



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

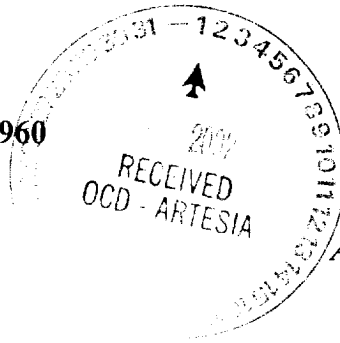
GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 28, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: Jerry W. Sherrell

Telefax No. (505) 746-2362



Administrative Order NSL-4015-A (SD)

Dear Mr. Sherrell:

Reference is made to the following: (i) your application dated October 29, 2001 (*application reference No. pKRV0-130946637*); (ii) the New Mexico Oil Conservation Division's ("Division") initial response by letter dated December 3, 2001 from Mr. Michael E. Stogner, Engineer in Santa Fe; (iii) your response by letter dated December 12, 2001 with the required data to complete this application; and (iv) the Division's records in Santa Fe: all concerning Mack Energy Corporation's ("Mack") request for an unorthodox infill oil well location within an existing standard 40-acre oil spacing and proration unit comprising the NE/4 SW/4 (Unit K) of Section 21, Township 17 South, Range 30 East, NMPM, Undesignated Loco Hills-Paddock Pool (96718), Eddy County, New Mexico.

This 40-acre unit is currently simultaneously dedicated to Mack's: (i) Woolley Federal Well No. 5 (API No. 30-015-30502) located at an unorthodox oil well location (approved by Division Administrative Order NSL-4015, dated April 22, 1998) 1550 feet from the South line and 2310 feet from the West line of Section 21; (ii) Woolley Federal Well No. 6 (API No. 30-015-31256) located on the surface 1564 feet from the South line and 1838 feet from the West line of Section 21 and directionally drilled to a subsurface oil well location within this 40-acre unit 2321 feet from the South and West lines of Section 21; and (iii) Woolley Federal Well No. 7 (API No. 30-015-31258) located on the surface 1564 feet from the South line and 1788 feet from the West line of Section 21 and directionally drilled to a standard subsurface oil well location within this 40-acre unit 2292 feet from the South line and 1768 feet from the West line of Section 21.

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 NE/4 SW/4 of Section 21 is hereby approved: