



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

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Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 21, 2005

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960

Attention: Jerry Sherrell
jerrys@mackenergycorp.com

Administrative Order NSL-5317

Dear Mr. Sherrell:

Reference is made to the following: (i) your application (***administrative application reference No. pSEM0-534328588***) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 8, 2005; and (ii) the Division's records in Santa Fe and Hobbs: all concerning Mack Energy Corporation's ("MEC") request for an exception to Rule 4 of the "*Special Rules and Regulations for the Baish-Wolfcamp Pool*," as promulgated by Division Order No. R-2765, as promulgated by Division Order No. R-2765, issued in Case No. 3097 on September 8, 1964, for an off-pattern non-standard replacement Wolfcamp oil well location within a former standard 80-acre stand-up oil spacing and proration unit comprising the E/2 NW/4 of Section 22, Township 17 South, Range 32 East, NMPM, Baish-Wolfcamp Pool (**4480**), Eddy County, New Mexico.

Your application has been duly filed under the provisions of: (i) Rule 5 of the "*Special Rules and Regulations for the Baish-Wolfcamp Pool*"; (ii) Division Rule 104.F; and (iii) Division Rule 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

From the Division's records the discovery well for the Baish-Wolfcamp Pool was located on this 80-acre unit with Continental Oil Company's M. E. Baish "B" Well No. 14 (**API No. 30-025-00637**), later redesignated the Baish "B" Well No. 1, located 660 feet from the North line and 1650 feet from the West line (Unit C) of Section 22 (*see Division Order No. R-2292, issued in Case No. 2601 on July 20, 1962 and made effective August 1, 1962*). This well was initially drilled to a total depth of 13,657 feet in 1960 and later, in 1962, completed in the Wolfcamp interval. This well produced from the Baish-Wolfcamp Pool from May, 1962 to May, 1988. Conoco, Inc. subsequently plugged and abandoned the Baish "B" Well No. 1 in 1991.

The Division's review of its records also indicate that the S/2 SE/4 of Section 21, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, and the NE/4, E/2 NW/4, SW/4, and the NW/4 SE/4 of Section 22 comprise a single federal lease (*United States Government lease No. LC-029509-B*) in which mineral interests within the Wolfcamp interval is common throughout and MEC is the leasehold operator.

By authority granted me under the provisions of Division Rule 104.F (2) and the applicable provisions of the special pool rules governing the Baish-Wolfcamp Pool, the following described well to be drilled as a replacement oil well within this 80-acre Wolfcamp oil spacing and proration unit at an off-pattern non-standard oil well location is hereby approved:

J. C. Federal Well No. 4
1650' FNL & 2310' FWL (Unit F).

Jurisdiction of this cause is retained for the entry of such further orders as the Division deems necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad