

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

August 1, 2001

AUG - 3 2001

Oil Conservation Division
Attn: Mike Stogner
2040 South Pacheco
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 pursuant to Order R-7808 of the New Mexico Oil Conservation Division.

The well location and legal description is as follows:

Charles S. Alves #5
1720 FNL & 1720 FEL
Sec. 7-T19S-R35E
Lea County, New Mexico

The well will be completed in the Bone Springs formation in the Scharb Bone Springs Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Hobbs office of the Oil Conservation Division (Exhibit A).
- B.) A plat showing the proposed unorthodox location, the respective proration units, and the offsetting proration units (Exhibit B).
- C.) A map showing the reason for the unorthodox location, the original location had to be moved 380' Northeast to avoid a radioactive source cemented in the JFG 7 FEE #1. We did not move the location to SE/4 NW/4 Sec. 7-T19S-R35E do to possibly drilling Charles S. Alves #6(Exhibit C).

D.) *A Waiver from Primero Operating, Inc. agreeing to the unorthodox Location.*

Oil Conservation Division

August 1, 2001

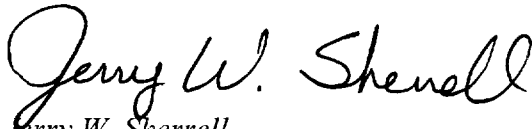
Page 2

Please note that Primero Operating, Inc. is the operator of the offsetting proration units in which we are encroaching upon in the Bone Springs formation of the Scharb Bone Springs Pool, therefore no other operators are required to be notified.

Thank you for your assistance in this matter. If you have any questions, please feel free to call me at (505)748-1288.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures

DISTRICT II

Drewer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35263	Pool Code 55610	Pool Name Scharb Bone Springs.
Property Code 26869	Property Name CHARLES S. ALVES	Well Number 5
OGRID No. 013837	Operator Name MACK ENERGY CORP.	Elevation 3874

Surface Location

UL or lot No. G	Section 7	Township 19 S	Range 35 E	Lot Idn	Feet from the 1720	North/South line NORTH	Feet from the 1720	East/West line EAST	County LEA
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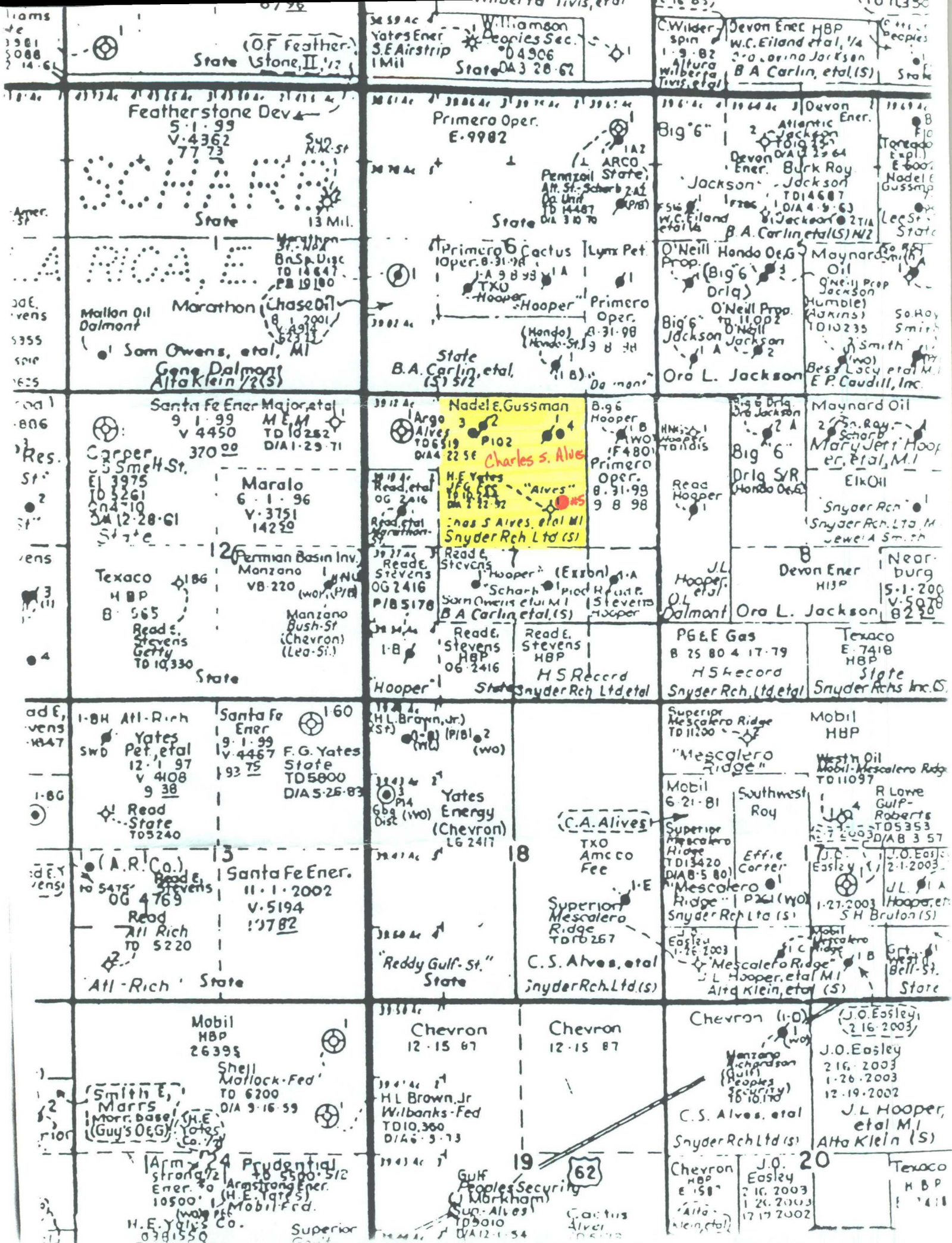
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No.
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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 the the information contained herein is true and complete to the best of my knowledge and belief. Signature Crissa D. Carter Printed Name Production Analyst Title 11/21/00 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. NOVEMBER 3, 2000 Date Surveyed Signature & Seal of Professional Surveyor 20-11-1373 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641



Trams
1981
1988
14-61

Amor.
St.

OE.
vens

355
sm

625

oad
806

Res.
St.

2
St.

vens

3
(11)

4

ad E.
vens

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

1-80

Wilder-
spin
1-9-82
Altura
Wilbera
Tins, et al

Devon Ener HBP
W.C. Eiland et al, 1/4
S. Loring Jackson
B A Carlin, et al (S)

Devon
Atlantic Ener.
Torg 13-64
Devon OAL 13-64
Ener. Burk Roy
Jackson Jackson
TD14687
12-1-83
W.C. Eiland
et al
B A Carlin et al (S) N12

O'Neill Hondo Oe G
Prop. (Big 6
Drilq)
O'Neill Prop.
to 11-02
Big 6 O'Neill
Jackson Jackson
1 A - 2
Ora L. Jackson

Maynard Oil
2 S. Roy.
Schorb
Mary Jett Hoop
er, et al, M.I
Elk Oil
Snyder Rech.
Snyder Rech. Ltd. M.
Jewell Smith

Devon Ener
HBP
Near-
burg
5-1-200
V. 5078
82-20

PG&E Gas
B 25 80 4 17-79
H S Record
Snyder Rech. Ltd et al

Superior
Mescalero Ridge
TD 11200
"Mescalero
Ridge"
Mobil
6-21-81
Southwest
Roy
Superior
Mescalero
Ridge
TD 13420
DIA 5-80
Mescalero
Ridge
Snyder Rech Ltd (S)

Chevron (11-0)
Wichita
Richardson
(Gulf)
Peoples
Security
18-10-10
C.S. Alves, et al
Snyder Rech Ltd (S)

Williamson
Leopie Sec.
04906
State DA 3 28-62

Primero Oper.
E-9982
1A2
ARCO
Permian State,
Am. St. Schorb 2A1
Dr. Unit
DA 14487
DA 31070

Primero Cactus Lynx Pet
Oper. 8-31-98
J-A 9 B 93 1 A
TXU
Hooper
Primero
Oper.
(Hondo) A-31-98
Hondo-St. 9 8 3H

Nadel E. Gussman
Argo 3
Alves
TD 6519
DIA 4 22-56
Charles S. Alves
H.E. Yates
JFG 655
DA 12-22-92
Charles S. Alves, et al M.I
Snyder Rech Ltd (S)

Read, et al
OG 2416
Read, et al
Stevens
OG 2416
P/B 5178
Read, et al
Stevens
OG 2416
H S Record
Snyder Rech Ltd et al

Yates
Energy
(Chevron)
LG 2417
C.A. Alves
TXU
Amcco
Fee
Superior
Mescalero
Ridge
TD 1267
C.S. Alves, et al
Snyder Rech Ltd (S)

Reddy Gulf-St.
State

Chevron
12-15 87
HL Brown, Jr
Wilbanks-Fed
TD 10,360
DIA 6-3-73

Gulf
Peoples Security
(Morkham)
Sup. Alves
10-30-10
DA 12-1-54

(O.F. Feather.)
State Stone, II, 1/2

Featherstone Dev
5-1-99
V-4362
77-23
S40
M.M.-St
State
13 Mil.

