

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 _____

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 Oil Conservation Division
 1220 S. St. Francis Drive
 Santa Fe, NM 87505

[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

4/20/2005
 Date

jerrys@mackenergycorp.com
 e-mail Address



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

April 20, 2005

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

Oil Conservation Division
1220 S. St. Francis Drive
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.

The well location and legal description is as follows:

Marlin State #1 (Formerly Texmack 24 State Com #1)
1500 FSL & 1800 FEL
Sec. 24, T16S R31E, API 30-015-30852
Eddy County, New Mexico

30-015-30852

The well will be completed in the GB/SA formation in the Grayburg Jackson SR-Q-G-SA Pool.

Attached to this application are the following exhibits.

- A.) Application for permit to re-enter (form C-101), 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).

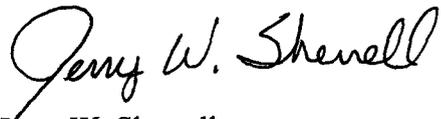
Mack Energy is proposing to re-enter the Marlin State #1 to a total depth of 4500'. This well was originally drilled as the Texmack 24 State Com #1 to a total depth of 12,850', production casing was not run and well was plugged and abandoned in 2000. The acreage dedicated to this well is 40 acres, NW/4 SE/4 of Sec. 24 T16S R31E. Caza Energy LLC/Mack Energy Corp. are Owner/Operator of the acreage that we are encroaching upon 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.

Oil Conservation Division
April 20, 2005
Page 2

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style with a large, looped initial "J".

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S 1st Street Artesia, NM 88210-1404
 District III
 1000 Rio Brazos Rd, Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-101
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Mack Energy Corporation P.O. Box 960 Artesia, NM 88211-0960		OGRID Number 013837
		API Number 30-015-30852
Property Code 25116	Property Name Marlin State	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	24	16S	31E		1500	South	1800	East	Eddy

Proposed 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
Proposed Pool 1 Grayburg Jackson SR Q G SA					Proposed Pool 2				

Work Type Code E Multiple No	Well Type Code O Proposed Depth 4500	Cable/Rotary R Formation GB/SA	Lease Type Code S Contractor	Ground Level Elevation 4379' Spud Date 4/30/2005
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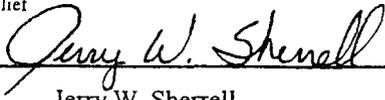
Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4	11 3/4	42	550	350	Circulated
11	8 5/8	32	4500	2200	Circulated
7 7/8	N/A	N/A	N/A	N/A	N/A

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Mack Energy Corporation proposes to Re-enter the formerly Texmack 24 State Com #1 now Marlin State #1 to a depth of 4500' log well and evaluate the GB/SA formation, attempt to produce. Put well on production.

Well will be drilled out and completed using steel tanks. No pits will be dug at this well location.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief Signature 	OIL CONSERVATION DIVISION	
	Approval by:	
Printed name: Jerry W. Sherrell	Title:	
Title: Production Clerk	Approval Date:	Expiration Date:
Date: 4/18/2005	Phone: (505)748-1288	Conditions of Approval: Attached <input type="checkbox"/>

DISTRICT I
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II
P. O. Drawer DD, Alamo, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artes, NM 87410

DISTRICT IV
P. O. Box 3066, Santa Fe, NM 87504-2066

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back

Submit to Appropriate District Office

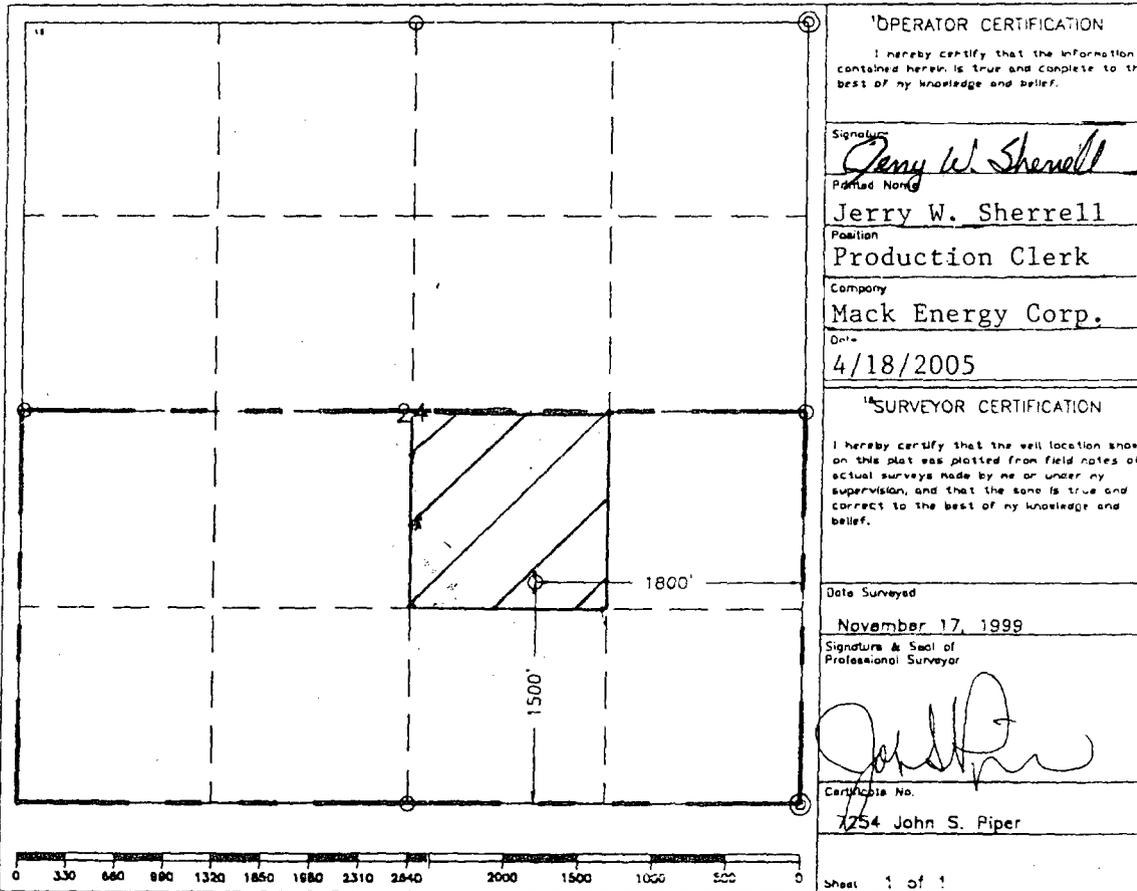
State Lease-4 copies
Fee Lease-3 copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-30852		2 Pool Code 28509		3 Pool Name Grayburg Jackson SR-Q-G-SA				
Property Code		4 Property Name Marlin State			5 Well Number 1			
7 Section No. 013837		8 Operator Name Mack Energy Corporation			9 Elevation 4379'			
10 Surface Location								
11 UL or lot no. J	12 Section 24	13 Township 16-S	14 Range 31-E	15 Lot idn 1500	16 North/South line South	17 Feet from the 1800	18 East/West line East	19 County Eddy
11 Bottom Hole Location If Different From Surface								
11 UL or lot no.	12 Section	13 Township	14 Range	15 Lot idn	16 North/South line	17 Feet from the	18 East/West line	19 County
14 Undeveloped Acres 40		15 Joint or Infill		16 Consolidation Code		17 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 contained herein is true and complete to the best of my knowledge and belief.

Signature: *Jerry W. Sherrell*
Printed Name: Jerry W. Sherrell
Position: Production Clerk
Company: Mack Energy Corp.
Date: 4/18/2005

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 knowledge and belief.

Date Surveyed: November 17, 1999
Signature & Seal of Professional Surveyor: *John S. Piper*
Certificate No.: 7254 John S. Piper

Sheet 1 of 1

○ = Staked Location ● = Producing Well ■ = Injection Well ◇ = Water Supply Well ◆ = Plugged & Abandon Well
⊙ = Found Section Corner, 2 or 3" Iron Pipe & GLO B.C. ○ = Found 1/4 Section Corner, 1" Iron Pipe & GLO B.C.

ADDITIONAL INFORMATION ON THE LOCATION

State Plane Coordinates			
Northing	693028.94	Easting	698756.22
Latitude	32°54'14.76"	Longitude	103°49'13.50"
Zone	North American Datum	Combined Grid Factor	Coordinate File
East	1983	0.9997675	Texmack6.cr5
Drawing File		Field Book	

