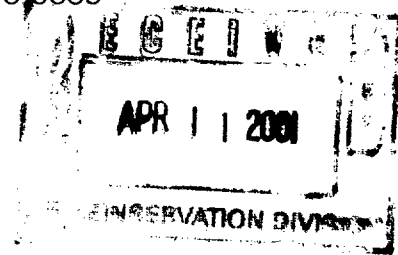


MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

April 6, 2001



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 pursuant to Order R-7808 of the New Mexico Oil Conservation Division.

The well location and legal description is as follows:

*McIntyre B #9
1650 FSL & 1100 FWL
Sec. 20-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 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 to close to the McIntyre B #3. We could not move the location north or west to avoid a buried gas line and existing power lines (Exhibit C).*

Oil Conservation Division

April 6, 2001

Page 2

This well is on 10 acre spacing in the Loco Hills Paddock Pool.

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.

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

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in black ink, appearing to read "Crissa D. Carter". The signature is fluid and cursive, with the first name "Crissa" being more prominent.

*Crissa D. Carter
Production Analyst*

CDC/jws

Enclosures

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 96718	Pool Name Loco Hills Paddock
Property Code 018385	Property Name Mc INTYRE B	Well Number 9
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3627'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	17-S	30-E		1650	SOUTH	1100	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 10	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

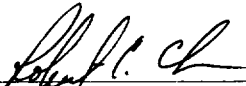
	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. <i>Crissa D. Carter</i> Signature Crissa D. Carter Printed Name Production Analyst Title 4/6/2001 Date SURVEYOR CERTIFICATION I hereby certify that the well location 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. MARCH 26, 2001 Date Surveyed Signature & Seal of Professional Surveyor <i>Ronald J. Eidson</i> 3/29/01 01-11-0359 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641
--	--

SIGNATURE PAGE

The undersigned approves of Mack Energy Corporation's request to drill the following unorthodox Location. This well encroaches the NE/4 SW/4, SE/4 SW/4 Sec 20 T17S R30E.

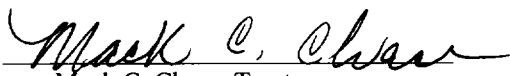
McIntyre B #9
1650 FSL 1100 FWL
Sec 20 T17S R30E

