



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87605
(505) 827-7131

July 28, 1998

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: Matt J. Brewer

AMENDED
Administrative Order NSL-4057

Dear Mr. Brewer:

Reference is made to the following: (i) your application dated July 27, 1998; (ii) your telephone conversation on Monday, July 27, 1998 with Mr. Michael E. Stogner, an Engineer for the New Mexico Oil Conservation Division; and, (iii) the records of the Division in Santa Fe including the file on Administrative Order NSL-4057: all concerning Mack Energy Corporation's request to amend NSL-4057 in order to reflect a location change for the proposed Gold Star Federal Well No. 3.

Division Order NSL-4057, dated June 16, 1998, authorized Mack Energy Corporation to drill the Gold Star Federal Well No. 3 at an unorthodox oil well location within the Undesignated East Empire-Yeso Pool 330 feet from the North line and 2410 feet from the East line (Unit B) of Section 30, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. The NW/4 NE/4 of Section 30 is to be dedicated to the well in order to form a standard 40-acre oil spacing and proration unit for this pool.

It is our understanding that a move of 100 feet to the south is at the request of the U. S. Bureau of Land Management in order to avoid an area susceptible to surface drainage.

By the authority granted me under the provisions of Division General Rule 104.F(2), Division Administrative Order NSL-4057 is hereby amended to reflect a location change for the Gold Star Federal Well No. 3 to be drilled an unorthodox oil well location that is 430 feet from the North line and 2410 feet from the East line (Unit B) of Section 30. All other provisions of Order NSL-4057 shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrottenbery" followed by the initials "LW/MES".

Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-4057