

DATE IN 7.2.04	SUSPENSE 7/22	ENGINEER Stogner	LOGGED IN 7.2.04	TYPE NSL	PSEM 0418454252 APP NO.
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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] [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

Jerry W. Sherrell
 Signature

Production Clerk
 Title

6/30/04
 Date

jerrys@mackenergycorp.com
 e-mail Address

2004 JUL 2 PM 2 33

MACK ENERGY CORPORATION

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

June 30, 2004

*Oil Conservation Division
Attn: Mike Stogner
1220 South St. Francis Dr.
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:

*Diamondbacks State #1
2040 FNL & 2140 FEL
Sec. 28, T179S, R29E
Eddy County, New Mexico*

The well will be completed in the Morrow formation in the Grayburg Morrow 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 wells and pipelines causing the move to an unorthodox location.*
- D.) A geologic map showing the contours of the Morrow and Atoka sands.*

Oil Conservation Division

June 30, 2004

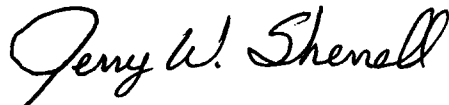
Page 2

Mack Energy's Diamondbacks State #1, Sec.28 T17S R29E, 2040 FNL & 2140 FEL was moved from the orthodox footages of 1980 FNL & 1980 FEL, the location was moved 60' south in order to clear the pipelines to the north, we did not want to move north due to depletion from existing wells. We then had to move 160' west to clear the GJ West #143 well. There were numerous buried injection lines to the east and the location would have to be moved over 450' east and could move us away from the Atoka/Morrow Channel as mapped. This is the best location to drill the thickest part of the Atoka and Morrow channel sand as possible. Mack Energy Corp. also operates the acreage that we are encroaching upon to the south 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.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 86211-0719

DISTRICT III
1000 Rio Brazos 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

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

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 77840	Pool Name Grayburg;Morrow
Property Code 33350	Property Name DIAMONDBACKS STATE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3565'

Surface Location

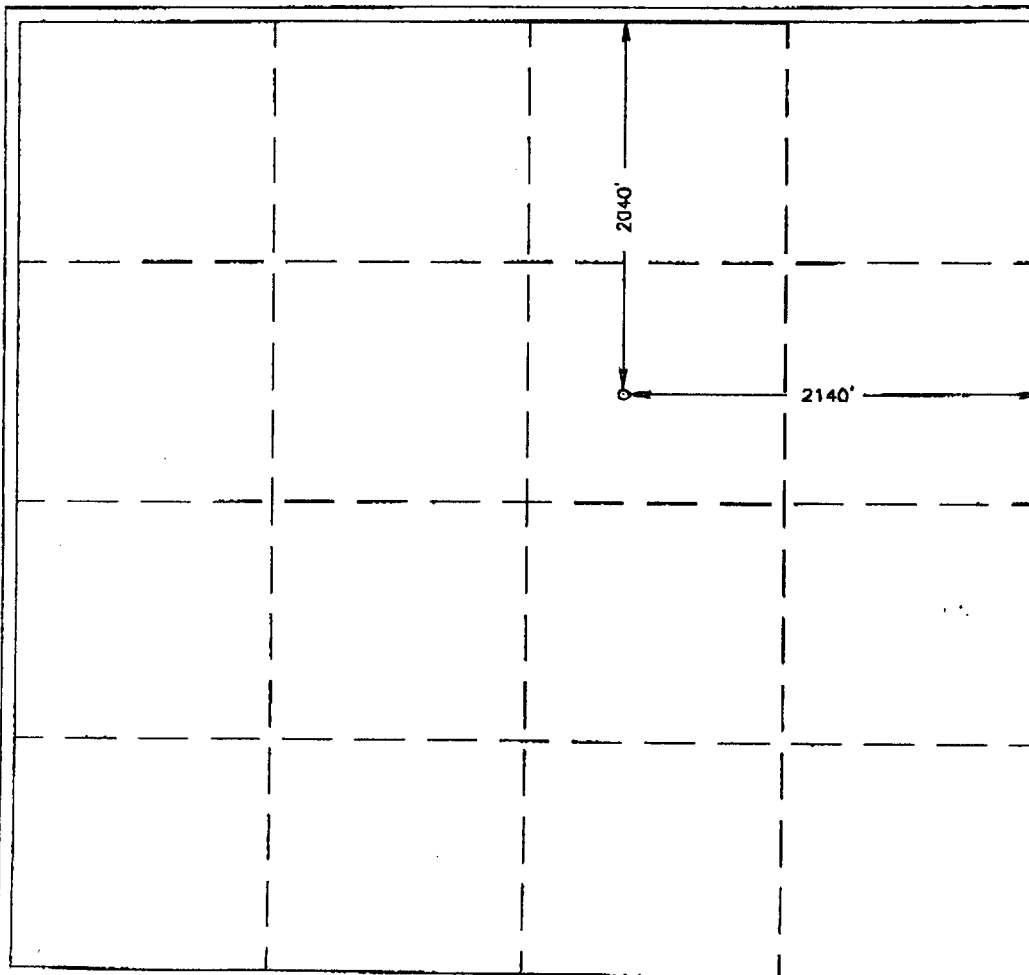
UL or lot No. G	Section 28	Township 17-S	Range 29-E	Lot Idn	Feet from the 2040	North/South line NORTH	Feet from the 2140	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

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 40	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



OPERATOR CERTIFICATION

I hereby certify the 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

6/29/2004
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.

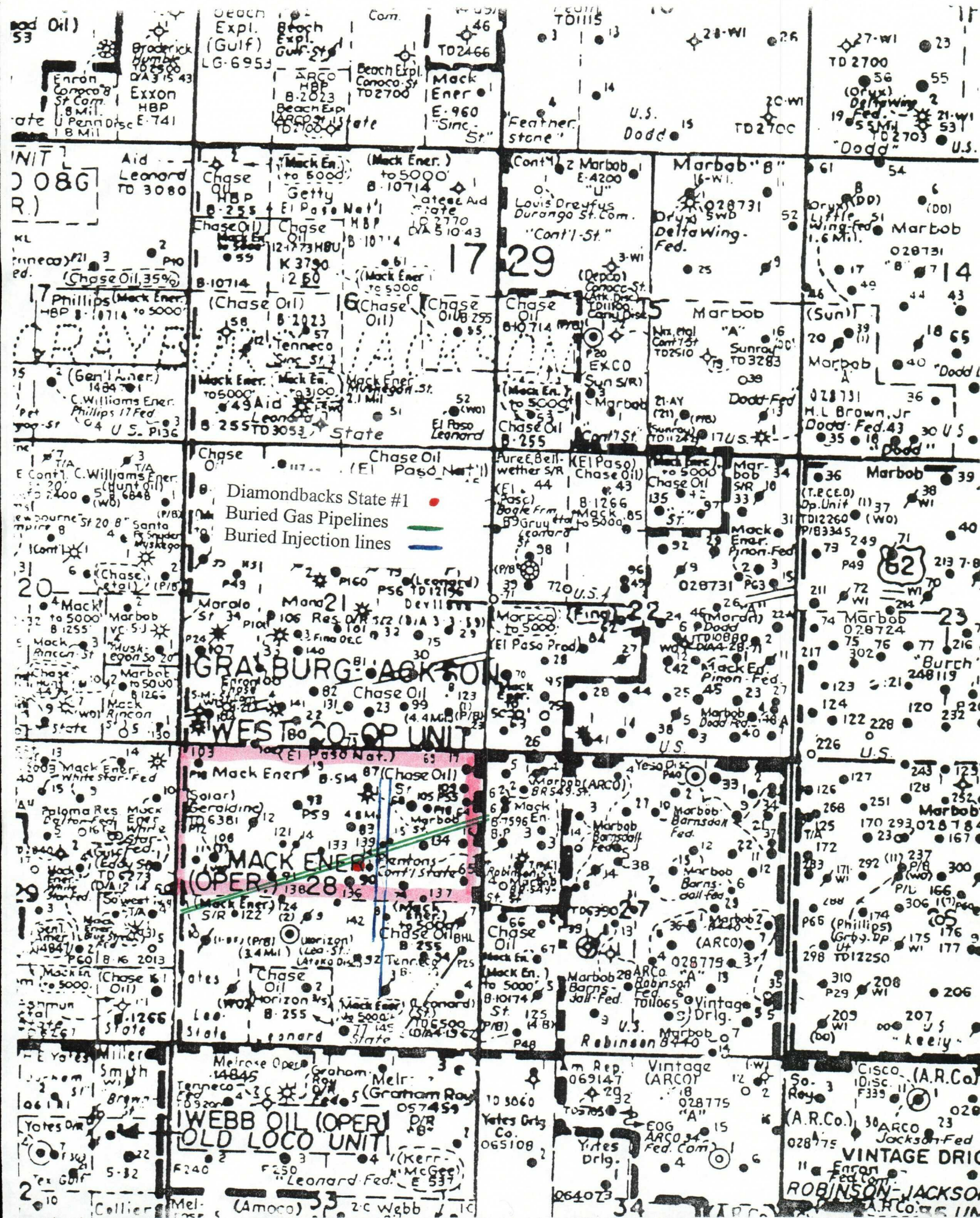
FEBRUARY 14, 2002

Date Surveyed AWE

Signature of Registered Professional Surveyor

Ronald E. Edson
2/18/02
02-11-0134

Certificate No. RONALD E. EDSON 3239
GARY T. EDSON 12641



24
Penncoill
-Welch
2280
(Inenco)
Aid. St.
(TD9050)

TD 956
TD 900
TD 947
TD 965
TD 913

TD 831
TD 910
TD 7400
TD 900

TD 933
TD 904
TD 904

TD 6496
TD 2749
TD 2851

Amoco
Empire
So. Op. Unit
TD 3916

145'

19

TD 931
TD 1671
TD 932
TD 910
TD 947
TD 965
TD 913

TD 951

30

TD 933
TD 904
TD 904

31

TD 6496
TD 2749
TD 2851

158'

20

TD 2455
TD 2400
TD 2332
TD 2310
TD 2311
TD 2312

29

Phillips
Leo-31
(Gen. Amer.)
Green
TD 11080
TD 11080
TD 11080
TD 11080

32

TD 1104
TD 1104
TD 1104
TD 1104

174'

21

TD 103053
TD 103053
TD 103053
TD 103053

28

TD 6381
TD 6381
TD 6381
TD 6381

33

TD 1104
TD 1104
TD 1104
TD 1104

194'

22

TD 10880
TD 10880
TD 10880
