0.00
3500.0	90.00	34.15	2900.0	560.5	380.1	677.3	0.00	0.00	0.00	0.00
3600.0	90.00	34.15	2900.0	643.3	436.3	777.3	0.00	0.00	0.00	0.00
3700.0	90.00	34.15	2900.0	726.0	492.4	877.3	0.00	0.00	0.00	0.00
3800.0	90.00	34.15	2900.0	808.8	548.5	977.3	0.00	0.00	0.00	0.00
3900.0	90.00	34.15	2900.0	891.6	604.7	1077.3	0.00	0.00	0.00	0.00
4000.0	90.00	34.15	2900.0	974.3	660.8	1177.3	0.00	0.00	0.00	0.00
4100.0	90.00	34.15	2900.0	1057.1	716.9	1277.3	0.00	0.00	0.00	0.00
4200.0	90.00	34.15	2900.0	1139.8	773.0	1377.3	0.00	0.00	0.00	0.00
4300.0	90.00	34.15	2900.0	1222.6	829.2	1477.3	0.00	0.00	0.00	0.00
4400.0	90.00	34.15	2900.0	1305.4	885.3	1577.3	0.00	0.00	0.00	0.00
4500.0	90.00	34.15	2900.0	1388.1	941.4	1677.3	0.00	0.00	0.00	0.00
4568.7	90.00	34.15	2900.0	1445.0	980.0	1746.0	0.00	0.00	0.00	0.00



Scientific
Drilling

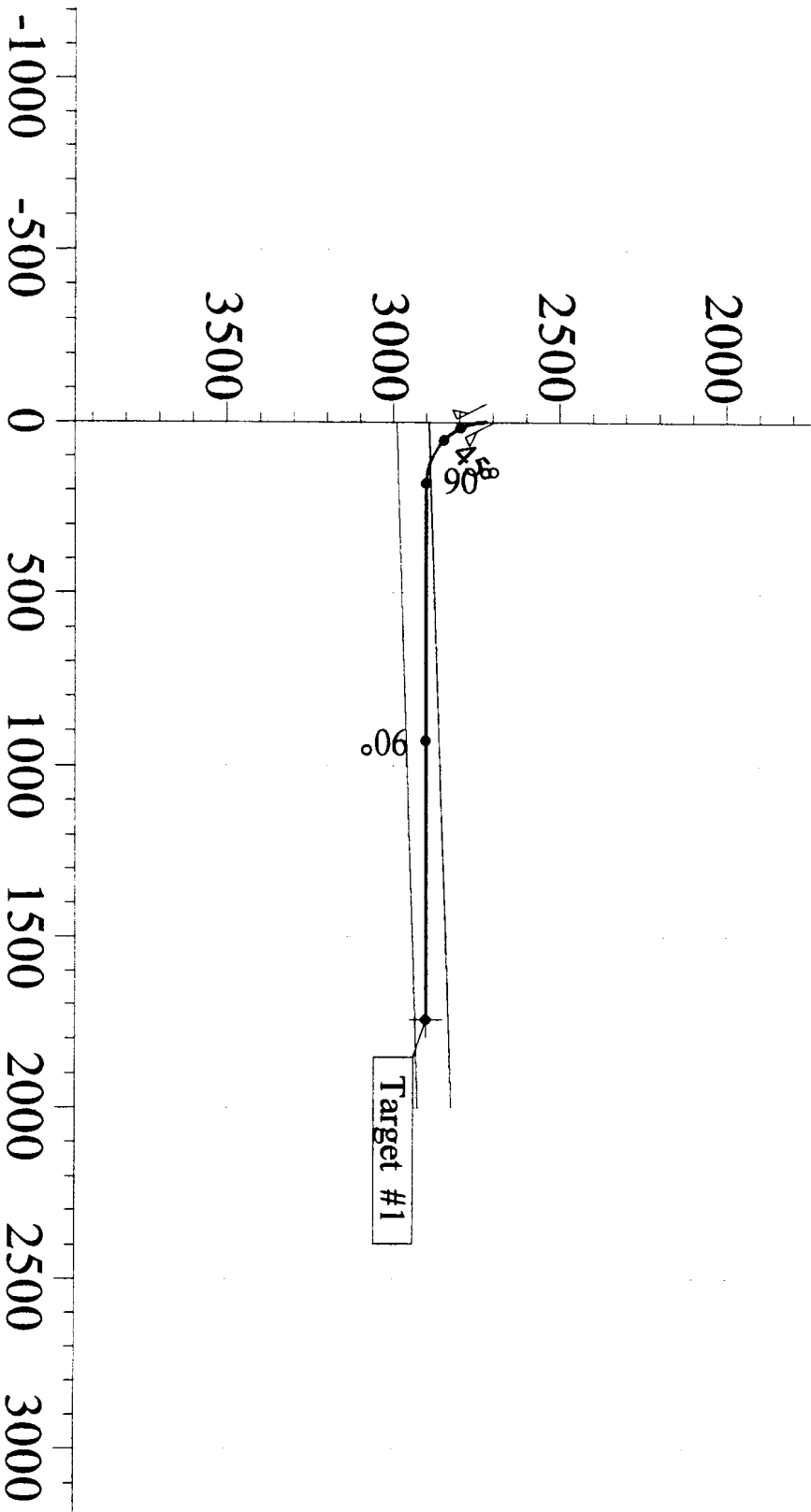
Mack Energy Corporation

Field: Graburg Jackson
Site: Eddy Co. New Mexico
Well: G J Horizontal
Wellpath: OH Original hole
Plan: Plan #1



All Angles Relative
To True North
True North: 0.00
Magnetic North: 0.00

True Vertical Depth [200ft/in]



Vertical Section at 34.15° [200ft/in]

PLAN DETAILS

Plan #1
Version 1
02/07/2000
Start Point
TVD
MD Ino Az Start Point
2720.00 0.00 0.00 2720.00
N/S E/W
0.00 0.00

TARGET DETAILS

No.	TVD	N/S	E/W	Target
1	2900.00	1445.00	980.00	Target #1

Plan: Plan #1 (G J Horizontal/OH Original hole)

Created By: Matt Manulik

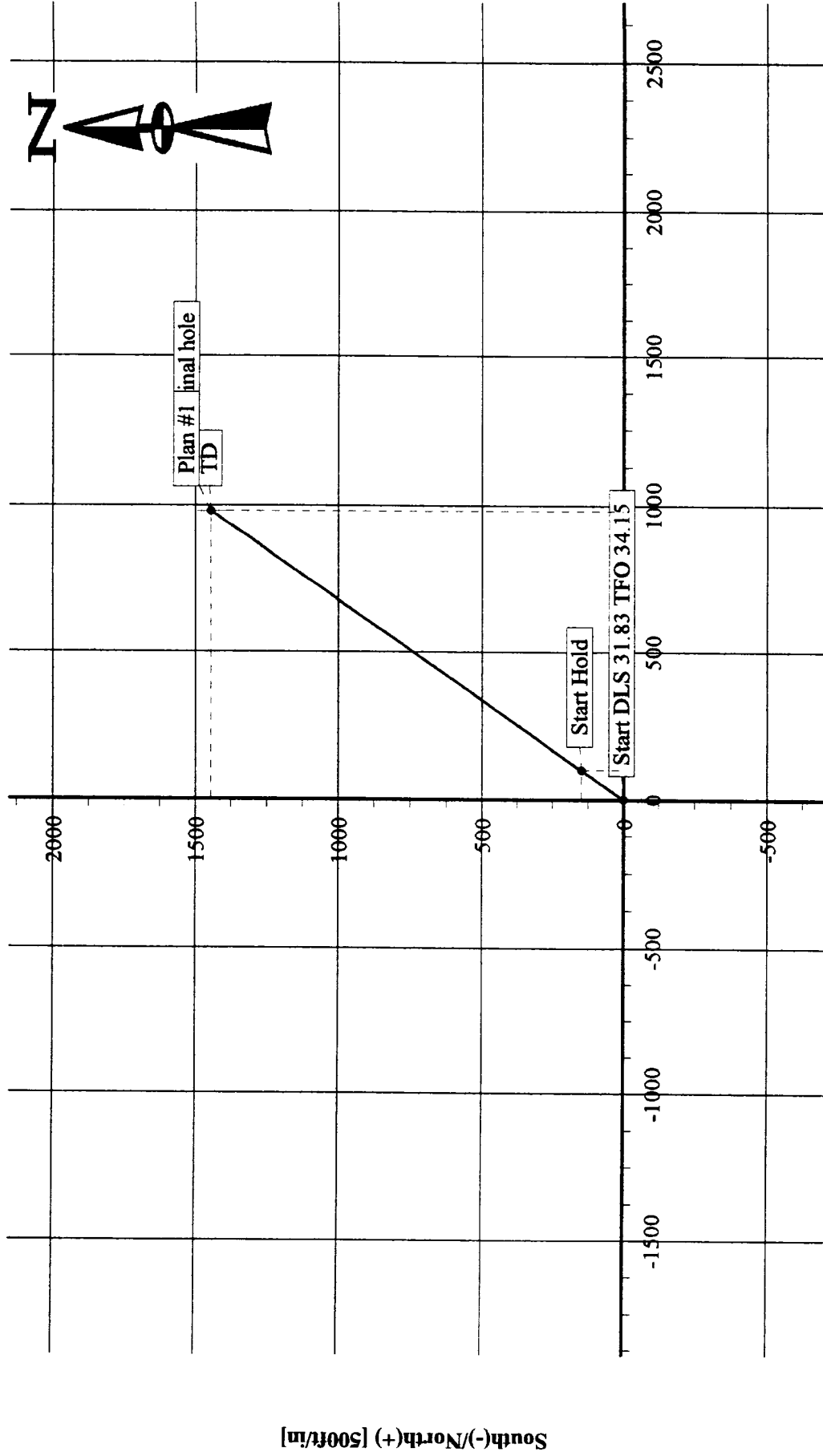
Date: 04/03/2000



**Scientific
Drilling**

Mack Energy Corporation

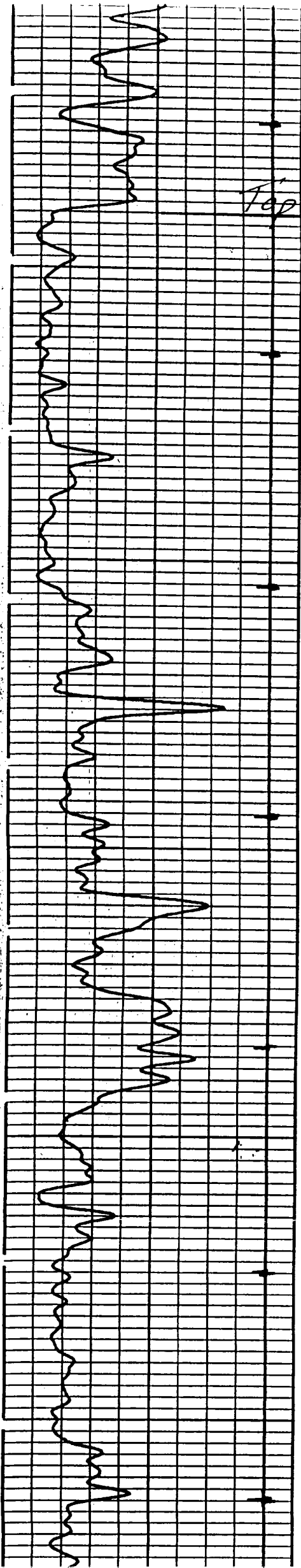
Field: Graburg Jackson
Site: Eddy Co. New Mexico
Well: G J Horizontal
Wellpath: OH Original hole
Plan: Plan #1





DUAL SPACED NEUTRON LOG

[illegible]



Top San Andres

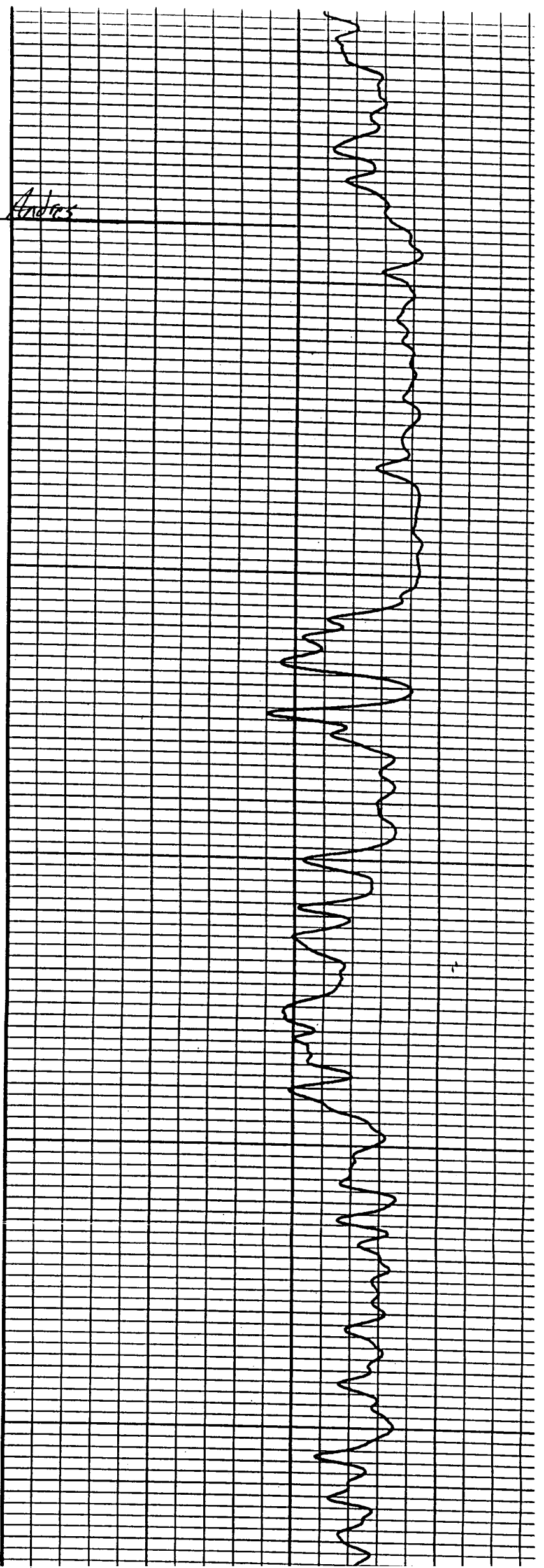
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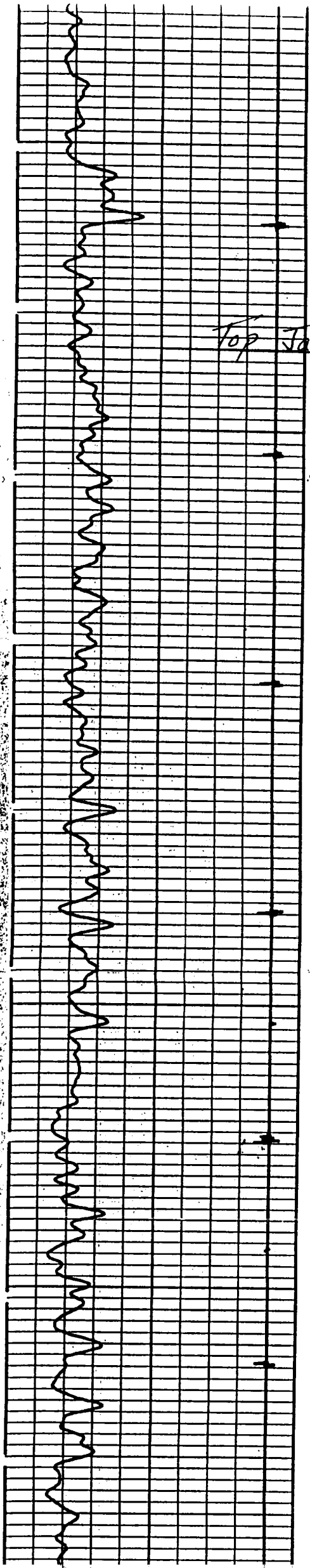
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2700

2750

2800





2800

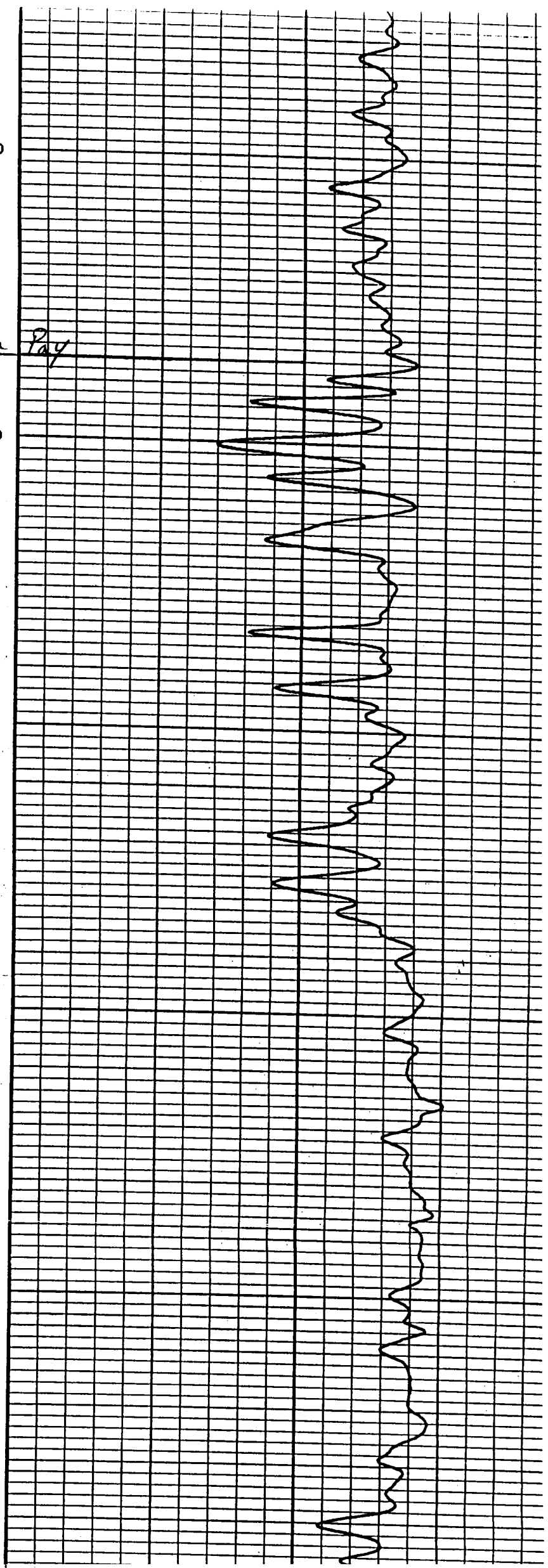
Top Jackson Pay

2850

2900

2950

3000



MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-2362

April 4, 2000

VIA CERTIFIED MAIL Z 378 879 698
RETURN RECEIPT REQUESTED

Attn: Mr. Steve Sell
SDX Resources, Inc.
P.O. Box 5061
Midland, TX 79704
Attn: Steve Sell

Dear Mr. Sell:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for unorthodox location for the G.J. West Coop Unit #145 under Rule 104.F. (3), due to the horizontal hole being to close to the G.J West Coop Unit #3 injection well. The surface location for this well is 330 FSL & 1310 FEL and the Bottom Hole Location is 1775 FSL & 330 FEL in Section 28-T17S-R29E, Eddy County, New Mexico. The well is encroaching N/2 NE/4 of Sec. 33-T17S-R29E in the Grayburg Jackson 7RVS-QN-GB-SA Pool.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within the 20 days after the application has been received.

Sincerely,

MACK ENERGY CORPORATION



Matt J. Brewer
Geological Engineer

MB\

Enclosures