

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION OF MACK
ENERGY CORPORATION FOR AN AMENDMENT TO
ORDER NO. R-3127-A EXTENDING THE VERTICAL
LIMITS OF THE GRAYBURG-JACKSON WEST
COOPERATIVE UNIT AND FOR THE EXPANSION
OF INJECTION OPERATIONS,
EDDY COUNTY, NEW MEXICO**

CASE NO. 13608

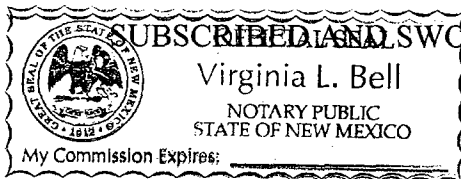
AFFIDAVIT

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

J. SCOTT HALL, attorney in fact and authorized representative of Mack Energy Corporation, the Applicant herein, being first duly sworn, upon oath, states that the notice provisions of Rule 1207 of the New Mexico Oil Conservation Division have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested persons entitled to receive notice, as shown by Exhibit "A" attached hereto, and that pursuant to Rule 1207, notice has been given at the correct addresses provided by such rule.

J. Scott Hall

J. SCOTT HALL



SUBSCRIBED AND SWORN to before me this 12th day of April, 2006.

Virginia L. Bell
NOTARY PUBLIC
STATE OF NEW MEXICO

Virginia L. Bell

Notary Public

My Commission Expires:

March 23, 2009

NMOCD CASE NOS. 13608 & 13609
APRIL 13, 2006
MACK ENERGY CORPORATION
EXHIBIT NO. 6

MILLER STRATVERT

LAW OFFICES

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
Rudolph Lucero
Deborah A. Solove
Gary L. Gordon
Lawrence R. White
Virginia Anderman
Marte D. Lightstone
J. Scott Hall*
Thomas R. Mack
Thomas M. Domme
Ruth O. Pregenzer

Jeffrey E. Jones
James J. Widland
Bradley D. Tepper**
Robin A. Goble
James R. Wood
Dana M. Kyle
Kirk R. Allen
Ruth Fuess
H. Brook Laskey
Paula G. Maynes
Michael C. Ross
Gary Risley
M. Dylan O'Reilly
Jennifer D. Hall
Todd A. Schwarz

Nell Graham Sale
Scott P. Hatcher
Kelsey D. Green
Marcy Baysinger
Caroline Blankenship
Matthew S. Rappaport
Karen E. Wootton
Somer K. Chyz
Michael G. Duran
Joseph L. Romero
Kelly A. Stone
Deron B. Knoner
Patricia A. Bradley
T. Aaron Garrett
Amy P. Hauser

Counsel

James B. Collins
Terri S. Beach
Robert D. Taichert
Douglas A. Echols
Ann M. Conway

Of Counsel

William K. Stratvert
Sharon P. Gross

Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
Facsimile: (505) 989-9857

Writer's Direct E-Mail:
shall@mstlaw.com

* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law
** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

December 1, 2005

CERTIFIED MAIL/

RETURN RECEIPT REQUESTED

Buckhorn Enterprises Corporation
2101 West Runyan
Artesia, New Mexico 88210-2573

Re: CASE NO. 13608; Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

Dear Sir or Madam:

This will advise that Mack Energy Corporation has filed an Application with the New Mexico Oil Conservation Division seeking an order contracting the East Empire-Yeso Pool to exclude the following acreage:

Township 17 South, Range 29 East, NMPM

Section 22: N/2 SW/4, SW/4 SW/4

Section 27: W/2 SW/4

Section 28: N/2

Applicant also seeks an order simultaneously extending the horizontal boundaries and the vertical limits of the Grayburg Jackson (Seven River-Queen-Grayburg-San Andres) Pool to include all formations from the top of the Seven Rivers formation to the base of the Glorieta-Yeso (Paddock) formation within the Grayburg-Jackson West Cooperative Unit which is comprised of approximately 2,400 acres of State of New Mexico and fee lands in the following acreage.