TD 10880

27

TD 6390
TD 6390
TD 6390
TD 6390

34

TD 1104
TD 1104
TD 1104
TD 1104

194'

23

Phillips
Gen. Amer.
So. Op. Unit
TD 11080
TD 11080
TD 11080
TD 11080

26

Phillips
Gen. Amer.
So. Op. Unit
TD 11080
TD 11080
TD 11080
TD 11080

35

TD 1104
TD 1104
TD 1104
TD 1104

ARC
Jackson-Fed
GROSS AREA
150 AC

Penrose
St-Melch
TD 2280

Fennell
(Ineco)
Aid. St. 71
(TD9050)

TD 955
TD 4050
TD 920
TD 900

TD 10613
TD 10965

TD 10831
TD 910
TD 7400

TD 900
TD 933
TD 10406

TD 6496
TD 2749

TD 2851

Amoco
Empire
So. Op. Ut.
TD 3916

50500

19

TD 9970
TD 1671
TD 9332

TD 901
TD 746

TD 10951

30

TD 10951

TD 10951

TD 10951

TD 10951

TD 10951

TD 10951

TD 10951

20

TD 2455
TD 2400

TD 2932

TD 2932

TD 2932

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TD 2932

TD 2932

18

22

TD 103053

TD 10880

TD 10880

TD 10880

TD 10880

TD 10880

TD 10880

TD 10880

TD 10880

23

TD 10880

TD 10880

TD 10880

TD 10880

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TD 10880

TD 10880

TD 10880

24

TD 10880

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TD 10880

TD 10880

TD 10880

TD 10880

ARC

CLASS MOUNTAIN

THICKNESS

Above Hill