

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

March 5, 2003

30-015-10391

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

ccarter@pvtnetworks.net

Telefax No. (505) 748-9539

Administrative Order NSL-4849

Dear Ms. Carter:

Reference is made to the following: (i) your application dated February 7, 2003 (application reference No. pKRV0-304156504); (ii) Mr. Jerry Sherrell's voice mail message for Mr. Michael E. Stogner, Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe on Tuesday, March 4, 2003; (iii) Mr. Sherrell's two telephone conversations with Mr. Stogner on Wednesday, March 5, 2003; (iv) Mr. Sherrell's telefax of March 5, 2003; and (v) the Division's records in Artesia and Santa Fe: all concerning Mack Energy Corporation's ("Mack") request for an unorthodox Morrow gas well location for the plugged and abandoned Good Hope Unit Well No. 1, to be redesignated the Slammin Sam State Well No. 2, located 460 feet from the South line and 810 feet from the East line (Unit P) of Section 9, Township 19 South, Range 23 East, NMPM, Eddy County, New Mexico.

H. N. Sweeney of Roswell, New Mexico originally drilled the Good Hope Unit Well No. 1 to a total depth of 8,122 in February/March, 1964. In April, 1964 this well was plugged and abandoned and converted to a water well.

It is our understanding that Mack now intends to reenter this well in order to test the Undesignated Hoag Tank-Morrow Gas Pool (78560) within a standard 320-acre lay-down gas spacing unit comprising the S/2 of Section 9.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described

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unorthodox Morrow gas well location for the Slammin Sam State Well No. 2 is hereby approved.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

New Mexico State Land Office - Santa Fe

Jerry Sherrell – Mack Energy Corporation, Artesia (jerrys@mackenergycorp.com)