

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Betty Rivera Cabinet Secretary Lori Wrotenbery Director Oil Conservation Division

November 5, 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

Amended Administrative Order NSL-4775-A (SD)

Dear Ms. Carter:

The existing administrative order NSL-4775 (SD) is hereby amended and is read as follows.

Reference is made to the following: (i) your original application received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on August 19, 2002; (ii) the Division's records in Santa Fe; and (iii) your latest application received by the Division October 10, 2002 (*application reference No. pKRV0-228352831*): all concerning Mack Energy Corporation's ("Mack Energy") request for an unorthodox infill oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 (Unit F) of Section 20, Township 17 South, Range 30 East, NMPM, Loco Hills-Paddock Pool (96718), Eddy County, New Mexico.

It is our understanding the location has been moved from the originally requested 1650' FNL & 2370' FWL to the currently requested 1500' FNL & 2310' FWL due to U. S. Bureau of Land Management (BLM) surface restrictions stated AFTER Mack Energy had filed the application. The resulting new location is now orthodox in the East/West direction but unorthodox to the North. The affected parties (to the North) consist only of Mack Energy Corporation, and Mr. Matt Brewer has stated that the offset spacing unit to the North (NE/4 NW/4) has identical ownership as this (SE/4 NW/4) spacing unit.

This 40-acre unit is currently dedicated to the following described Mack Energy operated wells:

(i) Jenkins "B" Federal Well No. 4 (API No. 30-015-04231), located at a standard oil well location 1650 feet from the North and West lines of Section 20;

- Jenkins "B" Federal Well No. 8 (API No. 30-015-29388), (ii) located at a standard oil well location 2310 feet from the North line and 1650 feet from the West line of Section 20; and
- Jenkins "B" Federal Well No. 12 (API No. 30-015-31559), (iii) located at a standard oil well location 2310 feet from the North and West lines of Section 20.

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 following described well to be drilled at an unorthodox infill oil well location within the subject unit is hereby approved:

Jenkins "B" Federal Well No. 15 1500' FNL & 2310' FWL

Further, the three existing Jenkins "B" Federal Wells No. 4, 8, and 12 and the proposed Jenkins "B" Federal Well No. 15 are to be simultaneously dedicated to the subject 40-acre oil spacing and proration unit.

Sincerely,

Join Whotenberg

Director

LW/wvjj

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