



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



November 21, 2011

Mack Energy Corporation  
Attn: Mr. Jerry Sherrell

**Administrative Order NSL-6502**  
**Administrative Application Reference No. pTWG11-30457779**

**Mack Energy Corporation**  
OGRID 13837  
**Brook Federal Well No. 1**  
**API No. 30-025-40244**

**Proposed Location:**

	Footages	Unit	Sec.	Township	Range	County
Surface	635 FNL & 10 FEL	A	30	17S	32E	Lea
Bottom Hole	356 FNL & 338 FEL	A	30	17S	32E	Lea

**Proposed Project Area:**

Description	Acres	Pool	Pool Code
NE/4 NE/4 of Section 30	40	undesignated West Maljamar; Yeso	44500

Reference is made to your application received on October 31, 2011.

You have requested to complete this directional well, which was drilled from an unorthodox surface location to an orthodox bottom hole location, as described above, in the referenced pool or formation. We understand that although this well was intended to be completed at an orthodox location, you have performed a directional survey that indicates that a portion of the producing interval, as defined in 19.16.15.7.H NMAC, is outside the producing area, making the well's location unorthodox.

This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the producing interval are less than 330 feet from an outer boundary of the project area.

Oil Conservation Division  
1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3440 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/OCD](http://www.emnrd.state.nm.us/OCD)



Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location due to an inadvertent drilling error.

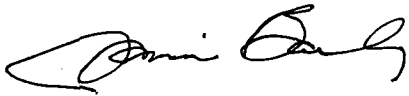
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", with a stylized, cursive script.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs  
United States Bureau of Land Management