### BEFORE THE OIL CONSERVATION DIVISION NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

IN THE MATTER OF THE APPLICATION OF MACK ENERGY CORPORATION FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

		CASE NO
	<u>AFFIDAVIT</u>	
STATE OF NEW MEXICO	)	
COUNTY OF SANTA FE	) ss. )	

William F. Carr, attorney in fact and authorized representative of Mack Energy Corporation, the applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested parties entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

William F. ¢arr

SUBSCRIBED AND SWORN to before this day of September 2003 by William F. Carr.



Notary Public

My Commission Expires:

January 14,2007

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13155 Exhibit No. 5

Submitted by:

MACK ENERGY CORPORATION

Hearing Date: October 9, 2003

### **EXHIBIT A**

### APPLICATION OF MACK ENERGY CORPORATION FOR COMPULSORY POOLING, N/2, SECTION 28, TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY, NEW MEXICO.

### **NOTIFICATION LIST**

W. E. S. Griswold 132 Griswold Pt. Old Lyme, Connecticut 06371

David L. Shepard 3542 Westminster Ave Norfolk, Virginia 23502

Constance B. Cartwright One East End Ave. New York, New York 10021

Kent F. Warner 42 Samis Lane White Plains, New York 10605

Blanche S. Nobel 3 Ronarm Drive Mountain Lakes, New Jersey 07026

Alvan B. Fehn 11 Macspar Drive Dover, New Jersey 07869

Olivia W. Switz Post Office Box 732 Red Bank, New Jersey 07701

Leo R. Laflamme 2765 NE 35th Court Ft Lauderdale, Florida 33308

Mel M. Burns 2009 Long Beach Blvd. Long Beach, California 90806

Richard P. Kratz 15225 Vanowen Street Van nuys, California 91405

ATTORNEYS AT LAW

**DENVER • ASPEN BOULDER • COLORADO SPRINGS DENVER TECH CENTER BILLINGS • BOISE CHEYENNE • JACKSON HOLE** SALT LAKE CITY . SANTA FE WASHINGTON, D.C.

P.O. BOX 2208 SANTA FE, NEW MEXICO 87504-2208 110 NORTH GUADALUPE, SUITE 1 SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

September 18, 2003

### **CERTIFIED MAIL** RETURN RECEIPT REQUESTED

### TO ALL AFFECTED INTEREST OWNERS:

Re:

Application of Mack Energy Corporation for compulsory pooling, Eddy County, New

Mexico.

### Ladies and Gentlemen:

This letter is to advise you that Mack Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the force pooling of all mineral interests from 5000 feet to the base of the Ellenberger formation in certain spacing and proration units located in the N/2 of Section 28, Township 17 South, Range 29 East, NMPM., Eddy County, New Mexico. Mack Energy Corporation proposes to dedicate the referenced pooled units to its proposed Diamondbacks State Well No. 1 to be drilled at a standard location 1980 feet from the North and East lines of said Section 28.

This application has been set for hearing before a Division Examiner on October 9, 2003 in Porter Hall located in the Division's Santa Fe Office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement at the Division's Santa Fe office three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

William F. Carr

ATTORNEY FOR MACK ENERGY CORPORATION

Enc.

Ronald W. Lanning cc:

Mack Energy Corporation

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

IN THE MATTER OF THE APPLICATION MACK ENERGY CORPORATION COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE	NO.	

### **APPLICATION**

MACK ENERGY CORPORATION ("Mack Energy"), through its undersigned attorneys, hereby makes application pursuant to the provisions of N. M. Stat. Ann. § 70-2-17, (1978), for an order pooling all mineral interests from a depth of 5000 feet to the base of the Ellenberger formation, under the following acreage in Section 28, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico:

- A. the N/2 to form a standard gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent that includes but is not limited to the Grayburg-Morrow Gas Pool and the Undesignated Grayburg-Atoka Gas Pool;
- B. the NE/4 to form a standard gas spacing and proration unit for formations and/or pools developed on 160-acre spacing within that vertical extent;
- C. the W/2 NE/4 to form a standard 80-acre spacing and proration unit for formations and/or pools developed on 80-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated South-Wolfcamp Pool; and

D. the SW/4 NE/4 to form a standard 40-acre spacing and proration unit for formations and/or pools developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Empire Abo Pool and the Undesignated Grayberg-Upper Pennsylvanian Pool.

These spacing and proration units are to be dedicated to the Mack Energy Corporation Diamondbacks State Well No. 1 which it proposes to drilled at a standard location in the N/2 of Section 28, and in support of its application states:

- 1. Mack Energy is a working interest owner in the N/2 of said Section 34 and has the right to drill thereon.
- 2. Mack Energy proposes to dedicate the above-referenced spacing or proration units to its Diamondbacks State Well No. 1 to be drilled at a standard location 1980 feet from the North and East lines of said Section 28 to a depth sufficient to test any and all formations to the base of the Ellenberger formation.
- 3. Mack Energy has sought and been unable to obtain either voluntary agreement for pooling or farmout from certain interest owners in the N/2 of said Section 28 that are identified on Exhibit A to this application.
- 4. The requested pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.
- 5. In order to permit the applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all mineral interests should be pooled, and Mack Energy Corporation should be designated the operator of the well to be drilled.

WHEREFORE, Mack Energy Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 9, 2003 and that after notice and hearing as required by law the Division enter its order:

- A. pooling all mineral interests in the subject spacing and proration unit,
- B. designating Mack Energy Corporation operator of the unit and the well to be drilled thereon,
- C. authorizing Mack Energy Corporation to recover its costs of drilling, equipping and completing the well,
- D. approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures, and
- E. imposing a penalty for the risk assumed by Mack Energy Corporation in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART, LLP

William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

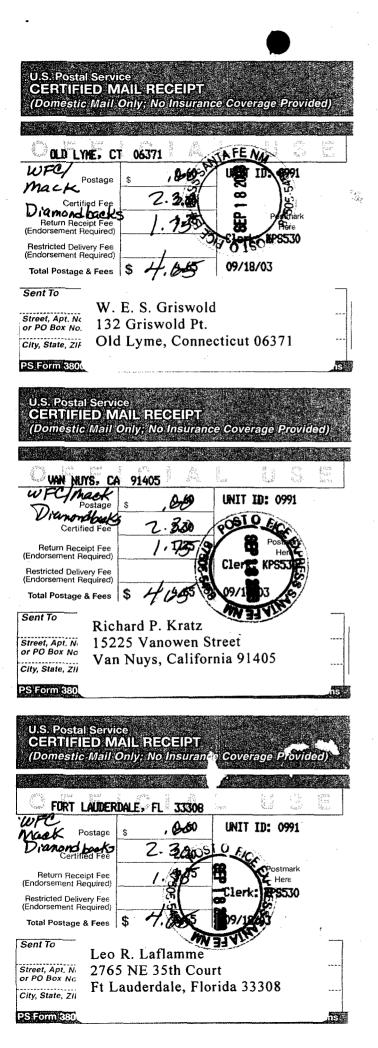
ATTORNEYS FOR MACK ENERGY CORPORATION

**CASE** \_\_\_\_:

Application of Mack Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the following described spacing and proration units in Section 28, Township 17 South, Range 29 East as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Grayburg-Morrow Gas Pool and the Undesignated Grayburg-Atoka Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; the W/2 NE/4 for all formations and/or pools developed on 80acre spacing which includes but is not necesarily limited to the Undesignated South Empire-Wolfcamp Pool; and the SW/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Empire Abo Pool and the Undesignated Grayburg-Upper Pennsylvanian Pool. Said units are to be dedicated to applicant's Diamondbacks State Well No. 1 to be drilled at a standard location 1980 feet from the North and East lines of said Section 28 to test all formations and/or pools from a depth of 5000 feet to the base of the Ellenberger formation. Also to be considered will the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles west of Loco Hills, New Mexico.

### U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided) LONG BEACH, CA 90806 turnee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & F---Sent To Mel M. Burns 2009 Long Beach Blvd. Street, Apt. No.; Long Beach, California 90806 or PO Box No. City, State, ZIP+ PS Form 3800 ..... U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only: No Insurance Coverage Provided) NEW YORK, NY 10021 hinned WPC/ UNIT ID: 0991 Mack Postage Drangadbacks 32500 Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) Total Postage & Fees Sent To Constance B. Cartwright Street, Apt. No. One East End Ave. or PO Box No. New York, New York 10021 City, State, ZIP+ PS Form 3800 COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION U.S. Postal Service ■ Complete items 1, 2, and 3. Also complete A. Heceived by (Please Print Clearly) | B. Date of Deliver CERTIFIED MAIL REGEID item 4 if Restricted Delivery is desired. (Domestic Mail Only; No Insurance Coverage P Print your name and address on the reverse C. Signature so that we can return the card to you. Attach his card to the back of the mailpiece, ☐ Agent X ☐ Addresse or on the front if space permits. D. Is delivery address different from item 1? ☐ Yes RANDOLPH, NJ 07869 1. Article Addressed If YES, enter delivery address below: 60**B**0 Diamondbals Alvan B. Fehn Return Receipt Fee (Endorsement Required) 11 Macspar Drive Dover, New Jersey 07869 Restricted Delivery Fee (Endorsement Required) Express Mail Certified Mai Total Postage & r---☐ Registered Return Receiptor Merchandis Insured Mail C.O.D. Sent To Alvan B. Fehn 4. Restricted Delivery? (Extra Fee) TYes 11 Macspar Drive Street, Apt. No.: 2. Article Number (Copy from or PO Box No. 7001 1140 0002 5601 8004 Dover, New Jersey 07869 City, State, ZIP+ PS Form 3811, July 1999 102595-00-M-0952 Domestic Return Receipt

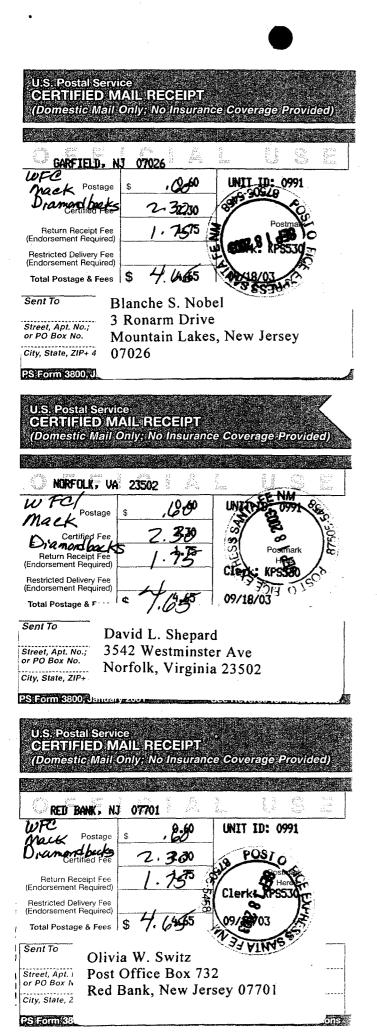
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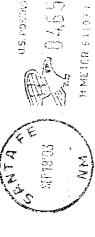
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