Marathon
Chase Oil
B-1-2001
PB 19180
Mallon Oil
Dalmon
Sam Owens, et al, M.I
Gene Dalmon
Alt Klein 1/2 (S)

Santa Fe Ener Major, et al
9-1-99
V 4450
370-00
DIA 1-29-71
Carper
S. Smith St.
E1 3975
TD 13261
DA 4-10
DA 12-28-61
State

Maralo
6-1-96
V-3751
14250
Permian Basin Inv.
Manzano
VB 220
(work P/B)
Manzano
Bush-St
(Chevron)
(Leo-St.)

1-80 All-Rich
Yates
SWD Pet, et al
12-1-97
V 408
9-38
Read
State
TD 5240

(A.R. Co.)
Read
Stevens
OG 4769
Read
All Rich
TD 5220
All-Rich State

Santa Fe Ener.
11-1-2002
V-5194
13782

Mobil
HBP
26395
Shell
Mollock-Fed
TD 6200
DIA 9-16-59
Smith E.
Morris base
(Guy's OeG)
Co. 7/2
Armstrong
Prudential
Strong 7/2
Ener. to Armstrong Ener.
10500-1 Mobil Fed.
H.E. Yates
Co.
0381550
Superior

Chevron
HBP
E 151
Alta
Klein, et al

J.O. Easley
216-2003
J.O. Easley
216-2003
12-19-2002
J.L. Hooper,
et al M.I
Alta Klein (S)

Texasco
HBP
1-411

<p>Featherstone Dev</p> <p>S-1-99 V-4362 77-73</p> <p>SOAR</p> <p>State 13 Mil.</p> <p>Mallon Oil Dalmont</p> <p>Marathon Chase Oil</p> <p>Sam Owens, et al., MI</p> <p>Gene Dalmont</p> <p>Alta Klein 2(S)</p>	<p>Charles S. Alves #5 in Green</p> <p>JFG 7 FEE #1 in Blue</p> <p>Primero Cactus Lynx Pet.</p> <p>Oper. B-31-98</p> <p>J-A 9-8-93</p> <p>TXU Hooper</p> <p>Hooper</p> <p>Primero Oper.</p> <p>(Hondo) A-31-98</p> <p>Hondo-St. 9-8-98</p> <p>B.A. Carlin, et al.</p> <p>(S) 512</p>	<p>Devon Ener HBP</p> <p>W.C. Eiland et al., 1/4</p> <p>3-0 Loring Jackson</p> <p>B.A. Carlin, et al. (S)</p> <p>State</p> <p>Atlantic Ener.</p> <p>O'Donnell</p> <p>Devon Ener. Burk Roy</p> <p>Jackson - Jackson</p> <p>TDI 4687</p> <p>DIA 4-9-63</p> <p>B.A. Carlin et al. (S) N/2</p> <p>O'Neill Hondo OeG</p> <p>Prop. (Big 6 Drilq)</p> <p>O'Neill Prop.</p> <p>to 11-0-92</p> <p>O'Neill Jackson</p> <p>Maynard Oil</p> <p>Gneill Prop</p> <p>Jackson</p> <p>Humble</p> <p>(Jenkins)</p> <p>1010235</p> <p>Smith</p> <p>Best Lucy et al M</p> <p>E.P. Caudill, Inc</p>
<p>Carper</p> <p>5 Smith St.</p> <p>EL 3975</p> <p>IO 3261</p> <p>An 4-10</p> <p>SA 12-28-61</p> <p>State</p> <p>Texaco HBP</p> <p>B-565</p> <p>Read Stevens</p> <p>Getty</p> <p>TD 10,330</p> <p>State</p> <p>Fernian Basin Inv.</p> <p>Manzano VB-220</p> <p>(work P/B)</p> <p>Manzano Bush-St</p> <p>(Chevron)</p> <p>(Leo-Si.)</p>	<p>Nadel E. Gussman</p> <p>Argo 3</p> <p>P102</p> <p>TOGS 19</p> <p>DIA 22-56</p> <p>Charles S. Alves</p> <p>H.E. Yates</p> <p>JFG 10-1-93</p> <p>DA 12-32</p> <p>has S Alves, et al MI</p> <p>Snyder Rech Ltd (S)</p> <p>Read Stevens</p> <p>OG 2416</p> <p>P/B 5178</p> <p>Read Stevens</p> <p>OG 2416</p> <p>P/B 5178</p> <p>Read Stevens</p> <p>HBP</p> <p>OG 2416</p> <p>HS Record</p> <p>Snyder Rech Ltd et al</p>	<p>Maynard Oil</p> <p>2-3-9-9-9</p> <p>Scholar Mary Jett Hood</p> <p>et al, M.I</p> <p>Elk Oil</p> <p>Snyder Rech Ltd M</p> <p>Jewell A Smith</p> <p>Devon Ener HBP</p> <p>HISB</p> <p>Ora L. Jackson</p> <p>PG&E Gas</p> <p>B 25 80 4 17-79</p> <p>HS Record</p> <p>Snyder Rech, Ltd et al</p> <p>Snyder Rechs Inc.</p> <p>Texaco E-7418</p> <p>HBP</p> <p>State</p>
<p>Santa Fe Ener Major, et al</p> <p>9-1-99</p> <p>V-4450</p> <p>MEAM</p> <p>TO 10252</p> <p>DIA 1-29-71</p> <p>370 00</p> <p>Maralo</p> <p>6-1-96</p> <p>V-3751</p> <p>14250</p> <p>State</p> <p>Yates Ener</p> <p>9-1-99</p> <p>V-4467</p> <p>F.G. Yates</p> <p>State</p> <p>TD 5800</p> <p>DIA 5-26-83</p> <p>Read State</p> <p>TD 5240</p> <p>(A.R.T. Co.)</p> <p>Read Stevens</p> <p>OG 4769</p> <p>Read All Rich</p> <p>TD 5220</p> <p>All-Rich State</p>	<p>Reddy Gulf St.</p> <p>State</p> <p>C.S. Alves, et al</p> <p>Snyder Rech Ltd (S)</p> <p>Superior Mesclero Ridge</p> <p>TD 11200</p> <p>"Mesclero Ridge"</p> <p>Mobil 6-21-81</p> <p>Southwest Roy</p> <p>Superior Mesclero Ridge</p> <p>TD 13420</p> <p>DIA 5-80</p> <p>Mesclero Ridge</p> <p>Snyder Rech Ltd (S)</p> <p>Eastly 1-26-2003</p> <p>Mesclero Ridge</p> <p>J.L. Hooper et al M.I</p> <p>Alta Klein, et al (S)</p> <p>State</p>	<p>Mobil HBP</p> <p>West Oil</p> <p>Mobil-Mescalero Rd</p> <p>TD 11097</p> <p>R Lowe</p> <p>Gulf Roberts</p> <p>TD 5353</p> <p>DIA 3-5</p> <p>J.O. Eastly</p> <p>2-1-2003</p> <p>J.L. Hooper</p> <p>1-27-2003</p> <p>S.H. Bruton (S)</p> <p>Mobil Mesclero Ridge</p> <p>IB</p> <p>West Bell-St.</p> <p>State</p>
<p>Mobil HBP</p> <p>26395</p> <p>Shell Mallock-Fed</p> <p>TD 6200</p> <p>DIA 9-16-59</p> <p>Smith E. Morris</p> <p>base (Guy's OEG)</p> <p>Co. 72</p> <p>Armstrong Prudential</p> <p>Strong Armstrong Ener.</p> <p>10500 (H.E. Yates)</p> <p>Mobil Fed.</p> <p>H.E. Yates Co.</p> <p>0381550</p> <p>Superior</p>	<p>Chevron</p> <p>12-15-87</p> <p>H.L. Brown Jr</p> <p>Wilbanks-Fed</p> <p>TD 10,360</p> <p>DIA 6-5-73</p> <p>Gulf Peoples Securing</p> <p>(Markham)</p> <p>Sup-Alves</p> <p>TD 3010</p> <p>DIA 12-1-54</p>	<p>Chevron</p> <p>12-15-87</p> <p>Manzano Richardson</p> <p>(Gulf Peoples Security)</p> <p>TD 10,170</p> <p>C.S. Alves, et al</p> <p>Snyder Rech Ltd (S)</p> <p>Chevron HBP</p> <p>E-58</p> <p>Alta Klein, et al</p> <p>J.O. Eastly</p> <p>2-16-2003</p> <p>J.O. Eastly</p> <p>2-16-2003</p> <p>1-26-2003</p> <p>12-19-2002</p> <p>J.L. Hooper et al M.I</p> <p>Alta Klein (S)</p> <p>Texaco HBP</p> <p>1-41</p>

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-2362

July 27, 2001

Primero Operating, Inc.
P.O. Box 1433
Roswell, NM 88202-1433

Dear Mr. Grooms:

Mack Energy Corporation is requesting a waiver to produce the Charles S. Alves #5 (1720 FNL & 1720 FEL Sec. 6-T19S-R35E) well in the Scharb Bone Springs Pool. The rules for this pool state that the wellbore has to be drilled within 200 ft from the center of the Quarter/Quarter.

Mack Energy Corporation drilled the Charles S. Alves #5 at an unorthodox location due to the JFG 7 FEE #1 (1980 FNL & 1980 FEL Sec. 7-T19S-R35E) well has a radioactive source cemented in the existing borehole. Drilling too close to the JFG 7 FEE #1 well could have resulted in drilling the radioactive source.

If you concur with this waiver, please so indicate by signing in the space provided below. If you have any questions, please do not hesitate to contact us.

Sincerely,



Matt J. Brewer
Geologist

MB/
Enclosures

Agreed to and accepted this 30th day of July 2001.

Primero Operating, Inc.

By:
Title:


Vice-President

AUG

County Lea Pool Scharb-Bone Spring

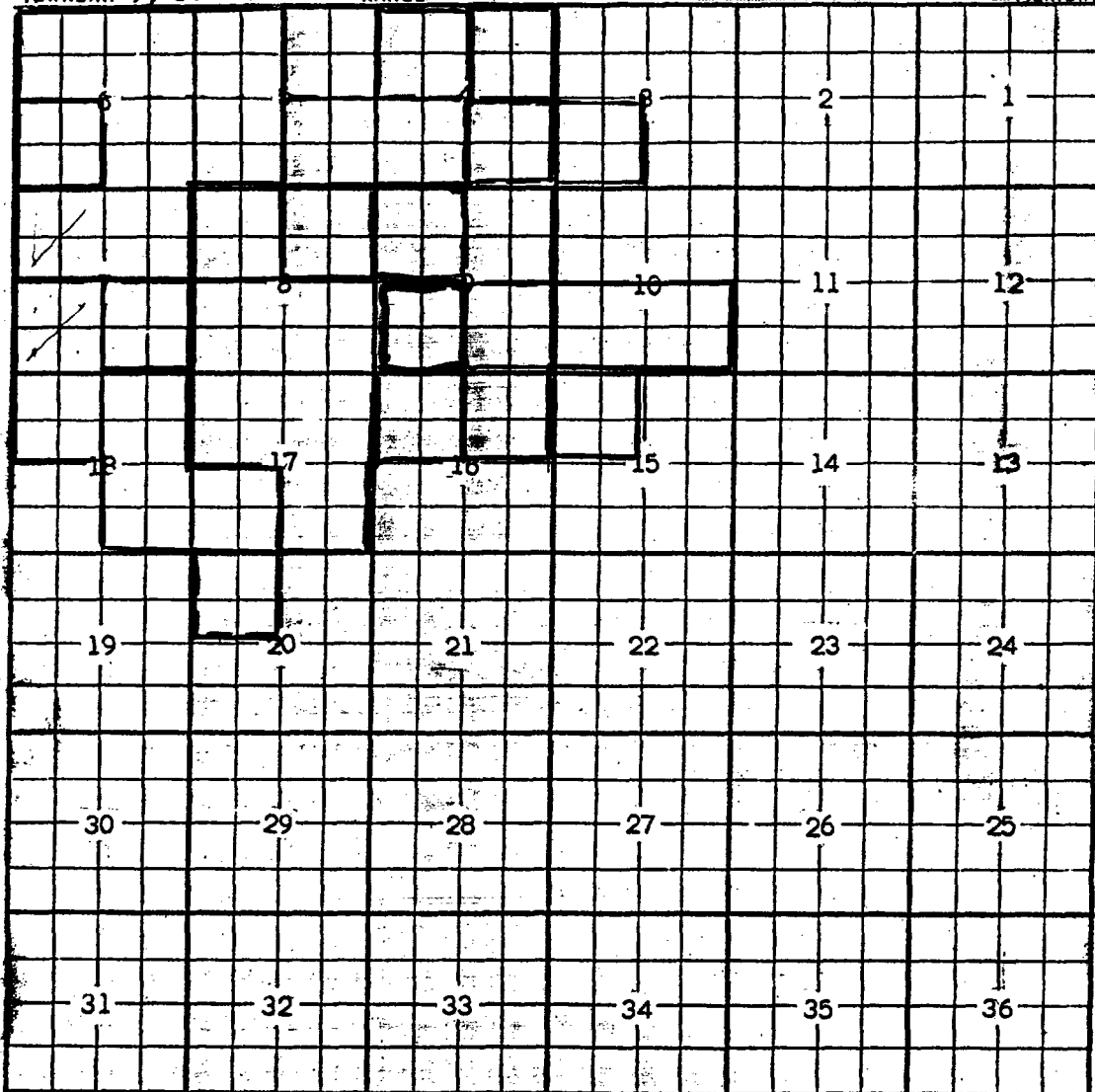
TOWNSHIP 18 South Range 35 East NMPM

6	5	4	3	2	1	
7	8	9	10	11	12	
18	17	16	15	14	13	
*						
19	20	21	22	23	24	
30	29	28	27	26	25	
31	32	33	34	35	36	

Ext: SE 1/4 Sec. 33, SW 1/4 Sec. 34 (R-7396, 12-8-83)

County LeaPool Scharb-Bone SpringsTOWNSHIP 19 SouthRANGE 35 East

NEW MEXICO PRINCIPAL MERIDIAN

Description: SW $\frac{1}{4}$ Sec. 6 (R-7201, 4-1-62)Ext: N $\frac{1}{4}$ Sec. 5; All Sec. 6; N $\frac{1}{4}$ Sec. 7 (R-7589, 10-30-63) - SW $\frac{1}{4}$ Sec. 7;NW $\frac{1}{4}$ Sec. 8; NW $\frac{1}{4}$ Sec. 18 (R-7692, 5-1-64) - SE $\frac{1}{4}$ Sec. 7 (R-3780, 7-1-69)Ext: SW $\frac{1}{4}$ Sec. 4, SE $\frac{1}{4}$ Sec. 5 (R-6536, 12-1-80) Ext: NW $\frac{1}{4}$ Sec. 9(R-6890, 1-2-82) Ext: NE $\frac{1}{4}$ Sec. 8 (R-6838, 11-8-81)Ext: Sec. 9 - SW $\frac{1}{4}$ (R-7030, 7-21-82)Ext: SE $\frac{1}{4}$ Sec. 4, SE $\frac{1}{4}$ Sec. 9 (R-7193, 1-26-83)Ext: NE $\frac{1}{4}$ Sec. 9 (R-7307, 6-14-83) Ext: NE $\frac{1}{4}$ Sec. 4, NW $\frac{1}{4}$ Sec. 16 (R-7322, 8-1-83)Ext: NW $\frac{1}{4}$ Sec. 4 (R-7351, 9-19-83) Ext: NW $\frac{1}{4}$ Sec. 16 (R-7372, 10-20-83)Ext: SE $\frac{1}{2}$ Sec. 10, SW $\frac{1}{4}$ Sec. 17, E $\frac{1}{2}$ Sec. 18 (R-7396, 12-8-83)Ext: SW $\frac{1}{4}$ Sec. 3, NE $\frac{1}{4}$ Sec. 5 (R-7502, 4-20-84)Ext: SE $\frac{1}{2}$ Sec. 8, N $\frac{1}{2}$ and SE $\frac{1}{4}$ Sec. 17 (R-7607, 7-27-84) Ext: NW $\frac{1}{4}$ Sec. 15 (R-7714, 11-7-84)Ext: NW $\frac{1}{4}$ Sec. 20 (R-8667, 6/10/88)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/14/01 09:25:58
OGOMES -TPFW
PAGE NO: 1

Sec : 07 Twp : 19S Rng : 35E Section Type : NORMAL

1 39.12 Fee owned	C 40.00 Fee owned A	B 40.00 Fee owned A	A 40.00 Fee owned
2 39.19 PEN OG2416 0002 CHARLES B READ 04/15/68 P	F 40.00 Fee owned	G 40.00 Fee owned A A	H 40.00 Fee owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/14/01 09:26:01
OGOMES -TPFW
PAGE NO: 2

Sec : 07 Twp : 19S Rng : 35E Section Type : NORMAL

3 39.27 PEN OG2416 0003 CHARLES B READ 04/15/68	K 40.00 Fee owned C A	J 40.00 Fee owned A	I 40.00 Fee owned
4 39.34 PEN OG2416 0003 CHARLES B READ 04/15/68 P	N 40.00 PEN OG2416 0004 READ & STEVENS IN C 04/15/68	O 40.00 Fee owned	P 40.00 Fee owned

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

API Well No : 30 25 35263 Eff Date : 12-19-2000 WC Status :
Pool Idn : 55610 SCHARB;BONE SPRING
OGRID Idn : 13837 MACK ENERGY CORP
Prop Idn : 26869 CHARLES S ALVES

Well No : 005
GL Elevation: 3874

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : G	7	19S	35E	FTG 1720 F N	FTG 1720 F E		A
Lot Identifier:							
Dedicated Acre:							
Lease Type : P							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 08/14/01 09:27:23
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPFW
 Page No: 1

OGRID Identifier : 13837 MACK ENERGY CORP
 Pool Identifier : 55610 SCHARB;BONE SPRING
 API Well No : 30 25 25840 Report Period - From : 01 2000 To : 06 2001

API Well No	Property Name	Prod. Days		Production Volumes			Well Stat
		MM/YY	Prod	Gas	Oil	Water	
30 25 25840	CHARLES S ALVES	10 00	31			155	S
30 25 25840	CHARLES S ALVES	11 00	30		118	150	S
30 25 25840	CHARLES S ALVES	12 00	31			155	S
30 25 25840	CHARLES S ALVES	01 01	31				S
30 25 25840	CHARLES S ALVES	02 01	28		115		S
30 25 25840	CHARLES S ALVES	03 01	31			155	S
30 25 25840	CHARLES S ALVES	04 01	30		115	150	S

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

08/14/01 09:28:34
OGOMES -TPFW
Page No: 1

OGRID Identifier : 13837 MACK ENERGY CORP
Pool Identifier : 55610 SCHARB;BONE SPRING
API Well No : 30 25 35263 Report Period - From : 01 2000 To : 06 2001

API Well No	Property Name	Prodn. Days		Production Volumes			Well
		MM/YY	Prod	Gas	Oil	Water	
30 25 35263	CHARLES S ALVES	06 01	25	1768	996	8975	P

Reporting Period Total (Gas, Oil) :

17689968975

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD : ONGARD 08/14/01 09:26:15
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPFW

API Well No : 30 25 24813 Eff Date : 10-01-2000 WC Status : S
Pool Idn : 55610 SCHARB;BONE SPRING
OGRID Idn : 13837 MACK ENERGY CORP
Prop Idn : 26869 CHARLES S ALVES

Well No : 003
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: C	7	19S	35E	FTG 646 F N	FTG 1964 F W	A
Lot Identifier:							
Dedicated Acre: 80.00							
Lease Type : P							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 08/14/01 09:26:22
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TPFW
Page No : 1

API Well No : 30 25 24813 Eff Date : 04-30-1991
Pool Idn : 55610 SCHARB;BONE SPRING
Prop Idn : 26869 CHARLES S ALVES Well No : 003
Spacing Unit : 21166 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : Acreage : 80.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	C		7	19S	35E	40.00	N	FE		
	F		7	19S	35E	40.00	N	FE		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 LAND	PF11 NXTSEC	PF12 RECONF

CMD : ONGARD 08/14/01 09:26:35
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPFW

API Well No : 30 25 25840 Eff Date : 10-01-2000 WC Status : A
Pool Idn : 55610 SCHARB;BONE SPRING
OGRID Idn : 13837 MACK ENERGY CORP
Prop Idn : 26869 CHARLES S ALVES

Well No : 004
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: B	7	19S	35E	FTG 660 F N	FTG 1800 F E	A

Lot Identifier:

Dedicated Acre: 80.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6ACRE

ONGARD
C102-DEDICATE ACREAGE

08/14/01 09:26:39
OGOMES -TPFW
Page No : 1

API Well No : 30 25 25840 Eff Date : 03-29-1994
Pool Idn : 55610 SCHARB;BONE SPRING
Prop Idn : 26869 CHARLES S ALVES
Spacing Unit : 21165 OCD Order :
Sect/Twp/Rng : Acreage : 80.00
Dedicated Land:

Well No : 004
Simultaneous Dedication:
Revised C102? (Y/N) :

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	B		7	19S	35E	40.00	N	FE		
	G		7	19S	35E	40.00	N	FE		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 08/14/01 09:27:26
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TPFW
 Page No: 2

OGRID Identifier : 13837 MACK ENERGY CORP
 Pool Identifier : 55610 SCHARB;BONE SPRING
 API Well No : 30 25 25840 Report Period - From : 01 2000 To : 06 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 25840	CHARLES S ALVES	05 01 31		155 S
30 25 25840	CHARLES S ALVES	06 01 5	14	25 P

Reporting Period Total (Gas, Oil) : 362 945

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 08/14/01 09:27:41
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TPFW

API Well No : 30 25 31219 Eff Date : 03-29-1994 WC Status : P
Pool Idn : 55610 SCHARB;BONE SPRING
OGRID Idn : 10179 HARVEY E YATES CO
Prop Idn : 12957 JFG 7 FEE

Well No : 001
GL Elevation: 3871

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : G	7	19S	35E	FTG 1980 F N	FTG 1980 F E		A
Lot Identifier:							
Dedicated Acre:							
Lease Type : P							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

WELL API NO.
30-025-35263

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Charles S. Alves

8. Well No.
5

9. Pool name or Wildcat
Scharb Bone Springs 55610

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS).

1. Type Of Well:

OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator

Mack Energy Corporation

3. Address of Operator

P.O. Box 960, Artesia, NM 88211-0960

4. Well Location

Unit Letter G : 1720 Feet From The North Line and 1720 Feet From The East Line

Section 7 Township 19S Range 35E NMPM Lea, NM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

3874 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER ☒ Spud, and cement casings

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

12/19/2000 Spud 17 1/2" hole @ 5PM.

