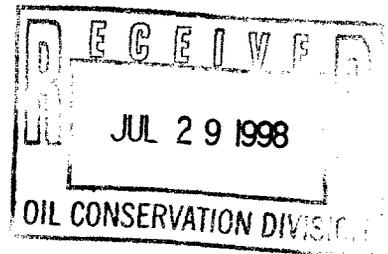


MACK ENERGY CORPORATION

NSL 8/18/98

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



July 27, 1998

*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.

Effective 1/01/96, Mack Energy acquired the well and there was no unorthodox approval for the location. The well location and legal description is as follows:

*McIntyre A Federal #9
2400 FSL & 1600 FEL
Sec. 20, T17S, R30E
Eddy County, New Mexico*

The well is completed in the Grayburg-Jackson formation and will be recompleted 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 unorthodox location, 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 the existing highway. (Exhibit C).*

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.

Oil Conservation Division

July 27, 1998

Page 2

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

Matt J. Brewer

Geological Engineer

/mb

Enclosures

cc: Certified Mail

Marbob Energy Corporation

P.O. Box 217

Artesia, NM 88210

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator Holly Energy, Inc.,		Lease Mc Intyre "A"		Well No. 9.
Unit Letter J	Section 20	Township 17 South	Range 30 East	County Eddy
Actual Footage Location of Well: 2400 feet from the South line and 1600 feet from the East line				
Ground Level Elev. 3639.6	Producing Formation Grayburg-San Andres	Pool Grayburg-Jackson	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc.?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

RECEIVED

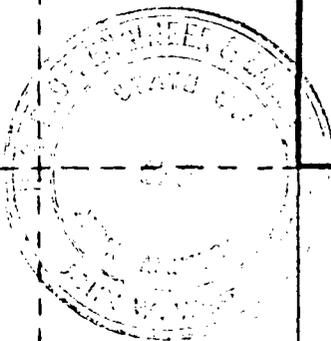
JUN 4 1980

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

IC 057634

1600'

2400'



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Robert Loyd

Name

Robert Loyd

Position

Supt.

Company

Holly Energy Inc.

Date

May 28, 1980

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 knowledge and belief.

Date Surveyed

May 21, 1980

Registered Professional Engineer and/or Land Surveyor

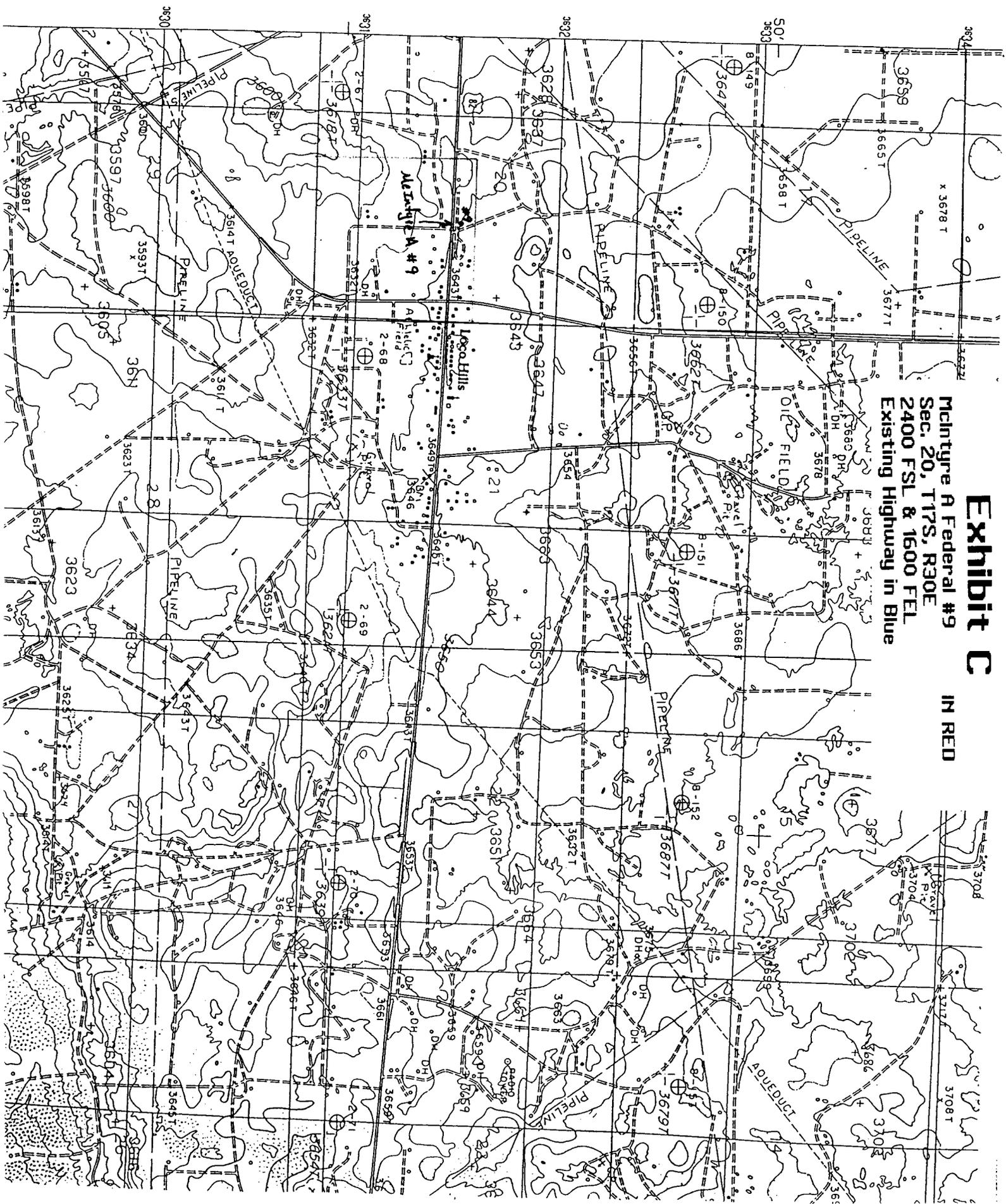
John W. West

License No. JOHN W. WEST 876
DARREN A. BOWEN 888

Exhibit C

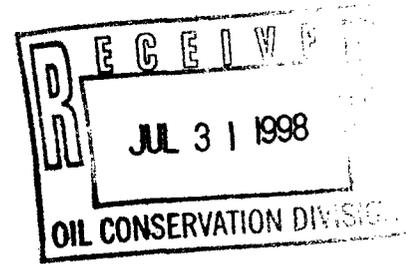
IN RED

McIntyre A Federal #9
Sec. 20, T17S, R30E
2400 FSL & 1600 FEL
Existing Highway in Blue





marbob
energy corporation



July 28, 1998

*Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505*

Attention: Mr. Mike Stogner

*RE: Unorthodox Location
Mack Energy Corporation
McIntyre A Federal #9
2400' FSL and 1600' FEL
Section 20-T17S-R30E
Eddy County, New Mexico*

Dear Mr. Stogner:

Marbob Energy Corporation, as an offset operator, has no objection to the unorthodox location described above.

If you need anything additional from us, please contact us.

Sincerely,

*Raye Miller
Land Department*

RM/mm

*cc: Mack Energy Corporation
Attn: Mr. Matt J. Brewer
Post Office Box 960
Artesia, New Mexico 88211-0960*

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/18/98 15:54:26
OGOIV -EME1
PAGE NO: 1

Sec : 20 Twp : 17S Rng : 30E Section Type : NORMAL

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

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

08/18/98 15:54:38
OGOIV -EME1
PAGE NO: 2

Sec : 20 Twp : 17S Rng : 30E Section Type : NORMAL

19 9.40 Federal owned A A A A A A	20 1.10 Federal owned A A A A	21 29.52 Federal owned A A A A	K 40.00 Federal owned A A A A	J 40.00 Federal owned A A A A	*** *** ***
M 40.00 Federal owned A A	N 40.00 Federal owned	O 40.00 Federal owned A A A	P 40.00 Federal owned A A A		

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

Sec : 20 Twp : 17S Rng : 30E Section Type : NORMAL

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

M0002: This is the first page

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

April 16, 1997

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: Crissa D. Carter

Administrative Order NSL-3787

Dear Ms. Carter:

Reference is made to your application dated March 21, 1997 for a non-standard oil well location for the existing McIntyre "A" Well No. 3 (API No. 30-015-04221), located approximately 2365 feet from the South line and 2310 feet from the East line (Unit J) of Section 20, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written over a large, stylized flourish that extends downwards and to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

July 1, 1980

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Holly Energy, Inc.
P. O. Box 726
Artesia, New Mexico 88210

Attention: Mr. Robert Loyd

Administrative Order NSL-1214

Gentlemen:

Reference is made to your application for approval of a non-standard location for your McIntyre Well "A" No. 9 to be located 2400 feet from the South line and 1600 feet from the East line of Section 20, Township 17 South, Range 30 East, NMPM, San Andres Formation, Eddy County, New Mexico.

By authority granted me under the provisions of Rule 104 F of the Division Rules and Regulations, the above-described unorthodox location is hereby approved.

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Artesia
Oil & Gas Engineering Committee - Hobbs