

MACK ENERGY CORPORATION

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

August 1, 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:

*Charles S. Alves #5
1720 FNL & 1720 FEL
Sec. 7-T19S-R35E
Lea County, New Mexico*

The well will be completed in the Bone Springs formation in the Scharb Bone Springs Pool.

Attached to this application are the following exhibits.

- A.) Well location and acreage dedication plat (form C-102) filed with the Hobbs 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 had to be moved 380' Northeast to avoid a radioactive source cemented in the JFG 7 FEE #1. We did not move the location to SE/4 NW/4 Sec. 7-T19S-R35E do to possibly drilling Charles S. Alves #6(Exhibit C).*

D.) *A Waiver from Primero Operating, Inc. agreeing to the unorthodox Location.*

Oil Conservation Division

August 1, 2001

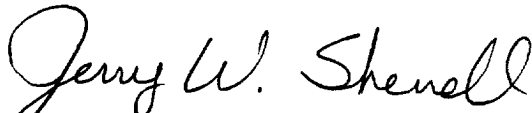
Page 2

Please note that Primero Operating, Inc. is the operator of the offsetting proration units in which we are encroaching upon in the Bone Springs formation of the Scharb Bone Springs 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 that reads "Jerry W. Sherrell". The signature is written in a cursive, flowing style.

*Jerry W. Sherrell
Production Clerk*

JWS/

Enclosures

C. Wilder-
spin
1-9-82
altura
wilberga
Tivis, et al

Devon Eric HBP
W.C. Eiland et al, 1/4
Pro. Lavina Jackson
B A Carlin, et al, (S)

People
Sta

Big 6" 2 Atlantic Ener.
Jackson

Devon
Ener. Burk Roy
Jackson
1926
W.C. Eiland

O'Neill Hendo Oe.G. Maynard
 Prop. (Big 6 Oil
 Dria) Gneill Prop
 Jackson

Big 6 - O'Neill Prop. Humble)
to 11022 (Hankins) SoHo
Jackson Jackson 1010235 Smirn
A - 2 Smith
Ora L. Jackson Best Lacy et al
F.P. Smith et al

Maynard Oil
275 N. Ray
Schorb
Mary Jerr Ho

Read Hogger
Drg S/R
E1, E1S, M1
E1KOH
Snyder Ren
Snyder Ren, LTD, M

Devon Ener
H13P

PG&E Gas 8 25 80 4 17-79 H5 Record Sander Bob 14 Metal	Texas E 7418 HBP Slate Sander Bob 14 Metal
---	--

Superior Mescalero Ridge Mobil
TD 11:00 HBP
"Mescalero" West Oil

MOBIL 6 21-81 Southwest Roy
Superior
Mobil-Mescalero Rd
T011097
R Lowe
Gulf-
Roberts
T05353
1/2 3 5

Hodge TDI 3420 DIA-B-5 80 Mescolero Hodge Snider	Effie Carter Mescolero P21 (wo) Rch 11 (S)	J.C. Eastly  1-27-2003 S.H.	J.C. Eastly 2-1-2003 J.L. Hooper S.H.
---	--	--	---

East
1-16-2003

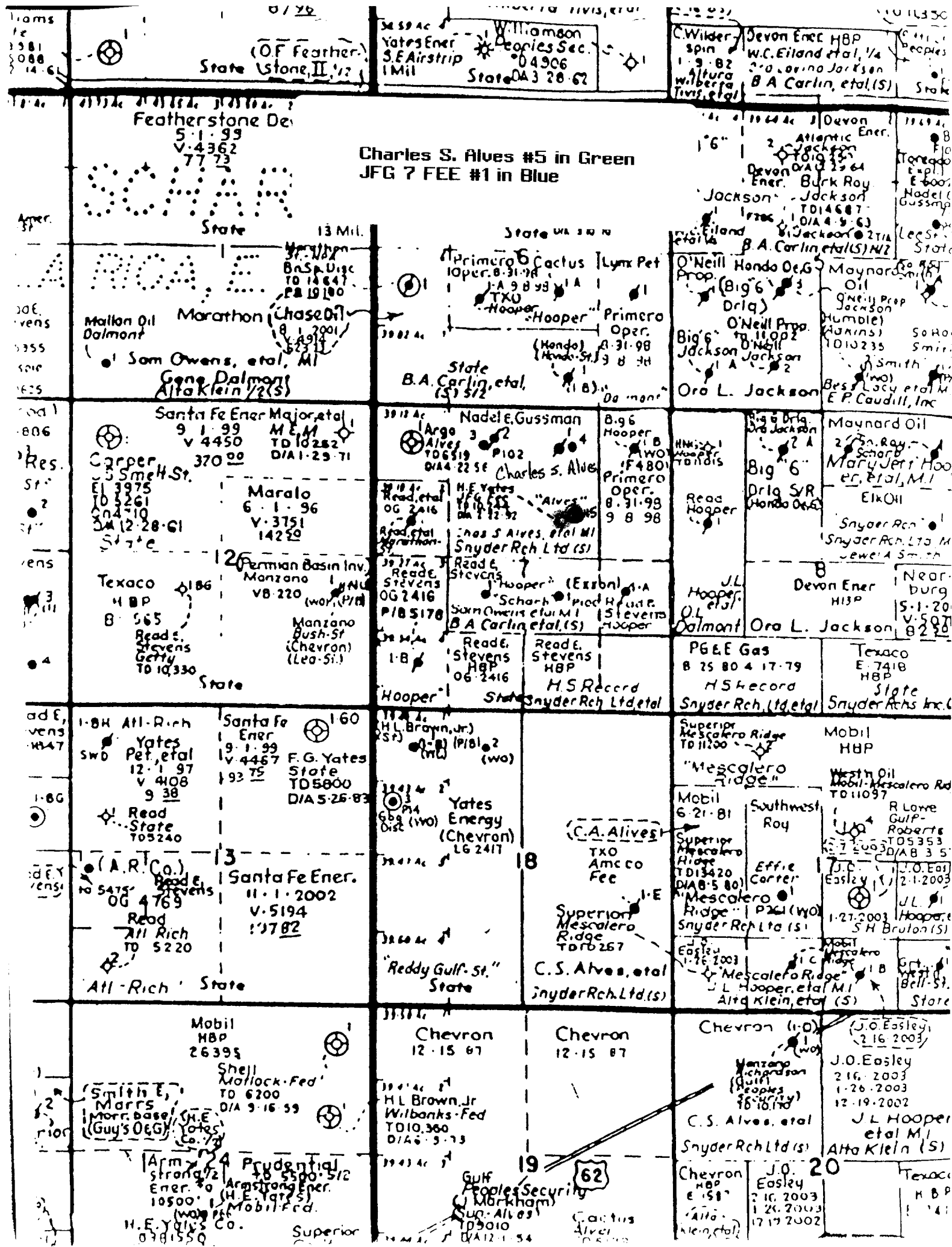
Mescalero Ridge
L Hooper, et al MI
Ald Klein, et al (S)

Bell-St
Star

Chevron (1-0) J.O. Easley
2-16-2003
Way
Wenzel
Richardson
J.O. Easley
2-16-2003

(Quinn) Hoopes Security) 10.10.17	1-26-2003 12-19-2002
C.S. Alves, etal Snyder Rech Ltd (s)	J.L Hoopes etal M1 Att Klein (S)

Chevron HBP E 151 Alto N. 1000	J.O. 20 Easley 2 16, 2003 1 26, 2003 17 17 2002	Texas HBP E 151
--	---	-----------------------



MACK ENERGY CORPORATION

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

July 27, 2001

Primero Operating, Inc.
P.O. Box 1433
Roswell, NM 88202-1433

Dear Mr. Grooms:

Mack Energy Corporation is requesting a waiver to produce the Charles S. Alves #5 (1720 FNL & 1720 FEL Sec. 6-T19S-R35E) well in the Scharb Bone Springs Pool. The rules for this pool state that the wellbore has to be drilled within 200 ft from the center of the Quarter/Quarter.

Mack Energy Corporation drilled the Charles S. Alves #5 at an unorthodox location due to the JFG 7 FEE #1 (1980 FNL & 1980 FEL Sec. 7-T19S-R35E) well has a radioactive source cemented in the existing borehole. Drilling too close to the JFG 7 FEE #1 well could have resulted in drilling the radioactive source.

If you concur with this waiver, please so indicate by signing in the space provided below. If you have any questions, please do not hesitate to contact us.

Sincerely,



Matt J. Brewer
Geologist

MB/
Enclosures

Agreed to and accepted this 30th day of July 2001.

Primero Operating, Inc.

By: 
Title: Vice-President

