OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

June 14, 1999

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

Telefax No. (505) 746-2362

Administrative Order NSL-4314

Dear Mr. Brewer:

Reference is made to your application dated June 10, 1999 for an unorthodox gas well location within the Ellenburger formation for Mack Energy Corporation's proposed MC Federal Well No. 1 to be drilled 2275 feet from the North line and 1268 feet from the West line (Unit E) of Section 22, Township 17 South, Range 32 East, NMPM, Eddy County, New Mexico. The W/2 of Section 22 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit.

The application has been duly filed under the provisions of Rule 104.F of the Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery

Director

LW/MWA/kv

cc: New Mexico Oil Conservation Division - Artesia

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U. S. Bureau of Land Management - Carlsbad