CHASE OIL CORPORATION

By: 
Robert C. Chase, President

Date: 4/9/01

MACK C. AND MARILYN Y. CHASE
TRUST, U/T/A DATED 11/21/83

By: 
Mack C. Chase, Trustee

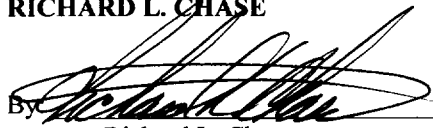
Date: 4/9/01

ROBERT C. CHASE

By: 
Robert C. Chase

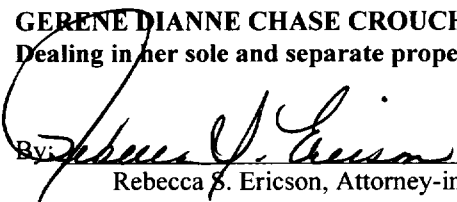
Date: 4/9/01

RICHARD L. CHASE

By: 
Richard L. Chase

Date: 4/9/01

GERENE DIANNE CHASE CROUCH
Dealing in her sole and separate property

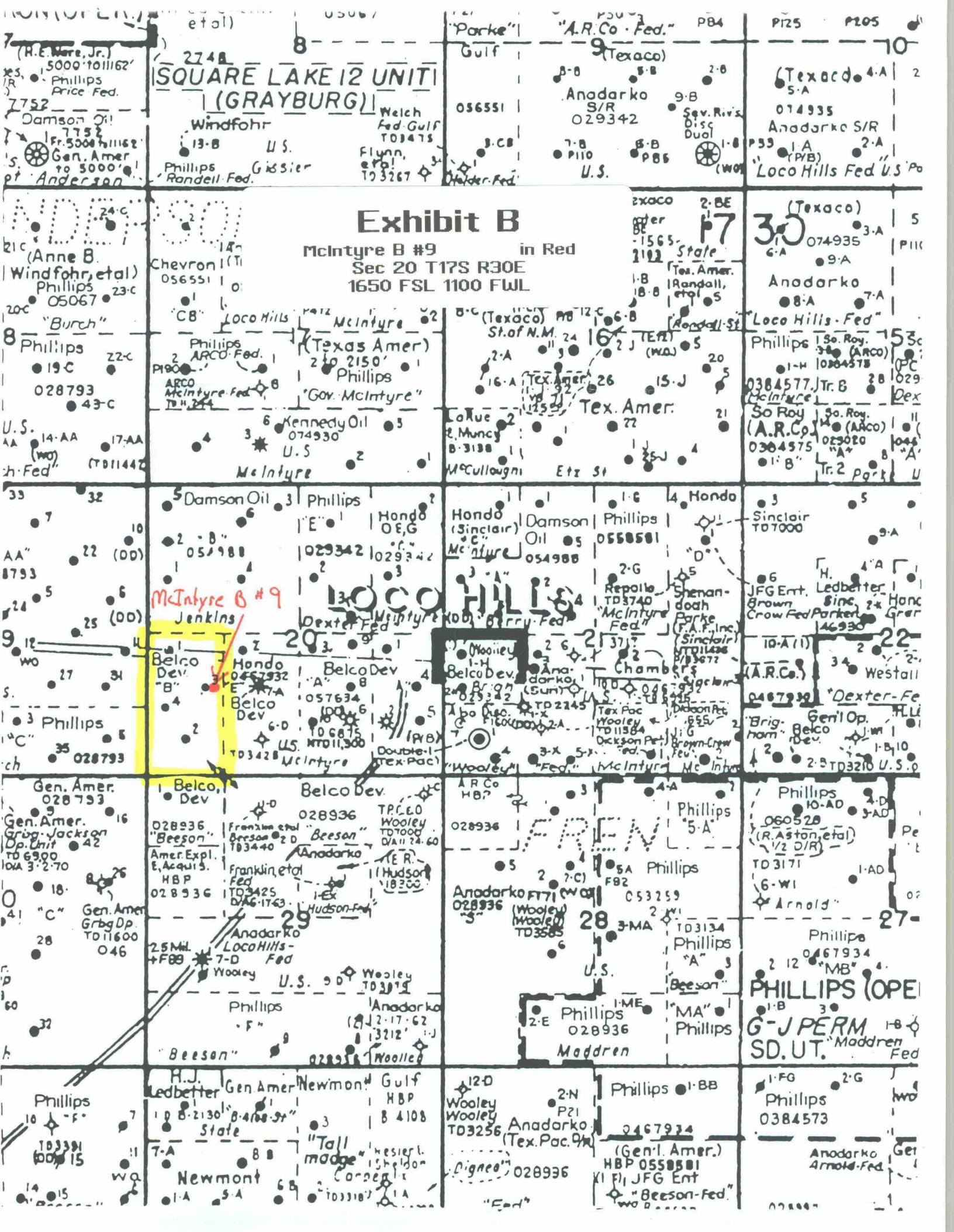
By: 
Rebecca S. Ericson, Attorney-in-Fact

Date: 4/9/01

MARK T. BREWER

By: 
Mark T. Brewer

Date: 4/9/01



**SQUARE LAKE 12 UNIT
(GRAYBURG)**

Exhibit B

McIntyre B #9 in Red
Sec 20 T17S R30E
1650 FSL 1100 FWL

Chevron
056551

Loco Hills

McIntyre

(Texaco)

(Texaco)

(Texaco)

Phillips

(Texas Amer)

(Texaco)

(Texaco)

(Texaco)

Phillips

Phillips

Tex. Amer.

Tex. Amer.

Phillips

U.S.

U.S.

U.S.

U.S.

U.S.

McIntyre

McIntyre

McIntyre

McIntyre

McIntyre

Damson Oil

Phillips

Hondo

Hondo

Hondo

Phillips

Phillips

Phillips

Phillips

Phillips

McIntyre B #9

McIntyre B #9

McIntyre B #9

McIntyre B #9

McIntyre B #9

Jenkins

Jenkins

Jenkins

Jenkins

Jenkins

Belco Dev.

Belco Dev.

Belco Dev.

Belco Dev.

Belco Dev.

Belco Dev.

Belco Dev.

Belco Dev.

Belco Dev.

Belco Dev.

Phillips

Phillips

Phillips

Phillips

Phillips

Gen. Amer.

