



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 12, 2001

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: Jerry W. Sherrell

Telefax No. (505) 746-9539

Administrative Order NSP-1851

Dear Mr. Sherrell:

Reference is made to the following: (i) your application dated September 20, 2001 (*application reference No. pKRV0-126929536*); (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated September 27, 2001 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) Mr. Stogner's follow-up telephone call to your office on October 3, 2001; (iv) your telefaxed response on October 4, 2001 with the required data to complete this application; and (v) the Division's records in Santa Fe: all concerning Mack Energy Corporation's request for a non-standard 27.50-acre oil spacing and proration unit consisting of the following acreage in the Empire-Yeso Pool (96210):

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Irregular Section 19: Lot 4 (SW/4 SW/4 equivalent).

It is our understanding that this unit is to be dedicated to Mack Energy Corporation's proposed State "S-19" Well No. 20, to be drilled at a standard oil well location 990 feet from the South line and 330 feet from the West line (Unit M) of irregular Section 19.

This application has been duly filed under the provisions of Division Rule 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.D (2) (b), the above-described 27.50-acre non-standard oil spacing and proration unit is hereby approved. Further, in accordance with Division Rule 104.G (1) Mack Energy Corporation is permitted to produce the allowable assigned this 27.50-acre unit from this well.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe