

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 _____

2006 FEB 27 PM 1 39

- [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 _____ Production Clerk _____ 2/23/2006
 Print or Type Name Signature Title Date

jerrys@mackenergycorp.com
 e-mail Address



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

February 23, 2006

*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:

*Skelly Unit #964
1175 FSL & 2310 FWL
Sec. 20, T17S, R30E
Eddy County, New Mexico*

The well will be completed in the Paddock formation in the Fren Paddock Pool.

Attached to this application are the following exhibits.

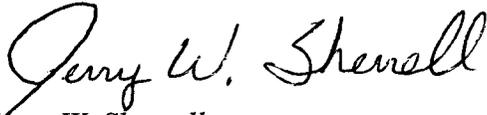
- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).*
- B.) A map showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units, showing the reason for the unorthodox location, the original location would have fallen on top of or too close to a number of buried and surface pipelines (Exhibit B).*

Moving the location 185' to the north will allow us to build this location between two of the many pipelines in this QQ. The location would have to be moved approximately 375' south to clear these pipelines to make it orthodox. This location will cause the least amount of damage to the dune features that are trying to be preserved in this area. The 40-acre tract that we are encroaching is part of the same lease and has common interests. There are no other possible orthodox locations for this well due to existing locations and Frontier's Skelly Gas Plant. Future locations being located on 10-acre spacing, will have to be directionally drilled.

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". The signature is written in black ink and is positioned above the typed name and title.

Jerry W. Sherrell
Production Clerk

JWS/

Enclosures

DISTRICT I
1225 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
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
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	Pool Name
	26770	Fren Paddock
Property Code	Property Name	Well Number
11091	SKELLY UNIT	964
OGRID No.	Operator Name	Elevation
4323	CHEVRON USA INC.	3861'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	15	17-S	31-E		1175	SOUTH	2310	WEST	EDDY

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

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

*Standard
640-acre
Section*

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

1/14/2006
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.

DECEMBER 27, 2005

Date Surveyed _____ RZB

Signature & Seal of Professional Surveyor
Ronald G. Edson
NEW MEXICO
01/03/06
05.11.2009

Certificate No. GARY EDSON 12641
RONALD EDSON 3239

Paddock Completion in Sec. 15

SKELLY UNIT AREA

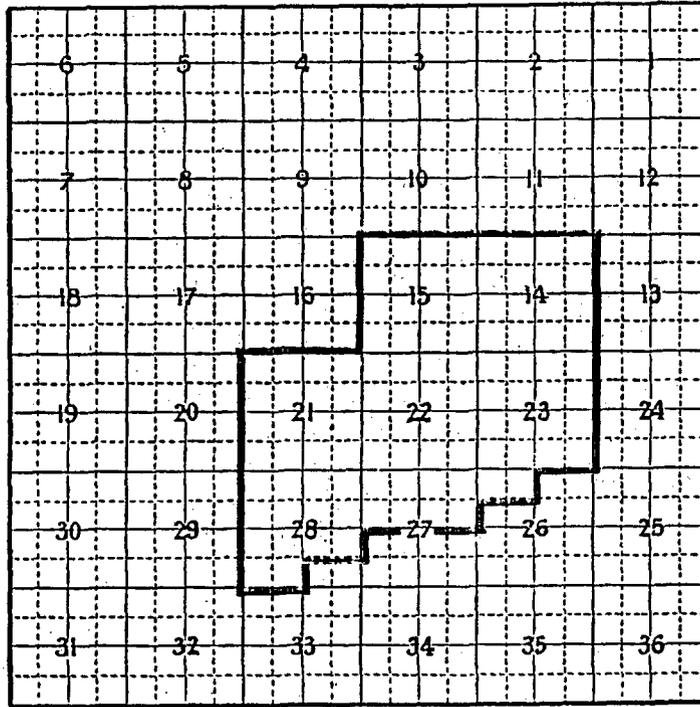
No. I-Sec. No. 276

APPROVED: February 24, 1938

EFFECTIVE: March 1, 1938

EXPLORATORY
CONVERTED TO WATERFLOOD
Eddy County, New Mexico

 **gulram, inc.**
petroleum engineering and government regulation consultants



T
17
S

R 31 E

Federal Lands 4160.0 acres

Well Selection Criteria Quick Print

(Field_No = 29742 and WH_SEC = 15 and PoolNo = 26770)

API Well #	Well Name and No.	Operator Name	Typ Stat	County	Surf	UL	Sec	Twp	Rng	Ft N/S	Ft E/W	UICPrmt	Lst Insp Dt
30-015-34327-00-00	SKELLY UNIT	CHEVRON U S A INC	O A	Eddy	F	J	15	17S	31 E	2310 S	1650 E		
30-015-34318-00-00	SKELLY UNIT	CHEVRON U S A INC	O A	Eddy	F	K	15	17S	31 E	2310 S	1650 W		
30-015-34647-00-00	SKELLY UNIT	CHEVRON U S A INC	O N	Eddy	F	M	15	17S	31 E	990 S	990 W		
30-015-32967-00-00	SKELLY UNIT	CHEVRON U S A INC	O A	Eddy	F	M	15	17S	31 E	330 S	330 W		
30-015-32968-00-00	SKELLY UNIT	CHEVRON U S A INC	O A	Eddy	F	N	15	17S	31 E	330 S	1650 W		
30-015-34646-00-00	SKELLY UNIT	CHEVRON U S A INC	O N	Eddy	F	O	15	17S	31 E	330 S	2310 E		

*Prop Id. 29742
Pool Id. 26770 (From Addblock)
Section 15*