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August 15, 2000

HAND DELIVERED

Lori Wrotenbery, Director Oil Conservation Division New Mexico Department of Energy, Minerals and Natural Resources 2040 Pacheco Street Santa Fe, New Mexico 87503

> Re: Application of Mack Energy Corporation for an unorthodox well location, Lea County, New Mexico.

Dear Ms. Wrotenbery:

Enclosed in triplicate is the Application of Mack Energy Corporation in the above-referenced case as well as a copy of a legal advertisement. Mack Energy Corporation requests that this matter be placed on the docket for the September 7, 2000 Examiner hearings.

Very truly yours,

William F. Carr

WFC/md

Enclosures

cc w/enc.: Mr. Ron Lanning

Mack Energy Corporation

Post Office Box 960

Artesia, New Mexico 88211

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

IN THE MATTER OF THE APPLICATION OF MACK ENERGY CORPORATION FOR AN UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

CASE NO. 12483 72 22 04

APPLICATION

COMES NOW MACK ENERGY CORPORATION, through its undersigned attorneys, and hereby makes application to the Oil Conservation Division for an exception to the provisions of General Rule 104.C (2) (a) for an unorthodox well location, and in support of this application states:

- 1. Mack Energy Corporation is the operator of the E/2 of Section 21, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico on which it proposes to drill its M. C. Federal Well No. 6 to an approximate depth of 14,900 feet at an unorthodox gas well location 2600 feet from the North line and 660 feet from the East line of said Section 21.
- 2. The primary objective in the well is the Devonian formation, Maljamar Devonian Pool, and the proposed unorthodox location is necessary to effectively drain the reserves in the Devonian feature which is the primary zone of interest in this well. Mack Energy Corporation also plans to test the Ellenberger formation.
- 3. Mack Energy Corporation seeks an exception to the provisions of Rule 104C. (2) (a) of the Division's General Rules and Regulations to permit it to drill at this

CASE 12.483:

Application of Mack Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant in the above-styled cause seeks authorization to drill its proposed M. C. Federal Well No. 6 to test the Devonian formation, Maljamar-Devonian Pool and Wildcat Ellenberger formation at an unorthodox well location 2600 feet from the North line and 660 feet from the East line (Unit H) of Section 21, Township 17 South, Range 32 East, N.M.P.M. The SE/4 NE/4 of said Section 21 will be dedicated to the well in the Devonian formation forming a standard 40-acre oil spacing and proration unit and the E/2 of said Section 21 will be dedicated to the well in the Ellenberger formation forming a standard 320-acre gas spacing and proration unit. Said units are located approximately _____ miles _____ of _____, New Mexico.

4. A standard 40-acre spacing and proration unit comprised of the SE/4 NE/4 of said Section 21 will be dedicated to the well in the Devonian formation and a standard 320-acre spacing and proration unit comprised of the E/2 of Section 21 will be dedicated to the well in the Ellenberger formation..

5. Approval of this application and the drilling of the subject well at the proposed unorthodox well location will be in the best interest of conservation, the protection of correlative rights and the prevention of waste.

WHEREFORE, Mack Energy Corporation requests that this application be set for hearing before a duly appointed Examiner of the Oil Conservation Division on September 7, 2000 and that, after notice and hearing as required by law and the rules of the Division, this application be granted.

Respectfully submitted,

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.

By:__

WILLIAM F. CARR

Post Office Box 2208

Santa Fe, New Mexico 87504

Telephone: (505) 988-4421

ATTORNEYS FOR MACK ENERGY CORPORATION