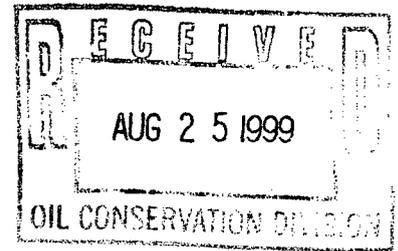


NSL 9/14/99

# MACK ENERGY CORPORATION

Post Office Box 960  
Artesia, New Mexico 88211-0960  
(505) 748-1288 / FAX (505) 746-2362



August 24, 1999

*Oil Conservation Division  
Attn: Mike Stogner  
2040 South Pacheco  
Santa Fe, NM 87505*

*Dear Mr. Stogner:*

*Mack Energy Corporation respectfully requests an administrative approval without notice and hearing of the following unorthodox well location.*

*Due to the current conditions, we desire to drill this well in a timely & economical manner, we also request your approval be expedited. The well location and legal description is as follows:*

*McIntyre DK Federal #12-Y  
990 FSL & 315 FEL  
Sec. 17-T17S-R30E  
Eddy County, New Mexico*

*The well will be completed in the Paddock formation in the Loco Hills Paddock Pool.*

*Attached to this application are the following exhibits.*

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).*
- B.) A plat showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units (Exhibit B).*

*The reason for the unorthodox location is due to the 8 5/8" intermediate casing parting at 968' which caused the hole to be lost, therefore, the rig was skidded 15 feet east to spud a new hole. The original legal location was 990 FSL & 330 FEL Sec. 17-T17S-R30E.*

*Oil Conservation Division  
August 24, 1999  
Page 2*

*By copy of this letter including the exhibits to all parties, we are notifying them by certified mail return-receipt requested of the unorthodox location.*

*Thank you for your assistance in this matter. If you have any questions, please feel free to call.*

*Sincerely,*

*MACK ENERGY CORPORATION*



*Matt J. Brewer  
Geological Engineer*

*/mb*

*Enclosures*

*cc: CERTIFIED MAIL:*

*Attn: Michael Cervantes  
Texaco Exploration & Production  
500 North Loraine  
Midland, TX 79702*

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96718	Pool Name Loco Hills Paddock
Property Code 006143	Property Name McINTYRE DK FEDERAL	Well Number 12 Y
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3658

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	17	17 S	30 E		990	SOUTH	315 <del>360</del>	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p align="right"><i>Matt J. Brewer</i> Signature</p> <p align="right">Matt J. Brewer Printed Name</p> <p align="right">Geological Engineer Title</p> <p align="right">4/27/99 Date</p>
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p align="right">APRIL 13, 1999</p> <p>Date Surveyed <span style="float: right;">JLP</span></p> <p>Signature <i>Ronald S. Edson</i> Professional Surveyor</p> <p align="center"> </p> <p>Certificate No. RONALD S. EDSON, 3239 SARAH S. EDSON, 12841 MAGNUS McDONALD, 12185</p>



# MACK ENERGY CORPORATION

Post Office Box 960  
Artesia, New Mexico 88211-0960  
(505) 748-1288 / FAX (505) 746-2362

August 24, 1999

Attn: Mike Cervantes  
Texaco Exploration & Production  
500 North Loraine  
Midland, TX 79702

**VIA CERTIFIED MAIL Z 266 869 390**  
**RETURN RECEIPT REQUESTED**

Dear Mr. Cervantes:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for unorthodox location for the McIntyre DK Federal #12Y under Rule 104.F. (3). The reason for the unorthodox location is due to the 8 5/8" casing parting at 968' causing the hole to be lost, therefore, the rig was skidded 15' to the east to spud a new hole. The new location for this well is 990 FSL & 315 FEL in Section 17-T17S-R30E, Eddy County, New Mexico. The well is encroaching the Wichita State Lease in the Loco Hills Paddock Pool.*

*Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the unorthodox location if no objection to the unorthodox location has been made within the 20 days after the application has been received.*

