



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

August 26, 2002

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

Telefax No. (505) 746-2362

Administrative Order NSP-1860

Dear Ms. Carter:

Reference is made to the following: (i) your application dated August 14, 2002 (*application reference No. pKRV0-223248749*), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on August 19, 2002; and (ii) the Division's records in Santa Fe: all concerning Mack Energy Corporation's ("Mack Energy") request for a non-standard 27.71-acre oil spacing and proration unit consisting of the following acreage in the Empire-Yeso Pool (96210):

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Irregular Section 30: Lot 1 (NW 1/4 NW 1/4 equivalent).

It is our understanding that this unit is to be dedicated to Mack Energy Corporation's proposed Continental "A" State Well No. 10, to be drilled at a standard oil well location 990 feet from the North line and 330 feet from the West line of irregular Section 30.

This application has been duly filed under the provisions of Division Rule 104.D (2), 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.D (2) (b), the above-described 27.71-acre non-standard oil spacing and proration unit is hereby approved. Further, in accordance with Division Rule 104.G (1) Mack Energy Corporation is permitted to produce the allowable assigned this 27.71-acre unit (0.693 acreage factor) from this well.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe