MHCK ENERGY CORPORATION

Post Office Box 960 Artesia, New Mexico 88211-0960 (505) 748-1288 / FAX (505) 746-2362

July 8,1999

Oil Conservation Division Attn: Ben Stone 2040 South Pacheco Santa Fe, NM 87505

Re: Brigham H LC-029342-H Sec. 21-T17S-R30E Eddy County, New Mexico

Dear Mr. Stone:

Mack Energy Corporation, as operator of the aforementioned lease, respectfully requests an administrative approval for off lease storage (OLS) and measurement (OLM) for economic, environmental, and safety reasons.

It is requested that off lease storage and measurement of the Loco Hills Paddock Pool production be approved for the Brigham H lease (State of NM Lease LC-029342-H) located in the NW/4 SW/4 of Section 21-T17S-R30E. The storage facility will be located in the NE/4 NW/4 of Section 21-T17S-R30E at the Berry A Federal (State of NM Lease LC-054988-A) Well #7 (330 FNL & 2110 FWL). The two leases will not be commingled.

Mack Energy has made notification to all parties owning any interest in the Brigham H lease. Attached, as part of this application is a copy of the sundry notice to the BLM, lease map, topographic map, and a site facility diagram of the Storage Facility.

Mack Energy Corporation is respectfully requesting administrative approval of this application for Off Lease Storage and Measurement. Should you require any additional information concerning this application, please call Matt J. Brewer at the above number. Thank you for your consideration of this request.

Sincerely,

Crissa D. Carter Production Analyst

Enclosures