Sincerely,



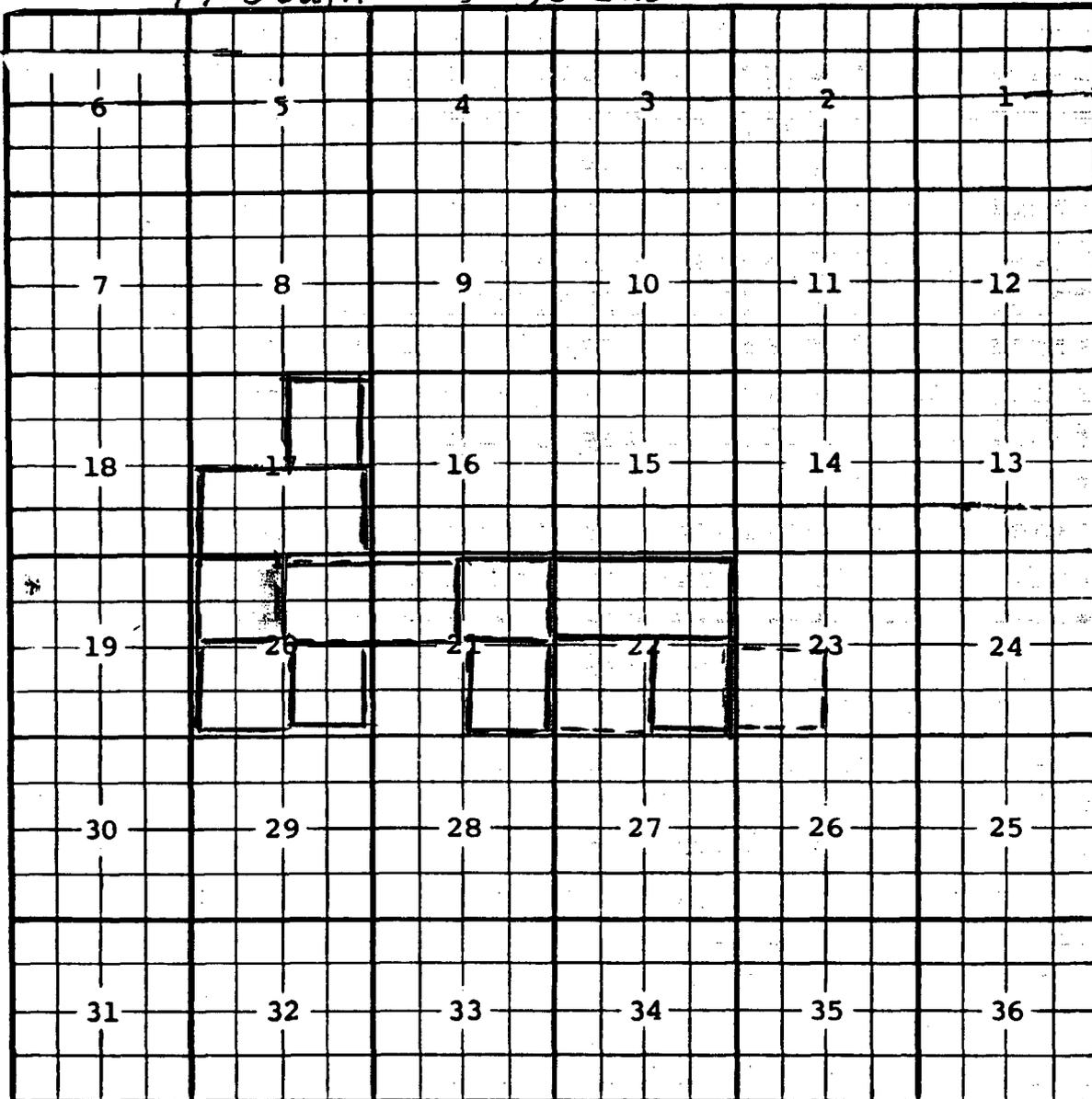
Matt J. Brewer  
Geological Engineer

MB\

Enclosures

County Eddy Pool Loco Hills-Paddock

TOWNSHIP 17 South Range 30 East NMPM



Description: NW/4 Sec. 20 (R-10822, 6-17-97)

Ext: NE/4 Sec. 20, NW/4 Sec. 21 (R-10951, 2-4-98)

Ext: S/2 Sec. 17, SE/4 Sec. 20, NE/4 Sec. 21 (R-11003, 7-24-98)

Ext: SW/4 Sec. 20 (R-11062, 10-20-98) Ext: N/2 Sec. 22 (R-11097, 12-10-98)

Ext: NE/4 Sec. 17, SE/4 Sec. 22 (R-11120, 1-21-99) Ext: SE/4 Sec. 21 (R-11220, 7-1-

Ext: SE/4 Sec. 21 (R-11220, 7-12-99)

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

09/01/99 11:37:08  
OGOMES -TPMC  
PAGE NO: 1

Sec : 17 Twp : 17S Rng : 30E Section Type : NORMAL

D 40.00  Federal owned A A	C 40.00  Federal owned A	B 40.00  Federal owned U A	A 40.00  Federal owned U A
E 40.00  Federal owned A A	F 40.00  Federal owned A	G 40.00  Federal owned A A C	H 40.00  Federal owned U P A A A

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
PF10 SDIV

PF05  
PF11

PF06  
PF12

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

09/01/99 11:37:20  
OGOMES -TPMC  
PAGE NO: 2

Sec : 17 Twp : 17S Rng : 30E Section Type : NORMAL

L 40.00  Federal owned A A C	K 40.00  Federal owned A A A C	J 40.00  Federal owned A A C A	I 40.00  Federal owned A A C
M 40.00  Federal owned A A A	N 40.00  Federal owned A A A	O 40.00  Federal owned A A	P 40.00  Federal owned A A A A

PF01 HELP  
PF07 BKWD

PF02  
PF08 FWD

PF03 EXIT  
PF09 PRINT

PF04 GoTo  
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PF05  
PF11

PF06  
PF12