12/20/2000 3:00 AM TD 17 1/2" hole @ 418' RIH w/10 joints 13 3/8" 48# K-55 ST&C landed @ 418'. Cemented w/440sx Class C 2% CC circ 110sx. Plug down @ 10:00 AM.

12/26/2000 TD 11" hole. Unable to get Laydown machine Casing crew or BJ services on loc. due to roads being closed for bad weather. Circ. & wait for roads to open.

12/27/2000 RIH w/91 joints 8 5/8" 32# J-55 LT&C casing landed @ 4034'. Cemented w/1400sx 35-65-6, .005% Static Free, .005 FP-6L, 5# salt, 1/4# CF & 200sx Class C, .005% FP-6L, 1% CC circ 86sx. Plug down @ 7:30 PM.

01/08/2001 9:00 PM TD 7 7/8" hole @ 10,300'. Pump sweep & circ for logs.

01/11/2001 RIH w/242 joints used 5 1/2" 17# N-80 LT&C casing. Landed @ 10300'. Cemented 1st stage w/530sx 50-50-2, 1% FL-62, 2/10% FL-52, 3/10% CD 32, 4/10% BA10, 4/10% SMF, .005 gal/sx SP6L, .005#/sx Static Free, .5% Salt. Cemented 2nd stage w/1110sx 35-65-6, 3/10% FL-52, 1/4# CF, & 150sx H Neat circ 200sx. plug down @ 1:15 PM.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Crissa D. Carter

TITLE

Production Analyst

DATE

2/9/01

TYPE OR PRINT NAME

Crissa D. Carter

TELEPHONE NO. 748-1288

(This space for State Use)

APPROVED BY

Chris Williams

DISTRICT 1 SUPERVISOR

DATE

FEB 14 2001

CONDITIONS OF APPROVAL, IF ANY:

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

WELL API NO.
30-025-35263

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Charles S. Alves

8. Well No.
5

9. Pool name or Wildcat
Scharb Bone Springs 55610

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS).

1. Type Of Well:
OIL ☒ WELL GAS ☐ WELL OTHER

2. Name of Operator
Mack Energy Corporation

3. Address of Operator
P.O. Box 960, Artesia, NM 88211-0960

4. Well Location
Unit Letter G : 1720 Feet From The North Line and 1720 Feet From The East Line
Section 7 Township 19S Range 35E NMPM Lea, NM County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)
3874 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☒
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Mack Energy Corporation would like to amend the intermediate casing program from a 12 1/4" hole to a 11", and 8 5/8" 24# to 8 5/8" 32#.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Crissa D. Carter TITLE Production Analyst DATE 12/12/00

TYPE OR PRINT NAME Crissa D. Carter TELEPHONE NO. 748-1288

(This space for State Use)

APPROVED BY Chris Williams TITLE DISTRICT 1 SUPERVISOR DATE DEC 18 2000

CONDITIONS OF APPROVAL, IF ANY:

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 30-025-35263
Property Code 26869	Property Name Charles S. Alves	Well No. 5

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	7	19S	35E		1720	North	1720	East	Lea, NM

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 Scharb Bone Springs 55610					Proposed Pool 2				

Work Type Code N Multiple No	Well Type Code O Proposed Depth 10300	Cable/Rotary R Formation Bone Springs	Lease Type Code SP Contractor	Ground Level Elevation 3874 Spud Date 12/20/00
---------------------------------------	--	--	-------------------------------------	---

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48	400'	Circ	
12 1/4	8 5/8	24	4000'	Circ	
7 7/8	5 1/2	17	10300'	Sufficient to Circ	

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 drill to 400', run 13 3/8" casing and cement. Drill to 4000', run 8 5/8" casing and cement. Drill to 10300' and test Bone Springs Zone, run 5 1/2" casing and cement. Put well on production.

Note: On Production string, a fluid caliber will be run and will figure cement with 25% excess, attempt to circulate.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

I hereby certify that the information given above is true and complete to the best of my knowledge and belief Signature <i>Crissa D. Carter</i> Printed name: Crissa D. Carter Title: Production Analyst Date: 11/21/00 Phone: (505)748-1288		OIL CONSERVATION DIVISION Approval by: <i>Chris Williams</i> Title: DISTRICT 1 SUPERVISOR Approval Date: NOV 28 2000 Expiration Date: Conditions of Approval: Attached <input type="checkbox"/>	
--	--	--	--

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brason Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <u>30-025-35263</u>	Pool Code 55610	Pool Name Scharb Bone Springs.
Property Code 26869	Property Name CHARLES S. ALVES	Well Number 5
OCRID No. 013837	Operator Name MACK ENERGY CORP.	Elevation 3874

Surface Location

UL or lot No. G	Section 7	Township 19 S	Range 35 E	Lot Idn	Feet from the 1720	North/South line NORTH	Feet from the 1720	East/West line EAST	County LEA
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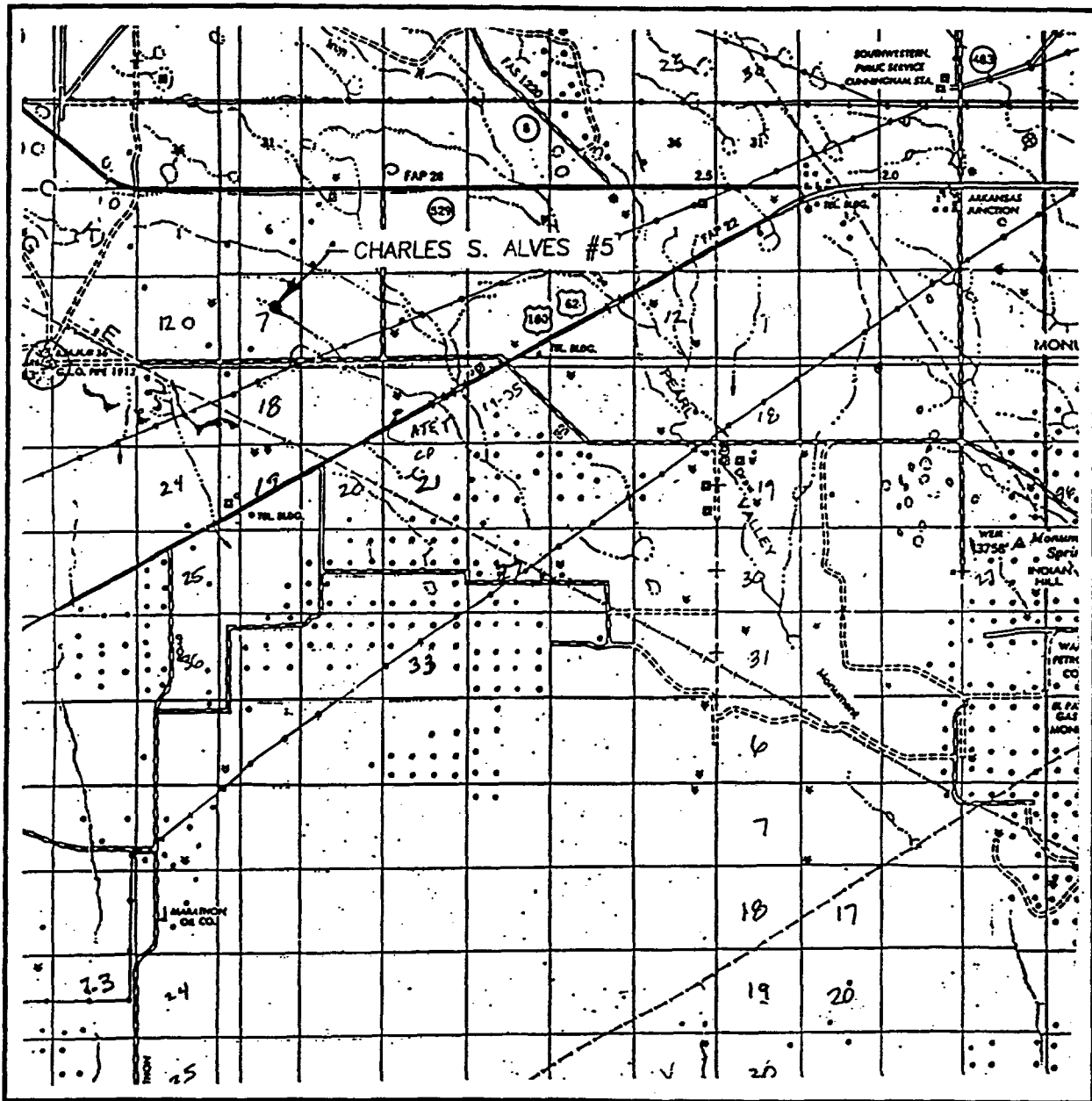
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 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

						OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <u>Crissa D. Carter</u> Signature Crissa D. Carter Printed Name Production Analyst Title <u>11/21/00</u> 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. NOVEMBER 3, 2000 Date Surveyed Signature & Seal of Professional Surveyor <u>Ronald J. Eidson</u> 11/08/00 80-11-1373 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641	

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 7 TWP. 19-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1720' FNL & 1720' FEL

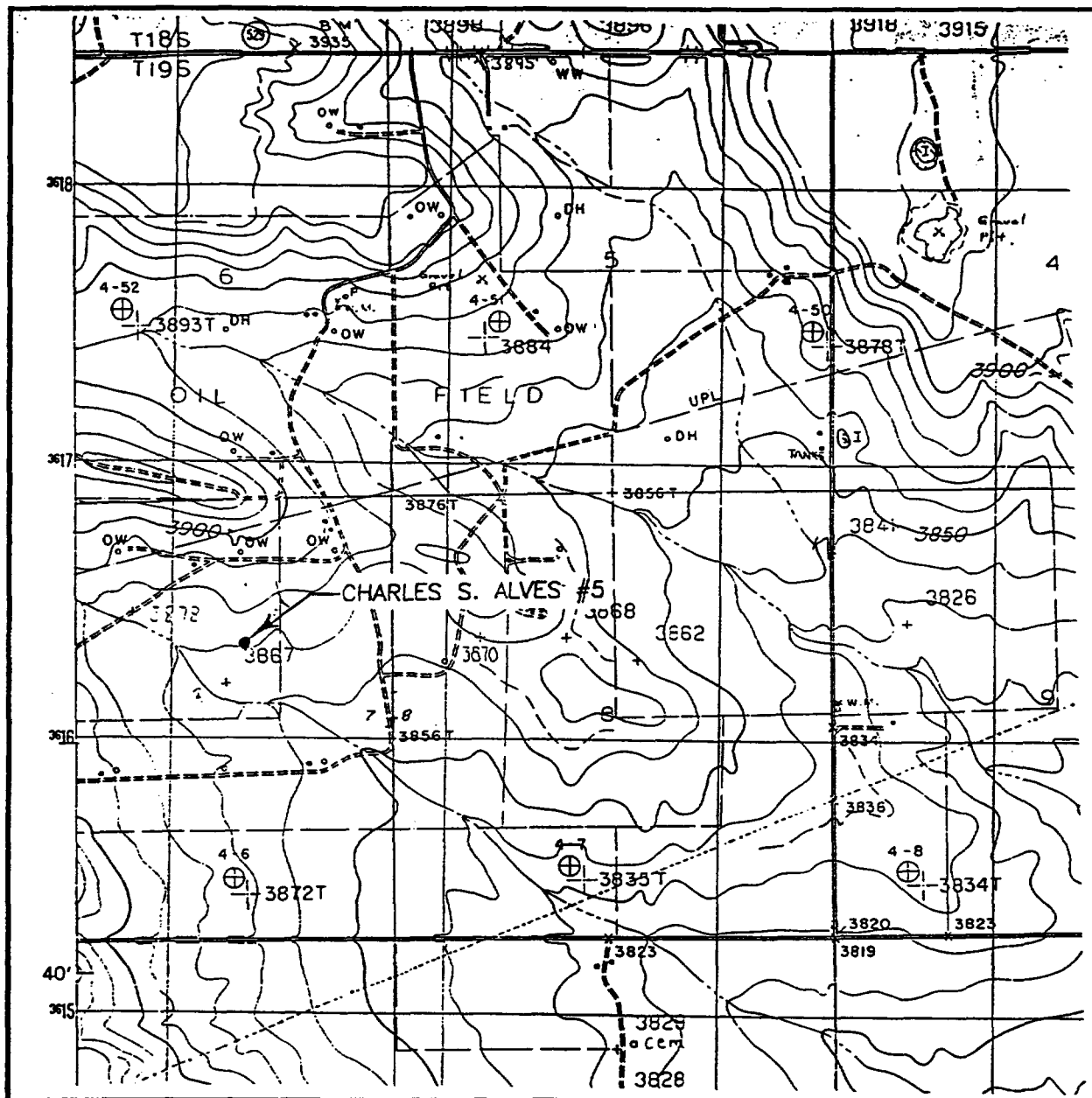
ELEVATION 3874

OPERATOR MACK ENERGY CORP.

LEASE CHARLES S. ALVES

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
IRON HOUSE DRAW, N.M. - 10'

SEC. 7 TWP. 19-S RGE. 35-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 1720' FNL & 1720' FEL

ELEVATION 3874

OPERATOR MAC K ENERGY CORP.

LEASE CHARLES S. ALVES

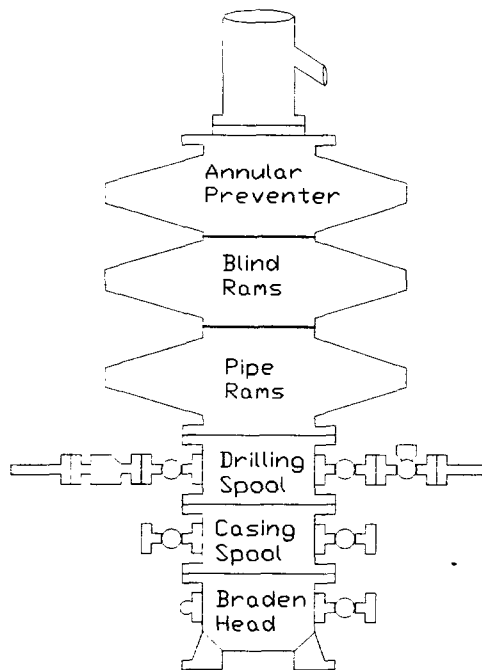
U.S.G.S. TOPOGRAPHIC MAP

IRON HOUSE DRAW, N.M.

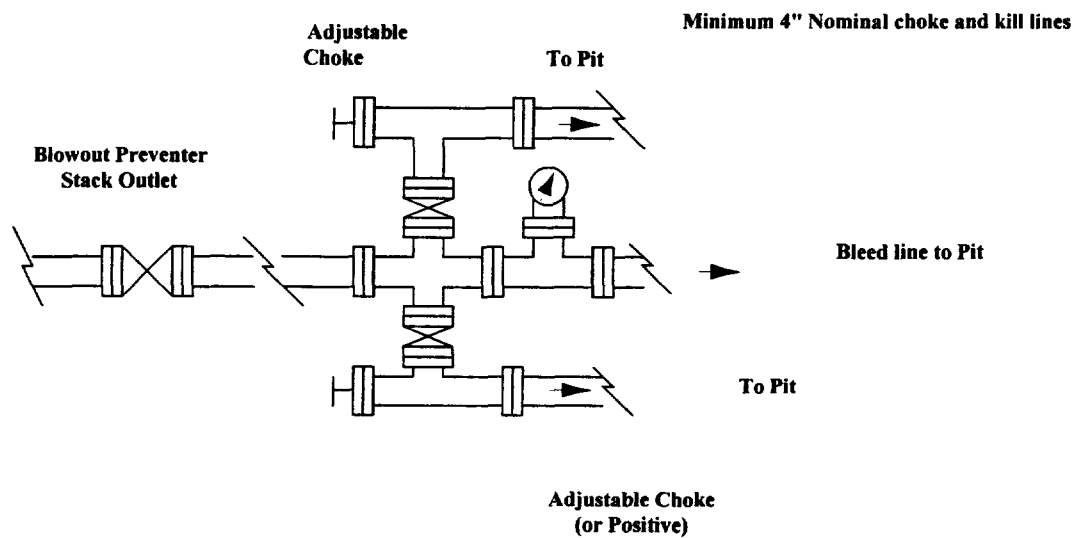
JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

