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

February 14, 2000

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: Matt Brewer

Telefax No. (505) 746-2362

Administrative Order NSL-4406

Dear Mr. Brewer:

Reference is made to your application dated January 24, 2000 for an unorthodox oil well location within the Yeso formation for Mack Energy Corporation's proposed Navaho Federal Well No. 2 (API No. 30-015-30839) to be drilled 1550 feet from the South line and 1500 feet from the East line (Unit J) of Section 30, Township 17 South, Range 29 East, NMPM, Undesignated Empire-Yeso Pool, Eddy County, New Mexico. The NW/4 SE/4 of Section 30 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit.

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,

Lori Wrotenbery Ly De

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia

U. S. Bureau of Land Management - Carlsbad