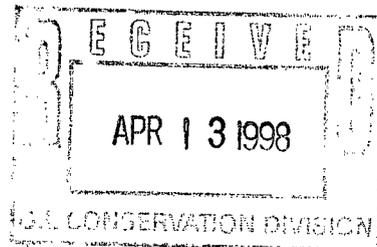


MACK ENERGY CORPORATION

NSL 5/4/98

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

April 10, 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.

Because of our desire to drill this well in a timely manner, we also request your approval be expedited. The well location and legal description is as follows:

Woolley Federal #4
1090 FSL & 990 FWL (M)
Sec. 21, T17S, R30E
Eddy County, New Mexico

The Well will be completed in the Paddock formation of 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 location, the respective proration units, and the offsetting proration units (Exhibit C).
- C.) A map showing the reason for the unorthodox location, the original location would have fallen on the top of a GPM pipeline.

Please note that Mack Energy Corporation is the operator of the offsetting proration units in which we are encroaching upon in the Paddock formation of the Loco Hills Paddock Pool, therefore no other operators are required to be notified.

Oil Conservation Division

April 10, 1998

Page 2

Thank you for your assistance in this matter. If you have any question, please feel free to call me at (505) 748-1288.

Sincerely,

Mack Energy Corporation

A handwritten signature in cursive script that reads "Matt Brewer".

Matt Brewer

Engineer

MB/

Enclosures

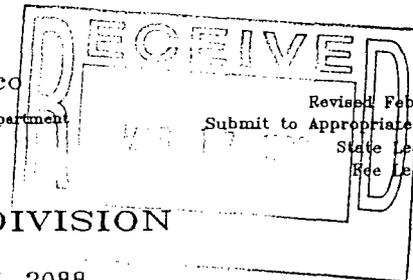
DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

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	Pool Name
		96718	Loco Hills Paddock
Property Code	Property Name		Well Number
017381	WOOLLEY FEDERAL		4
OGRID No.	Operator Name		Elevation
013837	MACK ENERGY CORPORATION		3636'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	17 S	30 E		1090	SOUTH	990	WEST	EDDY