Gen. Amer.

Gen. Amer.

Gen. Amer.

Gen. Amer.

Grbg. Jackson

Grbg. Jackson

Grbg. Jackson

Grbg. Jackson

Grbg. Jackson

Beeson

Beeson

Beeson

Beeson

Beeson

Franklin, et al

Franklin, et al

Franklin, et al

Franklin, et al

Franklin, et al

Anadarko

Anadarko

Anadarko

Anadarko

Anadarko

Loco Hills

Loco Hills

Loco Hills

Loco Hills

Loco Hills

Woolley

Woolley

Woolley

Woolley

Woolley

Phillips

Phillips

Phillips

Phillips

Phillips

Beeson

Beeson

Beeson

Beeson

Beeson

H.J. Ledbetter

H.J. Ledbetter

H.J. Ledbetter

H.J. Ledbetter

H.J. Ledbetter

Gen. Amer.

Gen. Amer.

Gen. Amer.

Gen. Amer.

Gen. Amer.

Newmont

Newmont

Newmont

Newmont

Newmont

Phillips

Phillips

Phillips

Phillips

Phillips

CMD :	ONGARD	04/27/01 14:00:34
OG6IWC	INQUIRE WELL COMPLETIONS	OGOMES -TQA3

API Well No : 30 15 29389 Eff Date : 02-09-1998 WC Status : A
Pool Idn : 96718 LOCO HILLS; PADDOCK
OGRID Idn : 13837 MACK ENERGY CORP
Prop Idn : 18385 MCINTYRE B

Well No : 005
GL Elevation: 3623

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn : 21 20 17S 30E FTG 2183 F S FTG 990 F W							P
Lot Identifier:							
Dedicated Acre: 40.02							
Lease Type : F							
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 04/27/01 14:00:07
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQA3

API Well No : 30 15 29756 Eff Date : 06-27-1998 WC Status : A
Pool Idn : 96718 LOCO HILLS; PADDOCK
OGRID Idn : 13837 MACK ENERGY CORP
Prop Idn : 18385 MCINTYRE B

Well No : 006
GL Elevation: 3619

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 19	20	17S	30E	FTG 1650 F S	FTG 330 F W	P

Lot Identifier:

Dedicated Acre: 40.02

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 04/27/01 13:59:46
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQA3

API Well No : 30 15 4218 Eff Date : 07-16-1998 WC Status : A
Pool Idn : 96718 LOCO HILLS; PADDOCK
OGRID Idn : 13837 MACK ENERGY CORP
Prop Idn : 18385 MCINTYRE B

Well No : 001
GL Elevation: 3627

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: 19	20	17S	30E	FTG 2310 F S	FTG 330 F W	P
Lot Identifier:							
Dedicated Acre:	40.02						
Lease Type	: F						
Type of consolidation	(Comm, Unit, Forced Pooling - C/U/F/O) :						

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

04/27/01 13:59:00
OGOMES -TQA3
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 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 A A A

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

CMD :
OG5SECTONGARD
INQUIRE LAND BY SECTION04/27/01 13:59:04
OGOMES -TQA3
PAGE NO: 2

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

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

PF01 HELP
PF07 BKWDPF02
PF08 FWDPF03 EXIT
PF09 PRINTPF04 GoTo
PF10 SDIVPF05
PF11PF06
PF12

County EddyPool Loco Hills-Paddock

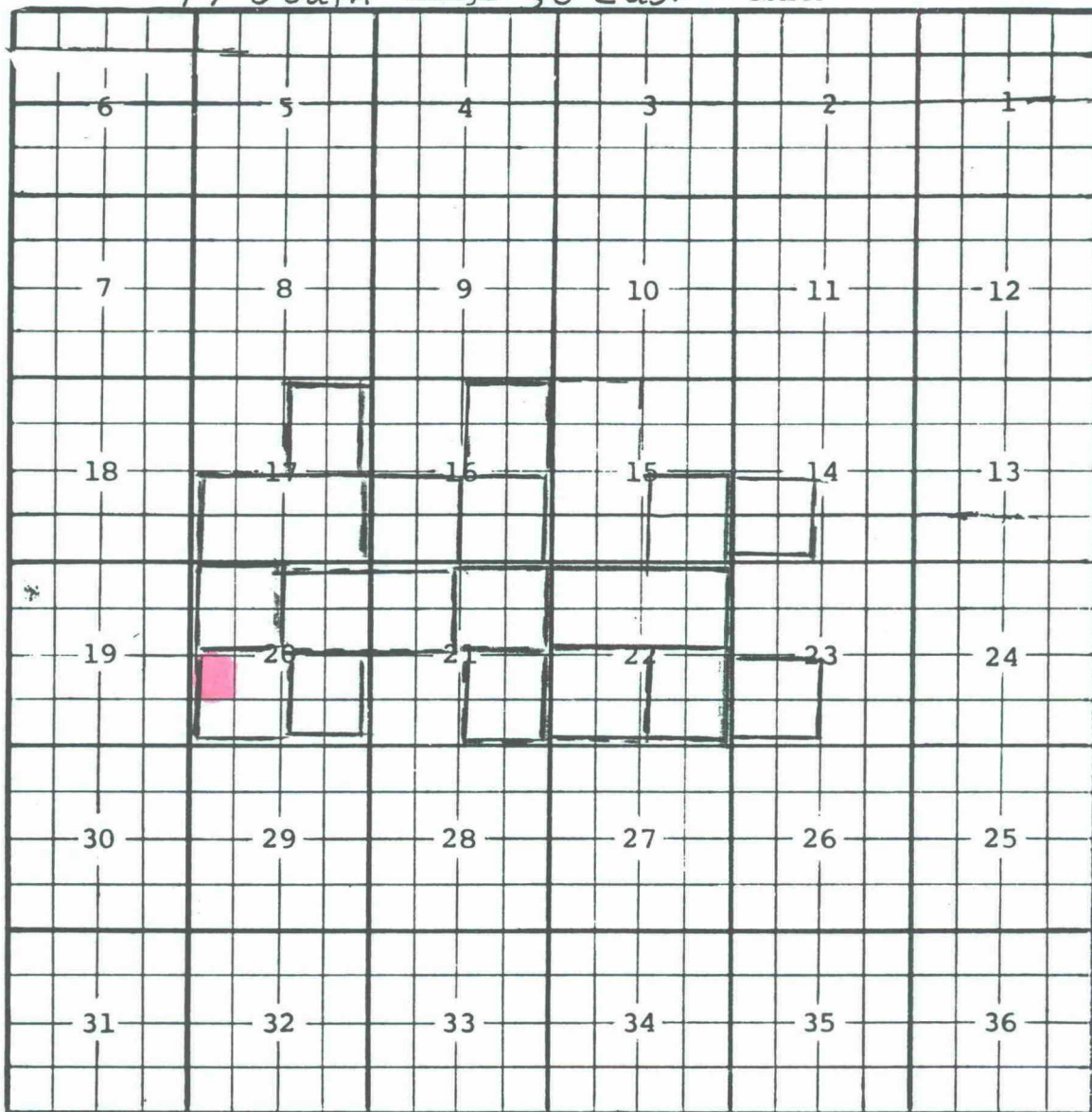
TOWNSHIP

17 South

Range

30 East

NMPM

Description: NW 1/4 Sec. 20 (R-10822, 6-17-97)Ext: NE 1/4 Sec. 20, NW 1/4 Sec. 21 (R-10951, 2-4-98)Ext: S 1/2 Sec. 17, SE 1/4 Sec. 20, NE 1/4 Sec. 21 (R-11003, 2-24-98)Ext: SW 1/4 Sec. 20 (R-11067, 10-20-98) Ext: N 1/2 Sec. 22 (R-11097, 12-10-98)Ext: NE 1/4 Sec. 17, SE 1/4 Sec. 22 (R-11120, 1-21-99) Ext: SE 1/4 Sec. 21 (R-11220, 7-1-Ext: SE 1/4 Sec. 21 (R-11220, 7-12-99) Ext: SW 1/4 Sec. 22, SW 1/4 Sec. 23 (R-11244, 9-15-99)Ext: SE 1/4 Sec. 15, NW 1/4 Sec. 16 (R-11277, 11-15-99)Ext: SW 1/4 Sec. 14, SE 1/4 Sec. 16 (R-11384, 5-25-00) Ext: NE 1/4 Sec. 16 (R-11544, 8-13-01)