Mack Energy Corporation

Exhibit #9 BOPE Schematic



Choke Manifold Requirement (3000 psi WP)



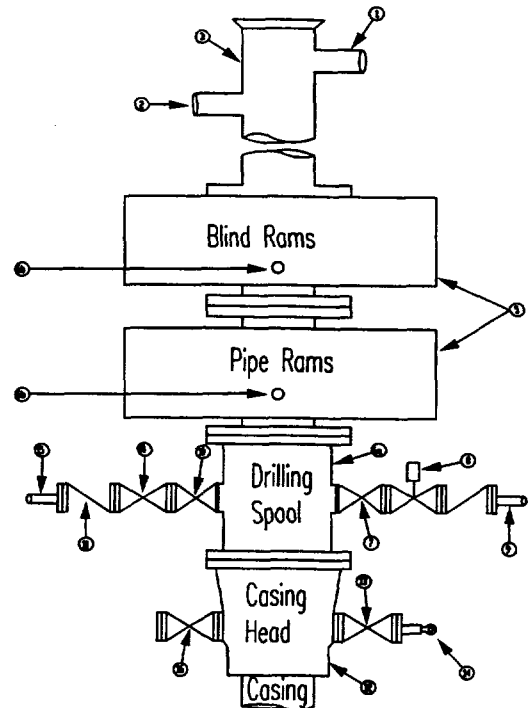
Mack Energy Corporation
Minimum Blowout Preventer Requirements
 3000 psi Working Pressure
 3 MWP
 EXHIBIT #10

Stack Requirements

NO.	Items	Min. I.D.	Min. Nominal
1	Flowline		2"
2	Fill up line		2"
3	Drilling nipple		
4	Annular preventer		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		2" Choke
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above)		
7	Valve Gate Plug	3 1/8	
8	Gate valve-power operated	3 1/8	
9	Line to choke manifold		3"
10	Valve Gate Plug	2 1/16	
11	Check valve	2 1/16	
12	Casing head		
13	Valve Gate Plug	1 13/16	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

16	Flanged Valve	1 13/16	
----	---------------	---------	--



CONTRACTOR'S OPTION TO FURNISH:

1. All equipment and connections above bradenhead or casinghead. Working pressure of preventers to be 3000 psi minimum.
2. Automatic accumulator (80 gallon, minimum) capable of closing BOP in 30 seconds or less and, holding them closed against full rated working pressure.
3. BOP controls, to be located near drillers' position.
4. Kelly equipped with Kelly cock.
5. Inside blowout preventer or its equivalent on derrick floor at all times with proper threads to fit pipe being used.
6. Kelly saver-sub equipped with rubber casing protector at all times.
7. Plug type blowout preventer tester.
8. Extra set pipe rams to fit drill pipe in use on location at all times.
9. Type RX ring gaskets in place of Type R.

MEC TO FURNISH:

1. Bradenhead or casing head and side valves.
2. Wear bushing. If required.

GENERAL NOTES:

1. Deviations from this drawing may be made only with the express permission of MEC's Drilling Manager.
2. All connections, valves, fittings, piping, etc., subject to well or pump pressure must be flanged (suitable clamp connections acceptable) and have minimum working pressure equal to rated working pressure of preventers up through choke valves must be full opening and suitable for high pressure mud service.
3. Controls to be of standard design and each marked, showing opening and closing position
4. Chokes will be positioned so as not to hamper or delay changing of choke beans. Replaceable parts for adjustable choke, or bean

5. sizes, retainers, and choke wrenches to be conveniently located for immediate use.
6. All valves to be equipped with hand-wheels or handles ready for immediate use.
7. Choke lines must be suitably anchored.
8. Handwheels and extensions to be connected and ready for use.
9. Valves adjacent to drilling spool to be kept open. Use outside valves except for emergency.
10. All seamless steel control piping (3000 psi working pressure) to have flexible joints to avoid stress. Hoses will be permitted.
11. Casinghead connections shall not be used except in case of emergency.
12. Do not use kill line for routine fill up operations.

Mack Energy Corporation

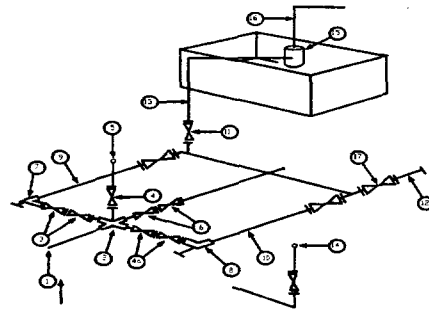
Exhibit #11

MINIMUM CHOKE MANIFOLD

3,000, 5,000, and 10,000 PSI Working Pressure

2 M will be used or greater

3 MWP - 5 MWP - 10 MWP



Mud Pit

Reserve Pit

* Location of separator optional

Below Substructure

Minimum requirements

No.		3,000 MWP			5,000 MWP			10,000 MWP		
		I.D.	NOMINAL	Rating	I.D.	Nominal	Rating	I.D.	Nominal	Rating
1	Line from drilling Spool		3"	3,000		3"	5,000		3"	10,000
2	Cross 3" x 3" x 3" x 2"			3,000			5,000			
2	Cross 3" x 3" x 3" x 2"									10,000
3	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
4	Valve Gate Plug	1 13/16		3,000	1 13/16		5,000	1 13/16		10,000
4a	Valves (1)	2 1/16		3,000	2 1/16		5,000	2 1/16		10,000
5	Pressure Gauge			3,000			5,000			10,000
6	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
7	Adjustable Choke (3)	2"		3,000	2"		5,000	2"		10,000
8	Adjustable Choke	1"		3,000	1"		5,000	2"		10,000
9	Line		3"	3,000		3"	5,000		3"	10,000
10	Line		2"	3,000		2"	5,000		2"	10,000
11	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000
12	Line		3"	1,000		3"	1,000		3"	2,000
13	Line		3"	1,000		3"	1,000		3"	2,000
14	Remote reading compound Standpipe pressure quage			3,000			5,000			10,000
15	Gas Separator		2' x 5'			2' x 5'			2' x 5'	
16	Line		4"	1,000		4"	1,000		4"	2,000
17	Valve Gate Plug	3 1/8		3,000	3 1/8		5,000	3 1/8		10,000

(1) Only one required in Class 3M

(2) Gate valves only shall be used for Class 10 M

(3) Remote operated hydraulic choke required on 5,000 psi and 10,000 psi for drilling.

EQUIPMENT SPECIFICATIONS AND INSTALLATION INSTRUCTION

- All connections in choke manifold shall be welded, studded, flanged or Cameron clamp of comparable rating.
- All flanges shall be API 6B or 6BX and ring gaskets shall be API RX or BX. Use only BX for 10 MWP.
- All lines shall be securely anchored.
- Chokes shall be equipped with tungsten carbide seats and needles, and replacements shall be available.
- Choke manifold pressure and standpipe pressure gauges shall be available at the choke manifold to assist in regulating chokes. As an alternate with automatic chokes, a choke manifold pressure gauge shall be located on the rig floor in conjunction with the standpipe pressure gauge.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2910
Order No. R-2589
NOMENCLATURE

APPLICATION OF BIG (6) DRILLING COMPANY
FOR EXTENSION OF AN EXISTING OIL POOL
AND SPECIAL POOL RULES, LEA COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 18, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 30th day of October, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Big (6) Drilling Company, seeks extension of the horizontal limits of the Scharb-Bone Springs Oil Pool to comprise the W/2 of Section 5, all of Section 6, and the N/2 of Section 7, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That the applicant also seeks the promulgation of special rules and regulations governing said pool, including provisions for 80-acre spacing units comprising any two contiguous 40-acre tracts, and for fixed well locations.

(4) That in order to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk caused from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, temporary special rules and regulations providing for 80-acre spacing units should be promulgated for the Scharb-Bone Springs Oil Pool.

*Also see
R-2589-A
R-2589-B
R-2589-C*

(5) That in order to encourage the orderly development of the subject pool, the temporary special rules and regulations should provide for 80-acre spacing units comprising the N/2, S/2, E/2, or W/2 of a single governmental quarter section; that due to the configuration of leases, the diversity of ownership, and the locations of wells previously drilled in the SW/4 and W/2 SE/4 of Section 6, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, the operators in said area should be permitted to dedicate to wells within said area any two quarter-quarter sections contiguous by a common bordering side and lying wholly within said area.

(6) That the temporary special rules and regulations should provide for limited well locations in order to assure orderly development of the pool and protect correlative rights.

(7) That the temporary special rules and regulations should be established for a one-year period in order to allow the operators in the subject pool to gather reservoir information to establish the area that can be efficiently and economically drained and developed by one well.

(8) That this case should be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool should appear and show cause why the Scharb-Bone Springs Oil Pool should not be developed on 40-acre spacing units.

IT IS THEREFORE ORDERED:

(1) That the horizontal limits of the Scharb-Bone Springs Oil Pool in Lea County, New Mexico, are hereby extended to include the following-described area:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 5: W/2
Section 6: All
Section 7: N/2

(2) That Special Rules and Regulations for the Scharb-Bone Springs Oil Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SCHARB-BONE SPRINGS OIL POOL

RULE 1. Each well completed or recompleted in the Scharb-Bone Springs Oil Pool or in the Bone Springs formation within one mile of the Scharb-Bone Springs Oil Pool, and not nearer to or within the limits of another designated Bone Springs oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Scharb-Bone Springs Oil Pool shall be located on a standard unit containing approximately 80 acres comprising the N/2, S/2, E/2, or W/2 of a single governmental quarter section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within 30 days after the Secretary-Director has received the application.

RULE 4. The first well drilled on every standard or non-standard unit in the Scharb-Bone Springs Oil Pool shall be located in the NE/4 or SW/4 of a governmental quarter section. All wells shall be located within 200 feet of the center of a governmental quarter-quarter section.

RULE 5. The Secretary-Director may grant an exception to the footage requirements of Rule 4 without notice and hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon, provided the well will be located no nearer than 330 feet to the outer boundary of the unit. All operators offsetting the proposed unorthodox location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Secretary-Director has received the application.

RULE 6. A standard proration unit (79 through 81 acres) in the Scharb-Bone Springs Oil Pool shall be assigned an 80-acre proportional factor of 5.67 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion.

The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Scharb-Bone Springs Oil Pool as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED:

(1) That an exception is hereby granted to the Special Rules and Regulations for the Scharb-Bone Springs Oil Pool to permit the operators in the SW/4 and W/2 SE/4 of Section 6, Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, to dedicate to existing and future wells within said area any two quarter-quarter sections contiguous by a common bordering side and lying wholly within said area.

(2) That any well drilling to or completed in the Bone Springs formation within the Scharb-Bone Springs Oil Pool or within one mile of the Scharb-Bone Springs Oil Pool on or before October 9, 1963, that will not comply with the well location requirements of Rule 4 is hereby granted an exception to the requirements of said rule. The operator of any such well shall notify the Hobbs District Office of the Commission in writing of the name and location of the well on or before November 15, 1963.

(3) That any operator desiring to dedicate 80 acres to a well presently drilling to or completed in the Scharb-Bone Springs Oil Pool shall file a new Form C-128 with the Commission on or before November 15, 1963.

(4) That this case shall be reopened at an examiner hearing in October, 1964, at which time the operators in the subject pool may appear and show cause why the Scharb-Bone Springs Oil Pool should not be developed on 40-acre spacing units.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2910
Order No. R-2589-A

APPLICATION OF BIG (6) DRILLING COMPANY
FOR THE EXTENSION OF THE SCHARB-BONE SPRINGS
OIL POOL, TOWNSHIP 19 SOUTH, RANGE 35 EAST,
LEA COUNTY, NEW MEXICO, AND FOR SPECIAL RULES
THEREFOR, INCLUDING 80-ACRE SPACING AND PRO-
RATION UNITS TO COMPRISE ANY TWO CONTIGUOUS
40-ACRE TRACTS, AND FOR FIXED WELL LOCATIONS.

See Also
R-2589
R-2589-B
R-2589-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing de novo at 9 o'clock a.m. on December 18, 1963, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 27th day of December, 1963, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the attorney for the Commission moved to dismiss the application for hearing de novo.
- (3) That the motion should be granted.

IT IS THEREFORE ORDERED:

That the application of Guy Hooper for a hearing de novo is hereby dismissed.

-2-

CASE No. 2910

Order No. R-2589-A

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2910
Order No. R-2589-B

APPLICATION OF BIG (6) DRILLING COMPANY
FOR EXTENSION OF AN EXISTING OIL POOL,
AND SPECIAL POOL RULES, LEA COUNTY, NEW
MEXICO.

See Also
R-2589
R-2589-A
R-2589-C

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 28, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 24th day of November, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That by Order No. R-2589, dated October 30, 1963, temporary Special Rules and Regulations were promulgated for the Scharb-Bone Springs Pool, Lea County, New Mexico.

(3) That pursuant to the provisions of Order No. R-2589, this case was reopened to allow the operators in the subject pool to appear and show cause why the Scharb-Bone Springs Pool should not be developed on 40-acre spacing units.

(4) That the evidence establishes that one well in the Scharb-Bone Springs Pool can efficiently and economically drain and develop 80 acres.

-2-

CASE No. 2910

Order No. R-2589-B

(5) That the Special Rules and Regulations promulgated by Order No. R-2589 have afforded and will afford to the owner of each property in the pool the opportunity to produce his just and equitable share of the oil in the pool.

(6) That to prevent the economic loss caused by the drilling of unnecessary wells, to avoid the augmentation of risk arising from the drilling of an excessive number of wells, to prevent reduced recovery which might result from the drilling of too few wells, and to otherwise prevent waste and protect correlative rights, the Special Rules and Regulations promulgated by Order No. R-2589 should be continued in full force and effect until further order of the Commission.

IT IS THEREFORE ORDERED:

(1) That the Special Rules and Regulations governing the Scharb-Bone Springs Pool promulgated by Order No. R-2589 are hereby continued in full force and effect until further order of the Commission.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


A. L. PORTER, Jr., Member & Secretary

S E A L

esr/

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7821
Order No. R-2589-C

APPLICATION OF AMOCO PRODUCTION
COMPANY FOR AN AMENDMENT TO ORDER
NO. R-2589, AS AMENDED, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on March 16 and April 13, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of April, 1983, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Amoco Production Company, seeks the amendment to Rule 4 of the Special Rules and Regulations for the Scharb-Bone Springs Pool, promulgated by Division Order No. R-2589, to provide for orthodox well locations within any quarter-quarter section.
- (3) That the proposed rule change will facilitate development of newer pay zones in the Bone Springs formation being found above the main Scharb pool pay zone.
- (4) That approval of the application will promote the prevention of waste and protection of correlative rights.
- (5) That the application should be approved.

See Also
R-2589
R-2589-A
R-2589-B

IT IS THEREFORE ORDERED:

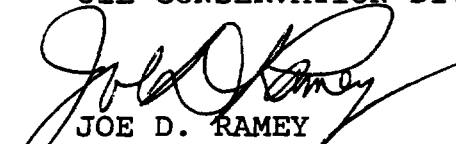
(1) That Rule 4 of the Special Rules and Regulations for the Scharb-Bone Springs Pool, Lea County, New Mexico, as contained in Division Order No. R-2589, as amended, is hereby amended to read in its entirety as follows:

"Rule 4. Wells may be located in either quarter-quarter section in the proration unit provided that any such well shall be located within 200 feet of the center of the quarter-quarter section."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

S E A L

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New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation

Date Application Received: 8-3-2001

Date of Preliminary Review: 8-14-2001
(Note: Must be within 10-days of received date)

Results: ✓ Application Complete Application Incomplete

Date Incomplete Letter Sent: NA

Deadline to Submit Requested Information: NA

Phone Call Date: NA
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? Yes No

Date Application Processed: 8-14-2001

Date Application Returned:
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)