Bottom Hole Location If Different From Surface

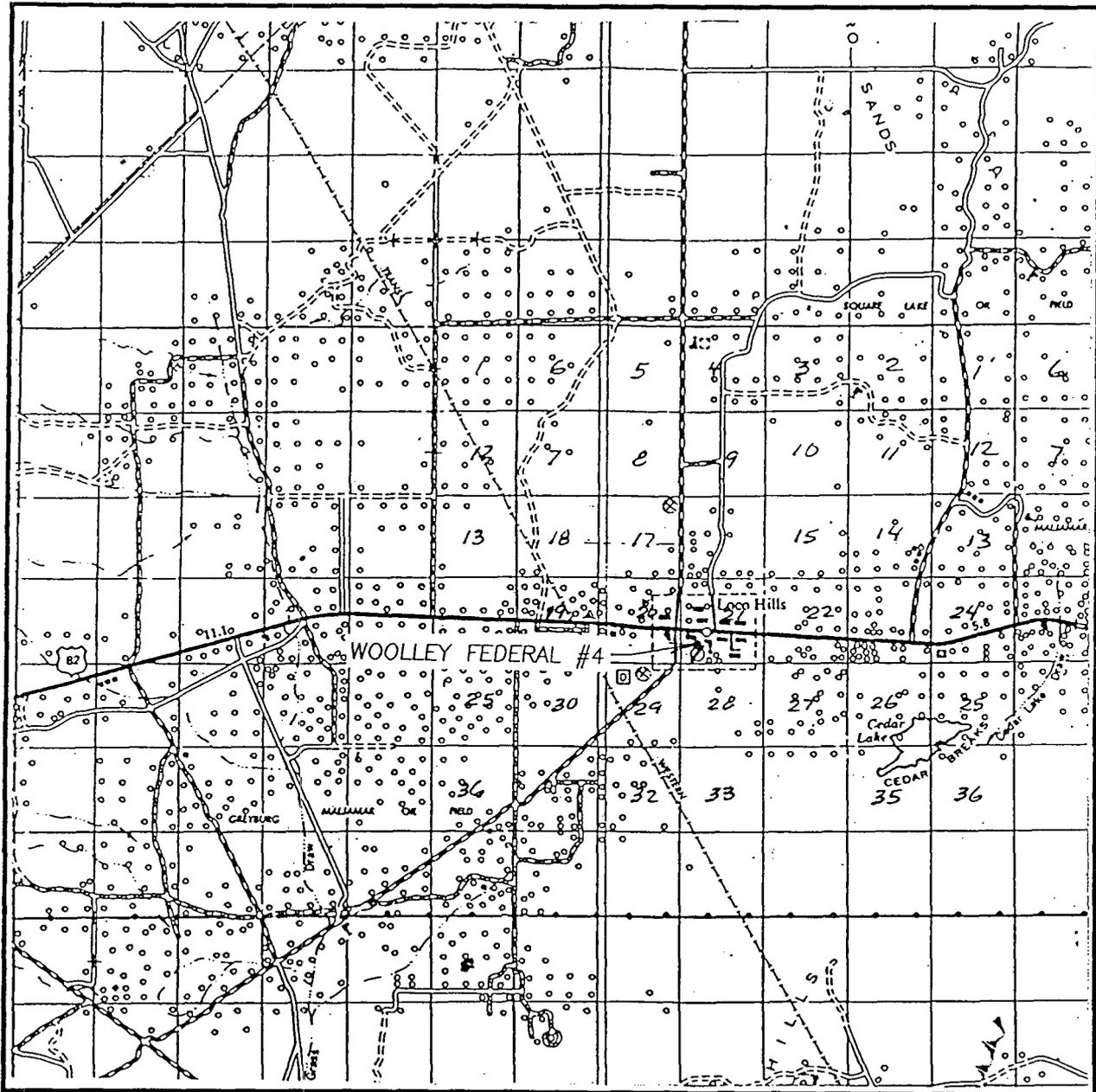
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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>Operator Certification</p> <p>I hereby certify the the information contained hereth is true and complete to the best of my knowledge and belief.</p> <p><u>Crissa D. Carter</u> Signature</p> <p><u>Crissa D. Carter</u> Printed Name</p> <p><u>Production Clerk</u> Title</p> <p><u>4/7/98</u> 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>MARCH 10, 1998</p> <p>Date Surveyed _____ CDG</p> <p>Signature & Seal of Professional Surveyor <u>Ronald G. Edson</u> 3-16-98 88-11-0410</p>	
	<p>Certificate No. RONALD G. EDSON 3239 MACK EDSON 12641</p>	
	<p>Professional Surveyor</p>	

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 21 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1090' FSL & 990' FWL

ELEVATION 3636'

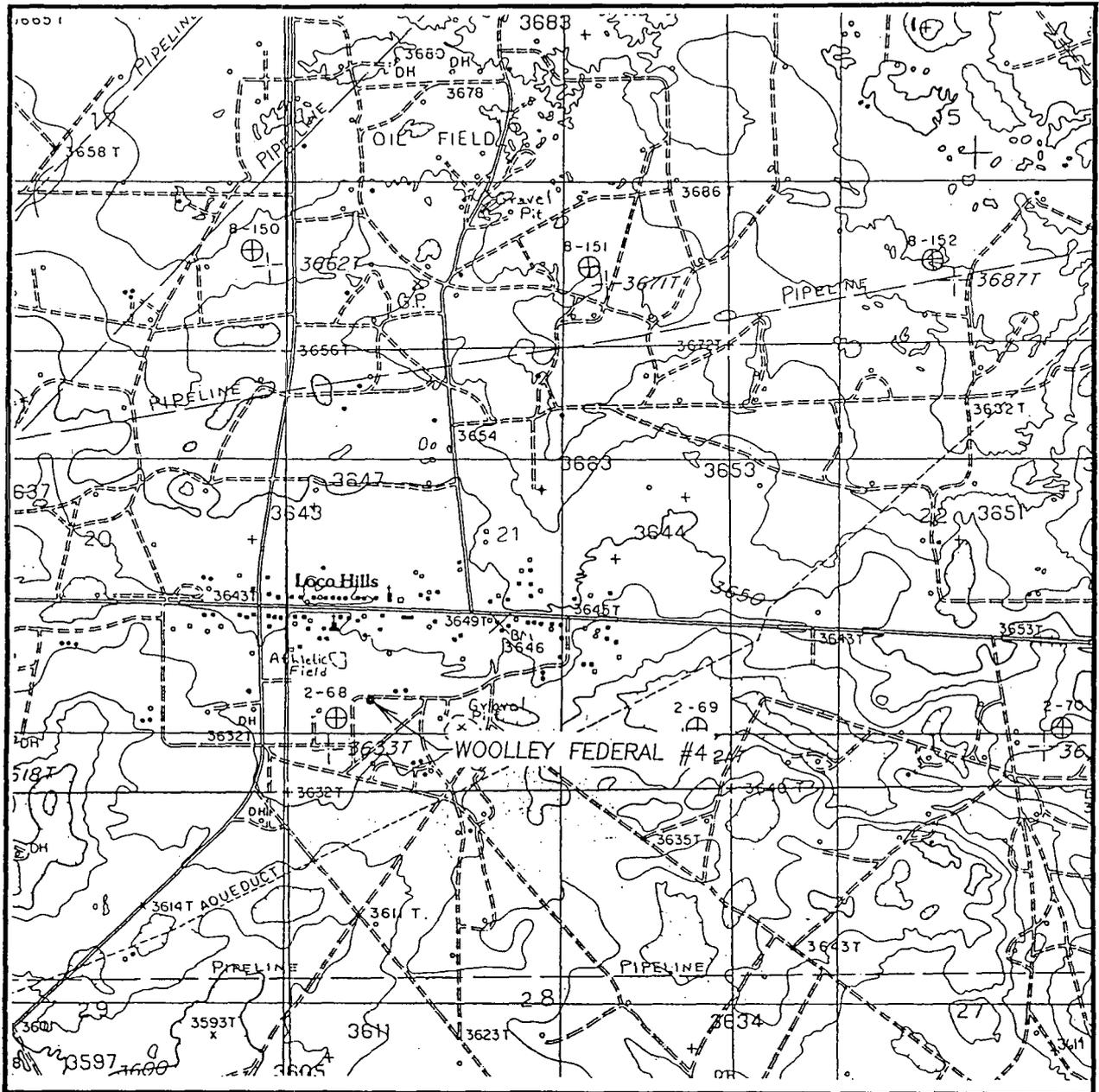
OPERATOR MACK ENERGY CORPORATION

LEASE WOOLLEY FEDERAL

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 21 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1090' FSL & 990' FWL

ELEVATION 3636'

OPERATOR MACK ENERGY CORPORATION

LEASE WOOLLEY FEDERAL

U.S.G.S. TOPOGRAPHIC MAP

LOCO HILLS, NM

**JOHN WEST ENGINEERING
HOBBS, NEW MEXICO**

(505) 393-3117

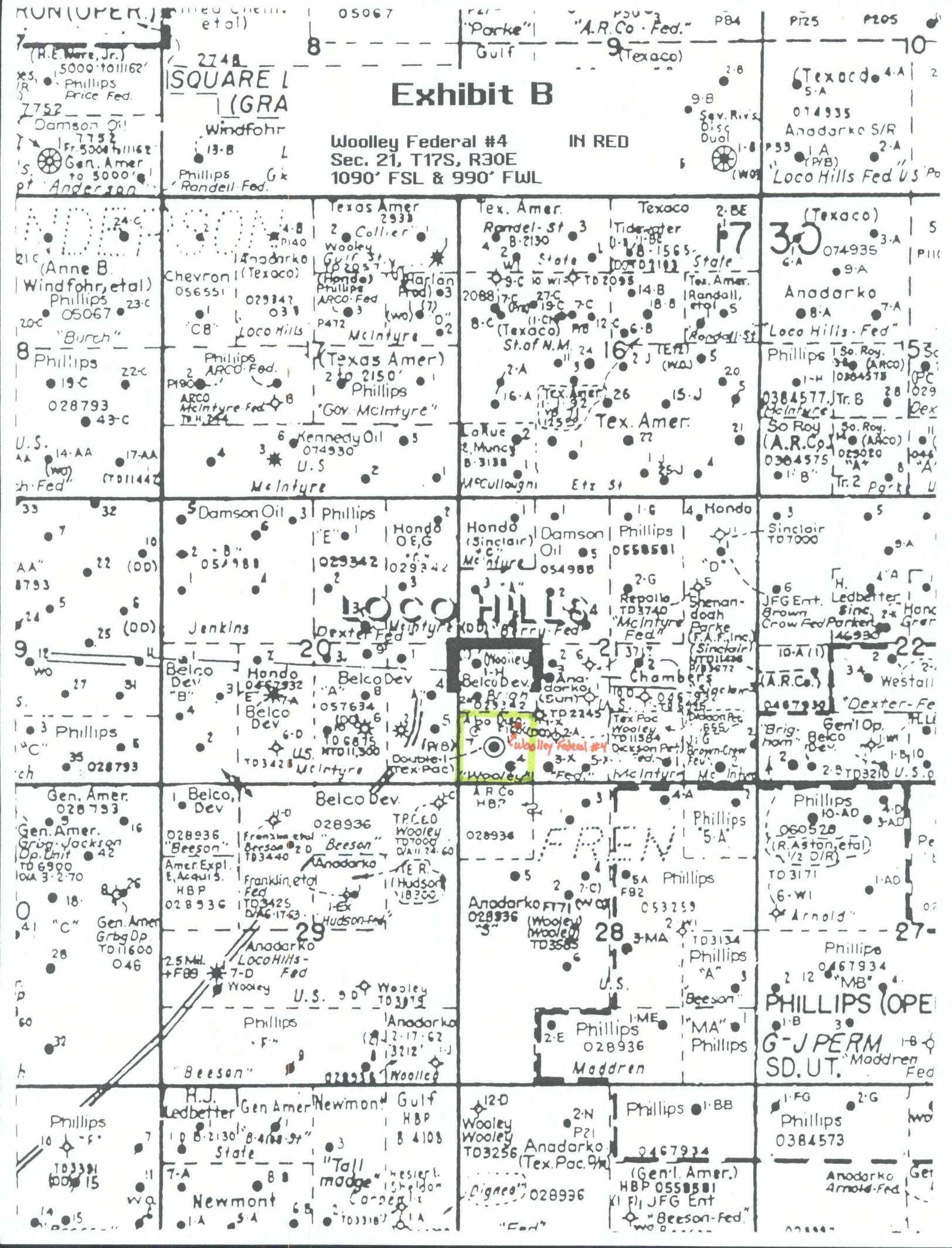


Exhibit B

Woolley Federal #4 IN RED
 Sec. 21, T17S, R30E
 1090' FSL & 990' FWL

2748
SQUARE 1 (GRA)

Windfohr
 13-B
 Phillips
 Randell Fed.

(H.E. Ware, Jr.)
 5000' 101162'
 Phillips
 Price Fed.
 7752
 Damson Oil
 Fr. 5000' 11162'
 Gen. Amer.
 to 5000'
 Anderson

(Anne B. Windfohr, et al)
 Phillips
 05067
 "Burch"
 Phillips
 19-C
 028793
 43-C

U.S.
 AA
 (wo)
 14-AA
 17-AA
 ch Fed
 (7011442)

33
 32
 7
 10
 AA
 8793
 22 (00)
 5
 6
 24
 25 (00)
 9
 12
 wo
 27
 31
 3
 Phillips
 1-C
 028793
 ch

Gen. Amer.
 028793
 16
 Gen. Amer.
 Grbg. Jackson
 Dp. Unit
 to 6900
 10A 3-2-70
 18
 "C"
 28
 046
 Gen. Amer.
 Grbg. Dp.
 to 11600
 046
 37

Phillips
 10
 7
 103391
 100
 15
 14
 15

Chevron
 056551
 029342
 03
 "CB"
 Loco Hills
 Phillips
 ARCO Fed.
 1900
 ARCO
 McIntyre Fed.
 to 4244

Phillips
 ARCO Fed.
 1
 2
 P1900
 ARCO
 McIntyre Fed.
 to 4244

Damson Oil
 3
 Phillips
 "E"
 Hondo
 OEG
 051988
 029342
 029342
 2
 3
 Jenkins
 Dexter Fed
 McIntyre
 Belco Dev
 Hondo
 057932
 Belco Dev
 057634
 100
 6
 U.S.
 McIntyre
 Double-1
 Tex. Pac.

Belco Dev.
 028936
 "Beeson"
 Amer. Expl.
 E. Acquis.
 HBP
 028936
 29
 Anadarko
 Loco Hills
 Fed
 Woolley
 U.S.
 Phillips
 "F"
 "Beeson"
 028936
 Woolley

H.J. Ledbetter
 Gen. Amer.
 Newmont
 Gulf
 HBP
 8 4108
 State
 "Tall
 mudge"
 Newmont
 1-A
 5-A

Texas Amer.
 2933
 2 Collier
 Woolley
 Gulf
 Phillips
 ARCO Fed.
 P472
 McIntyre
 (Texas Amer.)
 210 2150'
 Phillips
 "Gov. McIntyre"
 6 Kennedy Oil
 074930
 U.S.
 McIntyre

(Texas Amer.)
 210 2150'
 Phillips
 "Gov. McIntyre"
 6 Kennedy Oil
 074930
 U.S.
 McIntyre

Hondo
 (Sinclair)
 Damson Oil
 Phillips
 0558581
 054988
 Repollo
 TD3740
 "McIntyre
 Fed"
 Shenandoah
 Parke
 (F.A. Inc.)
 (Sinclair)
 P13672
 Chambers
 Tex. Pac.
 Woolley
 TD11584
 Dickson Fed.
 "Woolley
 Fed"
 "Woolley
 Fed"

Belco Dev.
 Belco Dev.
 057634
 100
 6
 U.S.
 McIntyre
 Double-1
 Tex. Pac.
 ARCO
 HB?
 028936
 Anadarko
 FT71
 (Woolley)
 Woolley
 TD3565
 28
 3-MA
 U.S.
 Phillips
 1-MA
 Phillips
 028936
 Maddren

Woolley
 Woolley
 TD3256
 Anadarko
 (Tex. Pac. Fed.)
 028936
 "Dignee"
 "Fed"
 Phillips
 1-BB
 0467934
 (Gen. Amer.)
 HBP 0558581
 JFG Ent
 "Beeson-Fed"

Tex. Amer.
 Randell-St
 B-2130
 State
 2088
 7-C
 27-C
 19-C
 7-C
 (Texasco)
 St. of N.M.
 24
 2-A
 16-A
 Tex. Amer.
 26
 15-J
 21
 22
 McCullough
 Etx St

Tex. Amer.
 26
 15-J
 21
 22
 McCullough
 Etx St

Hondo
 (Sinclair)
 Damson Oil
 Phillips
 0558581
 054988
 Repollo
 TD3740
 "McIntyre
 Fed"
 Shenandoah
 Parke
 (F.A. Inc.)
 (Sinclair)
 P13672
 Chambers
 Tex. Pac.
 Woolley
 TD11584
 Dickson Fed.
 "Woolley
 Fed"
 "Woolley
 Fed"

Belco Dev.
 Belco Dev.
 057634
 100
 6
 U.S.
 McIntyre
 Double-1
 Tex. Pac.
 ARCO
 HB?
 028936
 Anadarko
 FT71
 (Woolley)
 Woolley
 TD3565
 28
 3-MA
 U.S.
 Phillips
 1-MA
 Phillips
 028936
 Maddren

Woolley
 Woolley
 TD3256
 Anadarko
 (Tex. Pac. Fed.)
 028936
 "Dignee"
 "Fed"
 Phillips
 1-BB
 0467934
 (Gen. Amer.)
 HBP 0558581
 JFG Ent
 "Beeson-Fed"

Texasco
 2-BE
 Tideswater
 18-1565
 State
 14-B
 18-B
 12-C
 6-B
 (Texasco)
 St. of N.M.
 24
 2-A
 16-A
 Tex. Amer.
 26
 15-J
 21
 22
 McCullough
 Etx St

Texasco
 2-BE
 Tideswater
 18-1565
 State
 14-B
 18-B
 12-C
 6-B
 (Texasco)
 St. of N.M.
 24
 2-A
 16-A
 Tex. Amer.
 26
 15-J
 21
 22
 McCullough
 Etx St

Hondo
 (Sinclair)
 Damson Oil
 Phillips
 0558581
 054988
 Repollo
 TD3740
 "McIntyre
 Fed"
 Shenandoah
 Parke
 (F.A. Inc.)
 (Sinclair)
 P13672
 Chambers
 Tex. Pac.
 Woolley
 TD11584
 Dickson Fed.
 "Woolley
 Fed"
 "Woolley
 Fed"

Belco Dev.
 Belco Dev.
 057634
 100
 6
 U.S.
 McIntyre
 Double-1
 Tex. Pac.
 ARCO
 HB?
 028936
 Anadarko
 FT71
 (Woolley)
 Woolley
 TD3565
 28
 3-MA
 U.S.
 Phillips
 1-MA
 Phillips
 028936
 Maddren

Woolley
 Woolley
 TD3256
 Anadarko
 (Tex. Pac. Fed.)
 028936
 "Dignee"
 "Fed"
 Phillips
 1-BB
 0467934
 (Gen. Amer.)
 HBP 0558581
 JFG Ent
 "Beeson-Fed"

(Texasco)
 074935
 3-A
 9-A
 Anodarko
 8-A
 7-A
 "Loco Hills Fed"
 Phillips
 180 Roy.
 (ARCO)
 1084578
 029
 Dex
 So Roy
 (A.R.Co.)
 0384575
 1-B
 Tr. 2 park
 U

(Texasco)
 074935
 3-A
 9-A
 Anodarko
 8-A
 7-A
 "Loco Hills Fed"
 Phillips
 180 Roy.
 (ARCO)
 1084578
 029
 Dex
 So Roy
 (A.R.Co.)
 0384575
 1-B
 Tr. 2 park
 U

Sinclair
 TD7000
 9-A
 H. Ledbetter
 4-A
 JFG Ent.
 Brown
 Crow Fed
 Parker
 146930
 10-A (1)
 2
 22
 (A.R.Co.)
 0467934
 "Dexter-Fed"
 Brig.
 hom.
 Belco
 Dev.
 2
 2-B TD3210 U.S.

Phillips
 10-AD
 3-AD
 060520
 (R. Aston, et al)
 1/2 D/R
 TD3171
 (6-WI
 "Arnold"
 27-
 Phillips
 2 12
 0467934
 "MB"
 PHILLIPS (OPEN)
 1-B
 3
 G-J PERM
 SD. UT.
 "Maddren
 Fed

Phillips
 1-FG
 2-G
 0384573
 Anodarko
 Arnold Fed
 Get

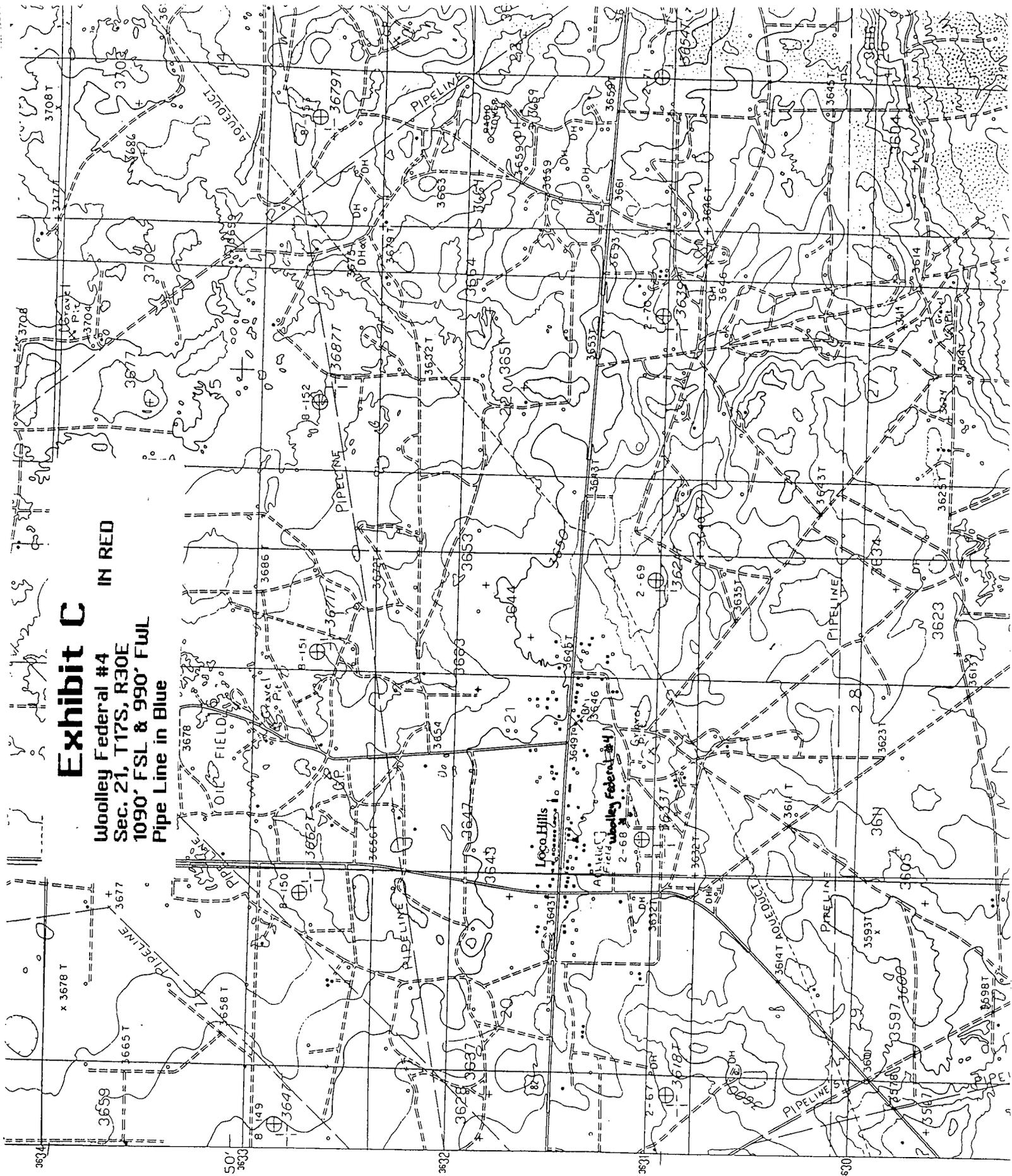
Exhibit C

Woolley Federal #4 IN RED

Sec. 21, T17S, R30E

1090' FSL & 990' FWL

Pipe Line in Blue



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	Pool Name
	96718	Loco Hills Paddock
Property Code	Property Name	Well Number
017381	WOOLLEY FEDERAL	4
OGRID No.	Operator Name	Elevation
013837	MACK ENERGY CORPORATION	3636'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	17 S	30 E		1090	SOUTH	990	WEST	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>DETAIL</p>	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Crissa D. Carter Printed Name</p> <p>Production Clerk Title</p> <p>4/7/98 Date</p>
		<p>SURVEYOR CERTIFICATION</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>MARCH 10, 1998</p> <p>Date Surveyed _____ CDG</p> <p>Signature _____ Seal of EDISON Professional Surveyor</p> <p>Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641</p>

(2) The Division Director shall have authority to grant an exception to the well location requirements of Sections 104.B and 104.C above or to the well location requirements of special pool rules without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions, archaeological conditions, topographical conditions, or the recompletion of a well previously drilled to a deeper horizon provided said well was drilled at an orthodox or approved unorthodox location for such original horizon. [1-1-82...2-1-96]

(3) Applications for administrative approval of unorthodox locations pursuant to Rule 104.F(2), above, shall be accompanied by a plat showing the subject spacing unit, its proposed unorthodox well location, the diagonal and adjoining spacing units and/or leases (whichever is applicable) and wells, and a list of affected parties. If the proposed unorthodox location is based upon topography or archaeology, the plat shall also show and describe the existent topographical or archaeological conditions. If the proposed unorthodox location is based upon geology, the application shall include appropriate geologic exhibits and a discussion of the geologic conditions which result in the necessity for the unorthodox location. [2-9-66...2-1-96]

(a) Adjoining and diagonal spacing units shall be defined as those immediately adjacent existing spacing units in the same pool(s) as the proposed unorthodox well and towards which the unorthodox well location encroaches. [2-9-66...2-1-96]

(b) Affected parties shall be defined as those parties who own interests in leases or operate wells on adjoining or diagonal spacing units and include:

(i) the designated operator of any adjoining or diagonal spacing unit producing from the same pool(s) as the proposed well;

(ii) in the absence of an operator, all lessees of record of any diagonal or adjoining lease owning interests in the same pool(s) as the proposed well; and

(iii) in the absence of an operator or lessee, all owners of record of unleased mineral interests in the same pool(s) as the proposed well. [2-9-66...2-1-96]

(4) The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) above by certified or registered mail-return receipt in accordance with Rule 1207(A) (5) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application. [2-9-66...2-1-96]

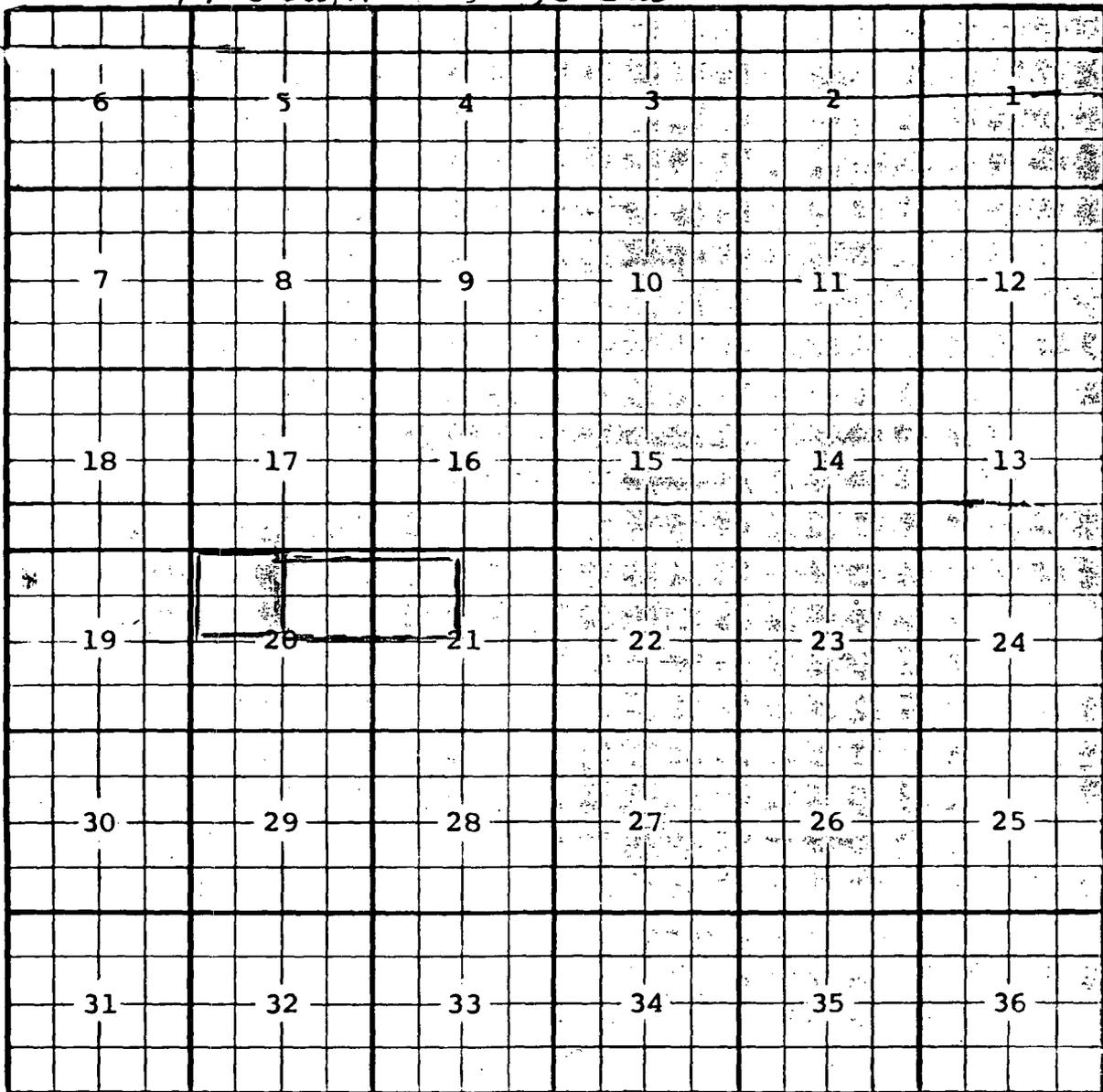
(5) The Division Director may set any application for administrative approval of an unorthodox location for public hearing, and may require that a directional survey be run in the unorthodox well to establish the actual location of the producing interval(s). [1-1-82...2-1-96]

104.G. Whenever an exception is granted, the Division may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location. [1-1-50...2-1-96]

104.H. If the drilling tract is within an allocated oil pool or is

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)

Handwritten notes and a series of horizontal lines for additional information.