

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor BETTY RIVERA Cabinet Secretary

May 16, 2002

Lori Wrotenbery Director Oil Conservation Division

Telefax No. (505) 746-9539

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

Administrative Order NSL-4733

Dear Ms. Carter:

Reference is made to the following: (i) your application (application reference No. pKRV0-213540180) that was submitted to the New Mexico Oil Conservation Division ("Division") on May 5, 2002; (ii) Mr. Jerry W. Sherrell's telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer with the Division on Wednesday, May 1, 2002; and (iii) the Division's records in Santa Fe: all concerning Mack Energy Corporation's request for an unorthodox Paddock oil well location for the proposed G. C. Federal Well No. 2 to be drilled 2095 feet from the South line and 1650 feet from the West line (Unit K) of Section 19, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. The NE/4 SW/4 of Section 19 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Maljamar-Paddock Pool (44500).

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 unorthodox oil well location is hereby approved.

Sincerely 7

Lori Wrotenbery Director

cc: New Mexico Oil Conservation Division - Hobbs U. S. Bureau of Land Management - Carlsbad