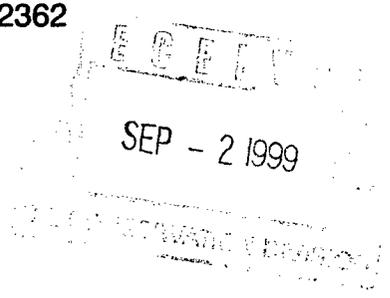


MACK ENERGY CORPORATION

NSL 9/22/99

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



September 1, 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.

The well location and legal description is as follows:

MC Federal 20 #1
330 FNL & 1575 FWL
Sec. 20, T17S, R32E
Lea County, New Mexico

The well will be completed in the Paddock formation in the Maljamar 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).
- C.) A map showing the reason for the unorthodox location, the original location would have fallen on top of or too close to existing powerlines (Exhibit C).

*Per my telephone conversation with
Mike Stogner on Sept. 7, 1999,
the 1/2 of Sec. 20 is a proration
from Corner Inc. as per the
base of SH to the top of the
Mack Energy
M.C.*

*Oil Conservation Division
September 1, 1999
Page 2*

Mack Energy proposes to drill four new wells on this 40-acre tract, moving the location 75' west versus 175' east will provide a more effective 10-acre spacing for future wells.

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: Paul Schulz
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500*

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

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

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

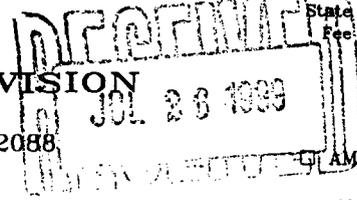
DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

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

OIL CONSERVATION DIVISION

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



AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 44500	Pool Name Maljamar Paddock
Property Code	Property Name MC FEDERAL 20	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3978

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	20	17 S	32 E		330	NORTH	1575	WEST	LEA

Bottom Hole Location If Different From Surface

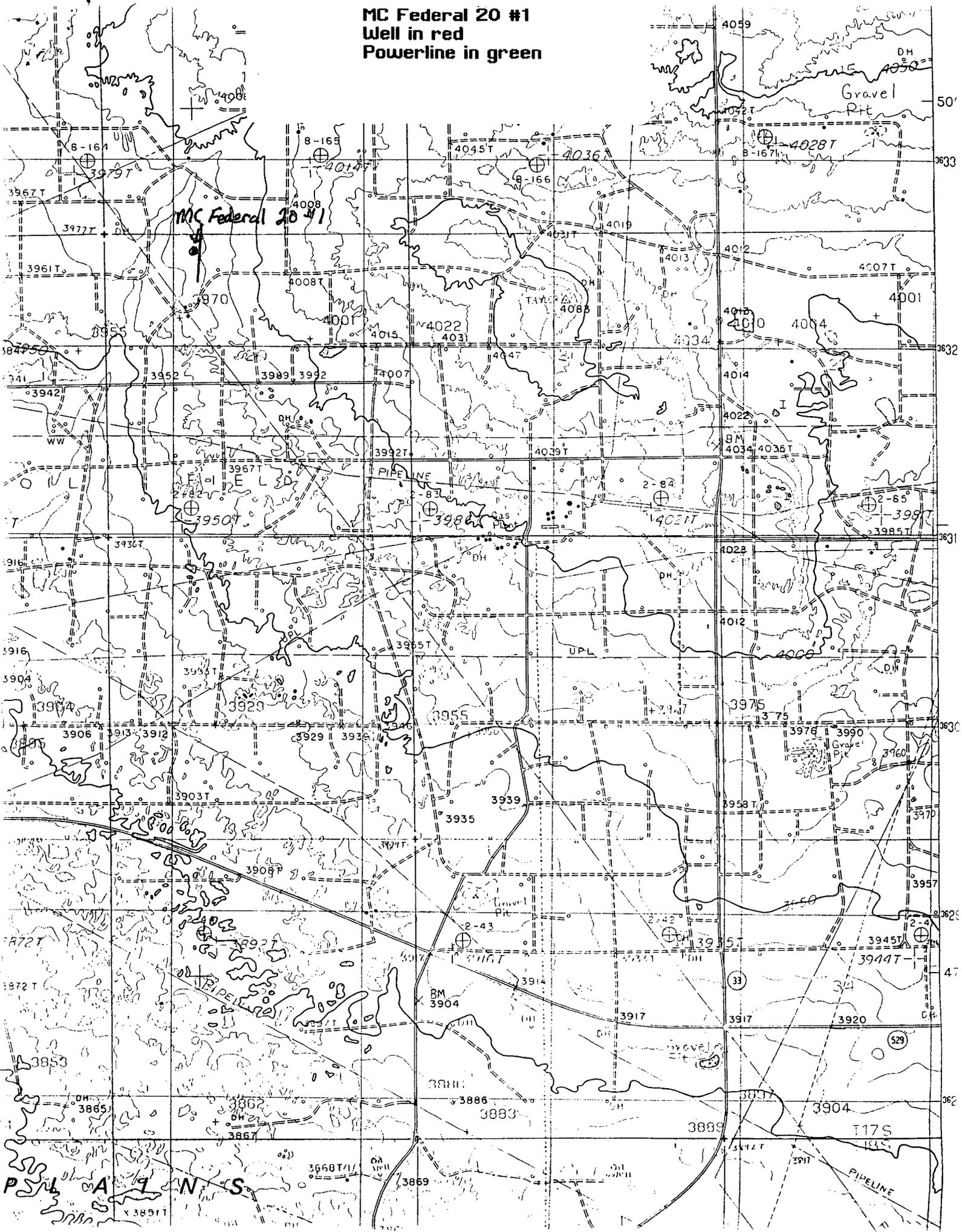
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Matt J. Brewer</i> Signature</p> <p>Matt J. Brewer Printed Name</p> <p>Geological Engineer Title</p> <p>8/31/1999 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 21, 1999</p> <p>Date Submitted</p>	
	<p>Signature & Seal of Professional Surveyor</p>	
	<p>Certification No. RONALD J. EIDSON 3239 12641 MCDONALD 12185</p>	

MC Federal 20 #1
Well in red
Powerline in green



MACK ENERGY CORPORATION

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

September 1, 1999

VIA CERTIFIED MAIL Z 266 869 393
RETURN RECEIPT REQUESTED

Attn: Paul Schulz
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, TX 79705-4500

Dear Mr. Schulz:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD for unorthodox location for the MC Federal 20 #1 under Rule 104.F. (3), due to the existing powerlines. The location for this well is 330 FNL & 1575 FWL in Section 20-T17S-R32E, Lea County, New Mexico. The well is encroaching the W/2 NW/4 of Sec. 20-T17S-R32E in the Maljamar 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,

MACK ENERGY CORPORATION



Matt J. Brewer
Geological Engineer

MJB/jws

Enclosures

