

DATE IN <u>10.28.11</u>	SUSPENSE	ENGINEER <u>DKB</u>	LOGGED IN <u>10.28.11</u>	TYPE <u>NSL</u>	APP NO. <u>1130153025</u>
-------------------------	----------	---------------------	---------------------------	-----------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



MAC Energy
13837
RECEIVED OGD
Slate 35 #7

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 _____

- [2] **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

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

[4] **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

10/27/2011
Date

jerrys@mec.com
e-mail Address



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

October 27, 2011

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

Dear Mr. Jones:

Mack Energy 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:

State 35 #7
1600 FSL & 1200 FWL
BHL: 1400 FSL & 1400 FWL
Sec. 35, T17S, R33E
Lea County, New Mexico

The well will be completed in the ABO formation in the ~~Corbin~~ Abo Pool.
Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) (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, the location is too close to the section line and to achieve the best geological advantage. (Exhibit C)

This well is located in the NW/4 of the SW/4 of Sec.35 T17S R33E. The wells bottom hole location is in the NE/4 of the SW/4 of Sec 35 T17S 33E making the well an unorthodox location. The well is encroaching the SW/4 of the SE/4 and SE/4 of the SW/4 of Sec 35 T17S R33E, all of which is owned by Mack Energy Corporation.

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

Sincerely,

MACK ENERGY CORPORATION

Jerry W. Sherrell
Production Clerk

JWS/dw
Enclosures

OCT 24 2011

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40319	Pool Code 13150	Pool Name Corbin; Abo
Property Code 300204	Property Name STATE 35	Well Number 7
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4111'

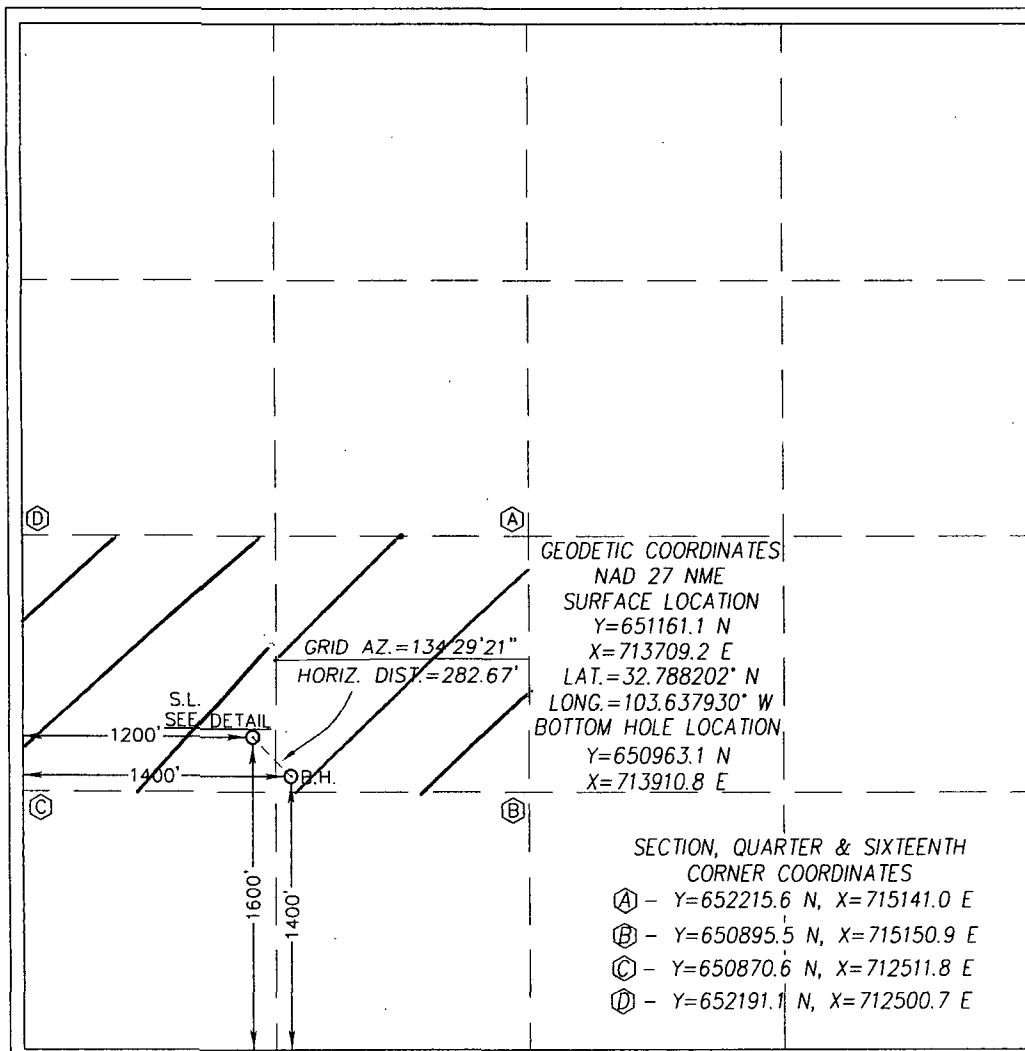
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	17-S	33-E		1600	SOUTH	1200	WEST	LEA

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
K	35	17-S	33-E		1400	SOUTH	1400	WEST	LEA
Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No.						

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 that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jerry W. Sherrell 10-27-2011
Signature Date

Jerry W. Sherrell
Printed Name

E-mail Address

SURVEYOR CERTIFICATION

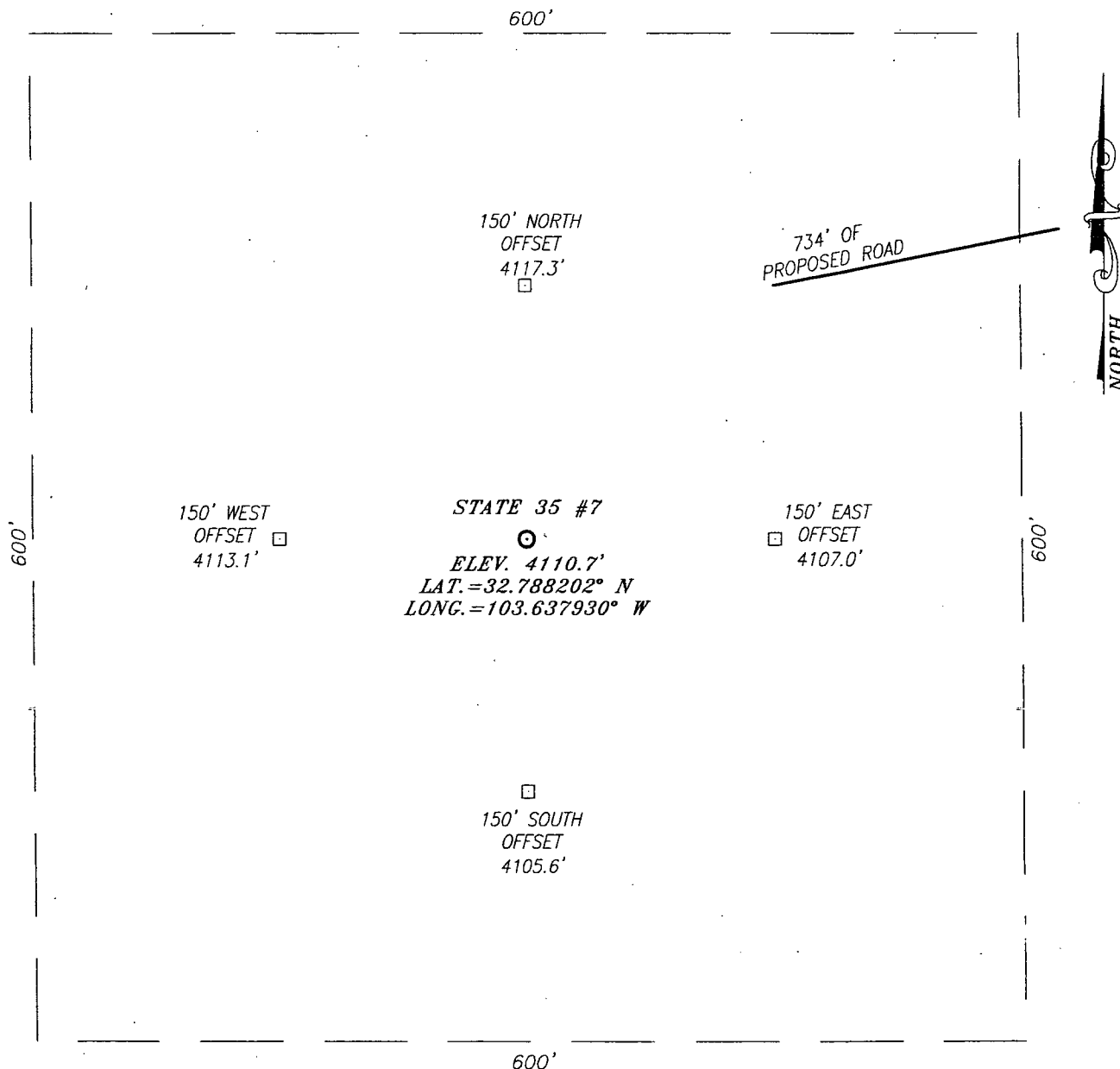
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 7, 2011

Date of Survey
Signature & Seal of Professional Surveyor:

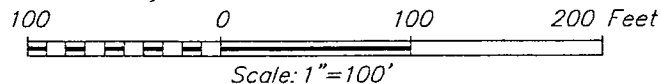
RONALD J. EIDSON
NEW MEXICO
3239
Professional Surveyor
Certificate Number Gary O. Eidson 12641
Ronald J. Eidson 3239
LA JWSC W.O.: 11.11.1707

SECTION 35, TOWNSHIP 17 SOUTH, RANGE 35 EAST, N.M.P.M.
 LEA COUNTY NEW MEXICO



DIRECTIONS TO LOCATION


FROM THE INTERSECTION OF CO. RD. #125 (MESCALERO) AND CO. RD. #125 (DERBY) GO SOUTHEAST ON MESCALERO ROAD APPROX. 0.25 MILES. TURN RIGHT AND GO SOUTH APPROX. 0.9 MILES TO A PROPOSED ROAD SURVEY. FOLLOW SURVEY STAKES SOUTHWEST 734 FEET TO THE LOCATION.



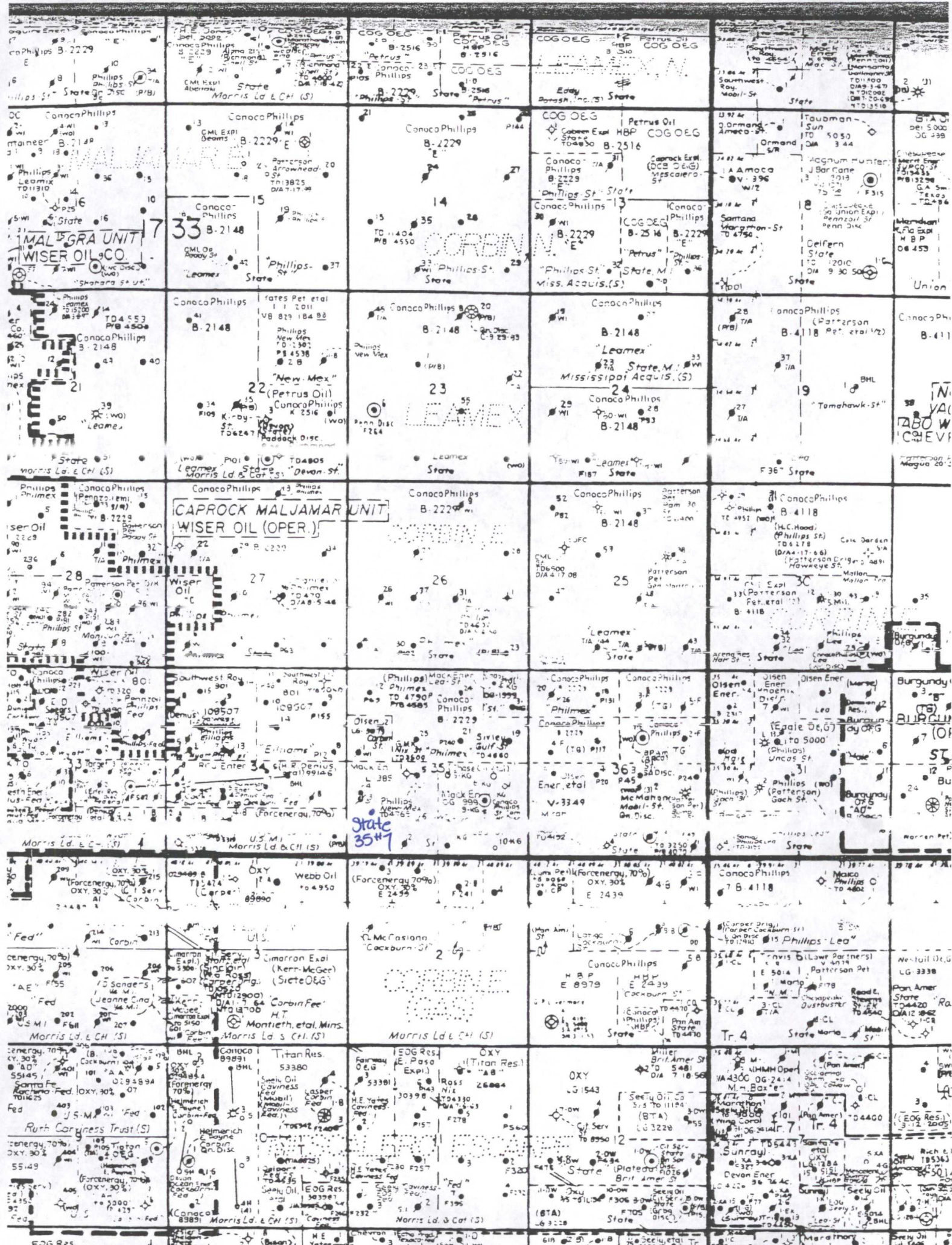
MACK ENERGY CORPORATION

STATE 35 #7 WELL
 LOCATED 1600 FEET FROM THE SOUTH LINE
 AND 1200 FEET FROM THE WEST LINE OF SECTION 35,
 TOWNSHIP 17 SOUTH, RANGE 33 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO

Survey Date: 9/7/11		Sheet 1 of 1 Sheets	
W.O. Number: 11.11.1707		Dr By: LA	Rev 1: N/A
Date: 9/27/11		11111707	Scale: 1"=100'



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117



Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, November 28, 2011 4:52 PM
To: 'Jerry Sherrell'
Subject: State 35 #7; NSL Application

Dear Mr. Sherrell

Your non-standard location application for this well states that it encroaches toward the SW/4 SE/4 and the SE/4 SW/4 of Section 35, and that both of these units are owned by Mack. It appears, however, that the proposed location does not encroach toward the SW/4 of the SE/4, but rather toward the SW/4 SW/4.

Please advise if the working interest in the SW/4 SW/4 is also owner 100% by Mack.

Thanks

David K. Brooks

Brooks, David K., EMNRD

From: Jerry Sherrell [jerrys@mec.com]
Sent: Tuesday, November 29, 2011 7:21 AM
To: Brooks, David K., EMNRD
Cc: Deana Weaver
Subject: RE: State 35 #7; NSL Application

David,

Sorry for the delay getting back to you. That was a typo. This lease is 100% Mack and covers the entire SW/4.

Drillsite lease: K-0385-6
T17S, R33E, Section 35: SW/4

Thanks,
Jerry

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Monday, November 28, 2011 4:52 PM
To: Jerry Sherrell
Subject: State 35 #7; NSL Application

Dear Mr. Sherrell

Your non-standard location application for this well states that it encroaches toward the SW/4 SE/4 and the SE/4 SW/4 of Section 35, and that both of these units are owned by Mack. It appears, however, that the proposed location does not encroach toward the SW/4 of the SE/4, but rather toward the SW/4 SW/4.

Please advise if the working interest in the SW/4 SW/4 is also owner 100% by Mack.

Thanks

David K. Brooks

Brooks, David K., EMNRD

From: Jerry Sherrell [jerrys@mec.com]
Sent: Tuesday, November 29, 2011 10:11 AM
To: Brooks, David K., EMNRD
Subject: RE: State 35 #&
Attachments: SharpMX7001N@mackenergycorp.com_20111129_101311.pdf

Sorry David I really got in a hurry on this one. Here is the corrected plat. This well will penetrate the Abo formation in the NE/SW.

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Tuesday, November 29, 2011 9:59 AM
To: Jerry Sherrell
Subject: State 35 #&

Dear Mr. Sherrell

I have another question on this. You show an 80-acre unit here (N/2 SW/4). This pool is spaced on 40 acres, and the BHL is in the NE/SW. Where does well penetrate the Abo? If it will penetrate the Abo in the NW/ SW, then the N/2 SW can be a project area, and the way you show it on the C-102 is correct? If the well in the Abo will be entirely within the NE/SW, then we would assign it to a 40-acre unit.

Sincerely

David K. Brooks

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 13150	Pool Name Corbin: Abo
Property Code 300204	Property Name STATE 35	Well Number 7
GRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4111'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	17-S	33-E		1600	SOUTH	1200	WEST	LEA

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
K	35	17-S	33-E		1400	SOUTH	1400	WEST	LEA
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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

		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest; or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jerry W. Sherrell</i> 11-28-2011 Signature Date</p> <p><i>Jerry W. Sherrell</i> Printed Name</p> <p><i>jerrys@me.com</i> E-mail Address</p>
<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=651161.1 N X=713709.2 E LAT.=32.788202° N LONG.=103.637930° W BOTTOM HOLE LOCATION Y=650963.1 N X=713910.8 E</p> <p>GRID AZ.=134°29'21" HORIZ. DIST.=282.67'</p> <p>SECTION, QUARTER & SIXTEENTH CORNER COORDINATES (A) - Y=652215.6 N, X=715141.0 E (B) - Y=650895.5 N, X=715150.9 E (C) - Y=650970.6 N, X=712511.8 E (D) - Y=652191.1 N, X=712500.7 E</p>		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>SEPTEMBER 7, 2011</p> <p>Date of Survey</p> <p><i>[Signature]</i> Signature of Registered Professional Surveyor</p> <p><i>[Stamp: RONALD J. EIDSON, NEW MEXICO, 3239]</i></p> <p><i>[Signature]</i> 10/21/2011 Certification Number: Gary D. Eidson 12641 Ronald J. Eidson 3239</p> <p>LA JWSC W.O.: 11.11.1707</p>