



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

ADMINISTRATIVE ORDER OLS-183

Mack Energy Corporation
P.O. Box 960
Artesia, New Mexico 88211-0960

Attention: Mr. Matt J. Brewer

As an exception to the requirements of Rule 309-A of the Division Rules and Regulations, and pursuant to the provisions of Rule 309-C, the above named company is hereby authorized off-lease storage for Loco Hills-Paddock (96718) Pool production from the following lease:

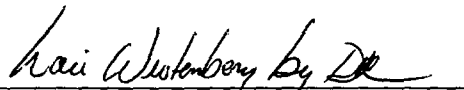
Lease: Sinclair Parke Federal (NM-046730) Well Nos. 2 and 3
Description: SE/4 NW/4 of Section 22, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

The aforementioned production is to be transported prior to measurement and storage at the Dexter Federal Well No. 6 (State of New Mexico Lease LC-0290206) off lease storage facility located in Unit Letter 'J' of Section 22, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-A and 309-B of the Division Rules and Regulations and there shall be no intercommunication of the handling, separating, treating or storage facilities designated to the above lease.

FURTHER: The operator shall notify the Artesia district office of the Division prior to implementation of the commingling process.

DONE at Santa Fe, New Mexico, on this 17th day of September, 1998.


LORI WROTENBERY,
Division Director

LW/MWA/kv

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Carlsbad
State Land Office - Oil & Gas Division