Township 17 South, Range 29 East, NMPM

Section 15: W1/2SW1/4

Section 16: All

ALBUQUERQUE
(505) 842-1950

F
(5

NMOCD CASE NOS. 13608 & 13609
APRIL 13, 2006
MACK ENERGY CORPORATION
EXHIBIT NO. A

SANTA FE
(505) 989-9614

Buckhorn Enterprises Corporation
December 1, 2005
Page 2

Section 21: All
Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4
Section 27: W1/2SW1/4
Section 28 All

A copy of the application is enclosed.

This application will be set for hearing before a Division Examiner on December 15, 2005, at the New Mexico Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico. You are not required to attend this hearing, but as an owner of an interest that may be affected, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this application at a later time.

Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosure

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December 1, 2005

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Mr. Robert Chase
Post Office Box 297
Artesia, New Mexico 88211-0297

Re: CASE NO. 13608; Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

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Section 16: All

A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

Mr. Robert Chase
December 1, 2005
Page 2

Section 21: All
Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4
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Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosure

7161 8863 9710 0000 3758

RETURN RECEIPT SERVICE	POSTAGE	\$0.60	POSTMARK OR DATE
	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.30	
	RETURN RECEIPT FEE	\$1.75	
SENT TO:		TOTAL POSTAGE AND FEE'S	\$4.65

Mr. Robert Chase
Post Office Box 297
Artesia, New Mexico 88211-0297

SANTA FE NEW MEXICO
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8668-10218

PS FORM 3800 12/1/2005 3:46 PM



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2. Article Number	COMPLETE THIS SECTION ON DELIVERY	
7161 8863 9710 0000 3758	A. Signature X <i>Samie Pinson</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
	B. Received by (Printed Name) <i>Samie Pinson</i>	C. Date of Delivery <i>12-5-05</i>
	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
	1. Article Addressed to: Mr. Robert Chase Post Office Box 297 Artesia, New Mexico 88211-0297 12/1/2005 3:46 PM	
3. Service Type		<input checked="" type="checkbox"/> Certified
4. Restricted Delivery? (Extra Fee)		<input type="checkbox"/> Yes

PS Form 3811 Domestic Return Receipt

MILLER STRATVERT

LAW OFFICES

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** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

December 1, 2005

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Mr. Bill Chase
14 Smokey Trail Circle
Artesia, New Mexico 88210-9541

Re: CASE NO. 13608; Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

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Section 16: All

A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

Mr. Bill Chase
December 1, 2005
Page 2

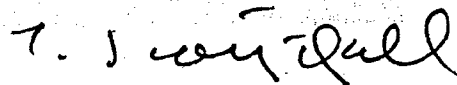
Section 21: All
Section 22: W1/2W1/2, E1/2NW1/4,
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Section 27: W1/2SW1/4
Section 28 All

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Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosure

Mr. Bill Chase
December 1, 2005
Page 2

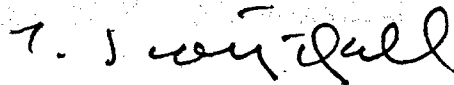
Section 21: All
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Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosure

596E 0000 0726 E988 7972

RETURN RECEIPT SERVICE	POSTAGE	\$0.60	POSTMARK OR DATE
	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.30	
	RETURN RECEIPT FEE	\$1.75	
SENT TO:		TOTAL POSTAGE AND FEES	\$4.65

Mr. Bill Chase
14 Smokey Trail Circle
Artesia, New Mexico 88210-9541

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87501-9006

PS FORM 3800 12/1/2005 3:48 PM



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2. Article Number
7161 8863 9710 0000 3765

1. Article Addressed to:
Mr. Bill Chase
14 Smokey Trail Circle
Artesia, New Mexico 88210-9541
12/1/2005 3:48 PM

COMPLETE THIS SECTION ON DELIVERY

A. Signature
x *Bill Chase* ☐ Agent ☐ Addressee

B. Received by (Printed Name)
Bill Chase

C. Date of Delivery
12-5-05

D. Is delivery address different from item 1? ☐ Yes
If YES enter delivery address below: ☐ No

3. Service Type ☒ Certified

4. Restricted Delivery? (Extra Fee) ☐ Yes

PS Form 3811

Domestic Return Receipt

MILLER STRATVERT

LAW OFFICES

Ranne B. Miller
Alice T. Lorenz
Stephen M. Williams
Stephan M. Vidmar
Seth V. Bingham
Timothy R. Briggs
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Of Counsel

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Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

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shall@mstlaw.com

* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law
** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

December 1, 2005

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

G. Dianne C. Crouch
Post Office Box 359
Artesia, New Mexico 88211-0359

Re: CASE NO. 13608; Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

Dear Ms. Crouch:

This will advise that Mack Energy Corporation has filed an Application with the New Mexico Oil Conservation Division seeking an order contracting the East Empire-Yeso Pool to exclude the following acreage:

Township 17 South, Range 29 East, NMPM

Section 22: N/2 SW/4, SW/4 SW/4

Section 27: W/2 SW/4

Section 28: N/2

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Section 16: All

A PROFESSIONAL ASSOCIATION

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SANTA FE
(505) 989-9614

G. Dianne C. Crouch
December 1, 2005
Page 2

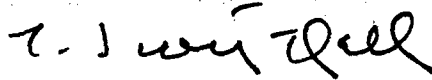
Section 21: All
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MILLER STRATVERT P.A.

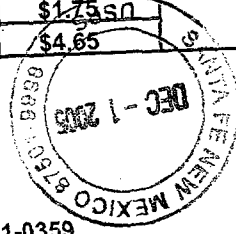


J. Scott Hall

JSH/glb
Enclosure

7161 8863 9710 0000 3741

RETURN RECEIPT SERVICE	POSTAGE	\$0.60	POSTMARK OR DATE
	RESTRICTED DELIVERY FEE	\$0.00	
	CERTIFIED FEE	\$2.30	
	RETURN RECEIPT FEE	\$1.75	
	TOTAL POSTAGE AND FEES	\$4.65	
SENT TO:			
<p>G. Dianne C. Crouch Post Office Box 359 Artesia, New Mexico 88211-0359</p>			



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RECEIPT FOR CERTIFIED MAIL
 NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (SEE OTHER SIDE)

<p>2. Article Number</p> <p>7161 8863 9710 0000 3741</p>		<p>COMPLETE THIS SECTION ON DELIVERY</p>	
<p>1. Article Addressed to:</p> <p>G. Dianne C. Crouch Post Office Box 359 Artesia, New Mexico 88211-0359</p> <p>12/1/2005 3:24 PM</p>		<p>A. Signature</p> <p>X <u>Janice Pensen</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p>	
		<p>B. Received by (Printed Name) <u>Janice Pensen</u></p>	
		<p>C. Date of Delivery <u>12-5-05</u></p>	
		<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If YES enter delivery address below:</p>	
<p>3. Service Type <input checked="" type="checkbox"/> Certified</p>		<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>	

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MILLER STRATVERT

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December 1, 2005

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December 1, 2005
Page 2

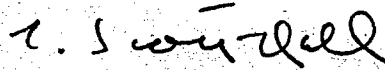
Section 21: All
Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4
Section 27: W1/2SW1/4
Section 28 All

A copy of the application is enclosed.

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Very truly yours,

MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosure

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Mr. Richard Lance Chase
Post Office Box 359
Artesia, New Mexico 88211-0359

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A. Signature
X *James Rinson* ☐ Agent ☐ Addressee

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William K. Stratvert
Sharon P. Gross

Reply to Santa Fe

150 Washington Ave., Suite 300
Santa Fe, NM 87501

Mailing Address:
P.O. Box 1986
Santa Fe, NM 87504-1986

Telephone: (505) 989-9614
Facsimile: (505) 989-9857

Writer's Direct E-Mail:
shall@mstlaw.com

* New Mexico Board of Specialization Recognized Specialist in Natural Resources - Oil & Gas Law
** New Mexico Board of Specialization Recognized Specialist in Real Estate Law

December 1, 2005

CERTIFIED MAIL/ **RETURN RECEIPT REQUESTED**

Mr. Pat Lyons
New Mexico Commissioner of Public Lands
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

Re: CASE NO. 13608; Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

Dear Mr. Lyons:

This will advise that Mack Energy Corporation has filed an Application with the New Mexico Oil Conservation Division seeking an order contracting the East Empire-Yeso Pool to exclude the following acreage:

Township 17 South, Range 29 East, NMPM
Section 22: N/2 SW/4, SW/4 SW/4
Section 27: W/2 SW/4
Section 28: N/2

Applicant also seeks an order simultaneously extending the horizontal boundaries and the vertical limits of the Grayburg Jackson (Seven River-Queen-Grayburg-San Andres) Pool to include all formations from the top of the Seven Rivers formation to the base of the Glorieta-Yeso (Paddock) formation within the Grayburg-Jackson West Cooperative Unit which is comprised of approximately 2,400 acres of State of New Mexico and fee lands in the following acreage.

Township 17 South, Range 29 East, NMPM
Section 15: W1/2SW1/4

A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

Mr. Pat Lyons
New Mexico Commissioner of Public Lands
December 1, 2005
Page 2

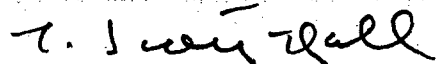
Section 16: All
Section 21: All
Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4
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MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosure

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Chase Oil Company

Post Office Box 1767

Artesia, New Mexico 88211-1767

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A PROFESSIONAL ASSOCIATION

ALBUQUERQUE
(505) 842-1950

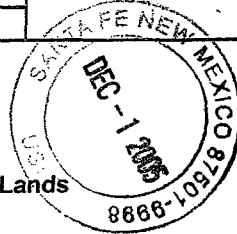
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December 1, 2005
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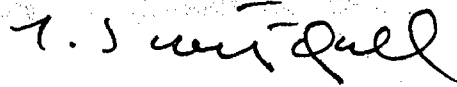
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MILLER STRATVERT P.A.



J. Scott Hall

JSH/glb
Enclosure

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December 1, 2005

CERTIFIED MAIL/ RETURN RECEIPT REQUESTED

Mossman-Midwest Company
Post Office Box 597
Artesia, New Mexico 88202-0597

Re: CASE NO. 13608; Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico.

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Section 16: All

A PROFESSIONAL ASSOCIATION

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(505) 842-1950

FARMINGTON
(505) 326-4521

LAS CRUCES
(505) 523-2481

SANTA FE
(505) 989-9614

Mossman-Midwest Company
December 1, 2005
Page 2

Section 21: All
Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4
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Enclosure

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MILLER STRATVERT

LAW OFFICES

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P.O. BOX 1986 (81504-1986)
SANTA FE, NM 87501

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Artesia, New Mexico 88202-0597

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☐ Returned For Better Address
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SECRET

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF MACK
ENERGY CORPORATION FOR CONTRACTION OF
THE EAST EMPIRE YESO POOL AND EXTENSION
OF THE HORIZONTAL BOUNDARIES AND THE
VERTICAL LIMITS OF A PORTION OF THE
GRAYBURG JACKSON (SEVEN RIVERS-QUEEN-
GRAYBURG SAN ANDRES) POOL,
EDDY COUNTY, NEW MEXICO

CASE NO. _____

2005 NOV 15 PM 4 18

APPLICATION

Applicant, Mack Energy Corporation, through its undersigned attorneys, Miller Stratvert P.A. (J. Scott Hall) hereby makes application for an order contracting the East Empire Yeso Pool and simultaneously extending the horizontal boundaries and the vertical limits of the Grayburg Jackson (Seven River-Queen-Grayburg-San Andres) Pool. In support, Applicant states:

1. Applicant is the Operator of the Grayburg-Jackson West Cooperative Unit which is comprised of approximately 2,400 acres of State of New Mexico and fee lands located in Eddy County, New Mexico, more particularly described as follows:

Township 17 South, Range 29 East, NMPM

Section 15: W1/2SW1/4
Section 16: All
Section 21: All
Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4
Section 27: W1/2SW1/4
Section 28: All

2. The Grayburg-Jackson West Cooperative Unit Agreement was originally approved by the Oil Conservation Commission in Order No. R-3127, as amended, issued on October 4, 1966. Primary and secondary recovery operations by way of a waterflood are being conducted in the Unitized Formation which is described as that portion of the Grayburg San Andres formation encountered between the depths of 2,200' and 3,600'.

3. By way of separate application to the Division, Applicant is seeking an amendment to the Division's order approving the Unit Agreement to extend the vertical limits of the Unitized Formation to include all formations from the top of the Seven Rivers formation to the base of the Glorieta-Yeso (Paddock) formation. Applicant also seeks authorization to expand unit operations, including waterflood injection operations in the proposed expanded intervals of the Unitized Formation.

4. The Grayburg Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool (28509) was established pursuant to Order No. R-850 issued on January 1, 1950. The boundaries of the Grayburg Jackson Pool have been extended several times. All of the Unit Area of the Grayburg-Jackson West Cooperative Unit is contained within the current boundaries of the Grayburg Jackson Pool, except for the following acreage:

Township 17 South, Range 29 East, NMPM

Section 22: N/2 SW/4, SW/4 SW/4

Section 27: W/2 SW/4

Section 28: N/2

5. The Glorieta-Yeso (Paddock) formation within the horizontal boundaries of the Grayburg-Jackson West Cooperative Unit described in paragraph 4, above, is within the East Empire Yeso Pool (96610).

6. Oil and gas reserves within the Seven Rivers, Queen, Grayburg, San Andres and Glorieta-Yeso (Paddock) formations will be most efficiently and economically recovered through expanded unit operations being proposed by the Applicant for the Grayburg-Jackson West Cooperative Unit.

7. To enable Applicant to conduct unit operations in the expanded Grayburg-Jackson West Cooperative Unit as proposed, Applicant seeks to amend the boundaries for the Grayburg Jackson Pool and the East Empire Yeso Pool as follows:

(a.) Contracting the horizontal limits of the East Empire Yeso Pool to exclude the following acreage:

Township 17 South, Range 29 East, NMPM

Section 22: N/2 SW/4, SW/4 SW/4

Section 27: W/2 SW/4

Section 28: N/2

(b.) Expanding the horizontal limits of the Grayburg Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool to include that acreage described in subparagraph (a) above; and

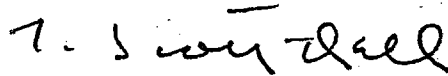
(c.) Extending the vertical limits of the Grayburg Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool to include the Glorieta-Yeso (Paddock) formation underlying the Grayburg-Jackson West Cooperative Unit.

8. The amendment of the horizontal boundaries and vertical limits of the pools, as requested, will promote the efficient and orderly development of additional hydrocarbon reserves in the Unit Area of the Grayburg-Jackson West Cooperative Unit, will serve to prevent waste and is otherwise in the interests of conservation.

WHEREFORE, Applicant Mack Energy Corporation requests that after notice and hearing, the Division enter its order granting the relief requested above.

MILLER STRATVERT P.A.

By:



J. Scott Hall
Attorneys for Mack Energy Corporation
Post Office Box 1986
Santa Fe, New Mexico 87504-1986
(505) 989-9614
(505) 989-9857 (Facsimile)