



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mack Energy Corporation

P. O. Box 960

Artesia, New Mexico 88211-0960

August 9, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Attention: Jerry Sherrell
jerrys@mackenergycorp.com

Administrative Order NSL-5106-A

Dear Mr. Sherrell:

Reference is made to the following: (i) your application that was initially submitted by telefax to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 13, 2005 (*administrative application reference No. pMES0-522130254*); and (ii) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-5106: all concerning Mack Energy Corporation's ("Mack") request as the current operator to amend a Division order currently in effect by expanding the vertical limitations to include the Corbin-Abo Pool (13150) within the well bore of its existing Lea "KG" State Well No. 9 (API No. 30-025-36370), formerly designated the KG "35" State Com. Well No. 1, located at an unorthodox oil well location 1395 feet from the South line and 1255 feet from the East line (Unit I) of Section 35, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico.

By Division Administrative Order NSL-5106, dated September 8, 2004, ConocoPhillips Company received authorization to complete its existing KG "35" State Com. Well No. 1 in the Corbin-Wolfcamp Pool (97412) at the above-described unorthodox oil well location within the NE/4 SE/4 (Unit I) of Section 35, being a standard 40-acre oil spacing and proration unit for this interval.

Your request to include the Abo formation for oil production within the same 40-acre spacing unit has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox oil well location in the Corbin-Abo Pool is hereby approved.

The SE/4 of Section 35 comprises a single State lease issued by the New Mexico State Land Office (*State lease No. OG-1999-0002*) with common mineral interests throughout; therefore, there are no adversely effected offsets to the subject 40-acre tract.

Furthermore, the provisions of Division Administrative Order NSL-5106 shall remain in full force and affect.

Mack Energy Corporation

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Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is stylized and includes a large, sweeping flourish at the end.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-5106