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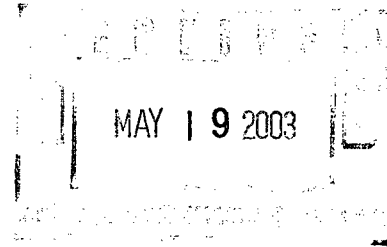
NSL

NA

MS

P.O. Box 960  
Artesia, NM 88211-0960  
Office (505) 748-1288  
Fax (505) 746-9539

May 15, 2003



Oil Conservation Division  
Attn: Mike Stogner  
2040 South Pacheco  
Santa Fe, NM 87505

Dear Mr. Stogner:

*Mack Energy Corporation respectfully requests an administrative approval without notice and hearing of the following unorthodox well location.*

*Because of our desire to drill this well in a timely manner, we also request your approval be expedited. The well location and legal description is as follows:*

*Aoudad State #8  
330 FNL & 1040 FEL  
Sec. 36, T17S, R31E  
Eddy County, New Mexico*

*The well will be completed in the San Andres formation in the Maljamar-Grayburg-San Andres Pool.*

*Attached to this application are the following exhibits.*

- A.) Well location and acreage dedication plat (form C-102) filed with the Artesia office of the Oil Conservation Division (Exhibit A).*
- B.) A map showing the proposed unorthodox locations, the respective proration units, and the offsetting proration units (Exhibit B).*
- C.) A map showing the reason for the unorthodox location, the original location would have fallen on top of or too close to existing gas pipeline, the map will also show that there is 1 producing well, 2 wells staked and 1 other possible location for effective 10-acre spacing on this particular 40-acre tract (Exhibit C).*

*Oil Conservation Division*

*May 15, 2003*

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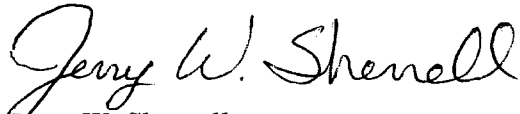
*Moving the location 50' to the west will give the distance needed to build a location away from the gas pipeline. This proposed well is encroaching on the NW/4 of the NE/4 of Sec. 36 T17S R31E, which is also part of this lease. The location would have to be moved approximately 300' east to get away from the pipeline to make it orthodox. This would place the well approximately 360' from the producing well to the east. There are no other possible orthodox locations for this well due to future locations being located on 10-acre spacing.*

*Also, please note that the Mack Energy group has 100% of the working interest on this lease.*

*Thank you for your assistance in this matter. If you have any questions, please feel free to call.*

*Sincerely,*

*MACK ENERGY CORPORATION*

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

*Jerry W. Sherrell  
Production Clerk*

*JWS/*

*Enclosures*

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-102

Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Name MALJAMAR;GRAYBURG-SAN ANDRES	Pool Code 43329
Property Code 30039	Property Name AOUDAD STATE	Well No. 008
OGRID No. 13837	Operator Name Mack Energy Corporation	Elevation 3841

**Surface And Bottom Hole Location**

UL or Lot A	Section 36	Township 17S	Range 31E	Lot Idn	Feet From 330	N/S Line N	Feet From 1040	E/W Line E	County Eddy
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

			■

**OPERATOR CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

Electronically Signed By: Jerry Sherrell

Title: Production Clerk

Date: 5/13/2003

**SURVEYOR CERTIFICATION**

*I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.*

Electronically Signed By: Ronald Eidson

Date of Survey: 5/6/2003

Certificate Number: 3239

(BTA)  
8809 JV-P  
Puckett  
T08400  
(D/A4-N-29) 20  
P/B4084 U.C.

32

31

29

13

11

Puckett

Acudad State #8

Santa Rita  
Phoenix G.I. 2006  
T04330 V-6428  
82917

1-B  
Quality Prod. Co  
(Continental)

2-A

B-4109

Gas Line #4

Cont'l

"Mal-jamar"

Chase Oil

HBP

6-1-2006

B-4109

V-6248

36

82917

Chase Oil  
(Maxwell)

B 3827,

Exxon

HBP

B-2613

I-M

P62

State

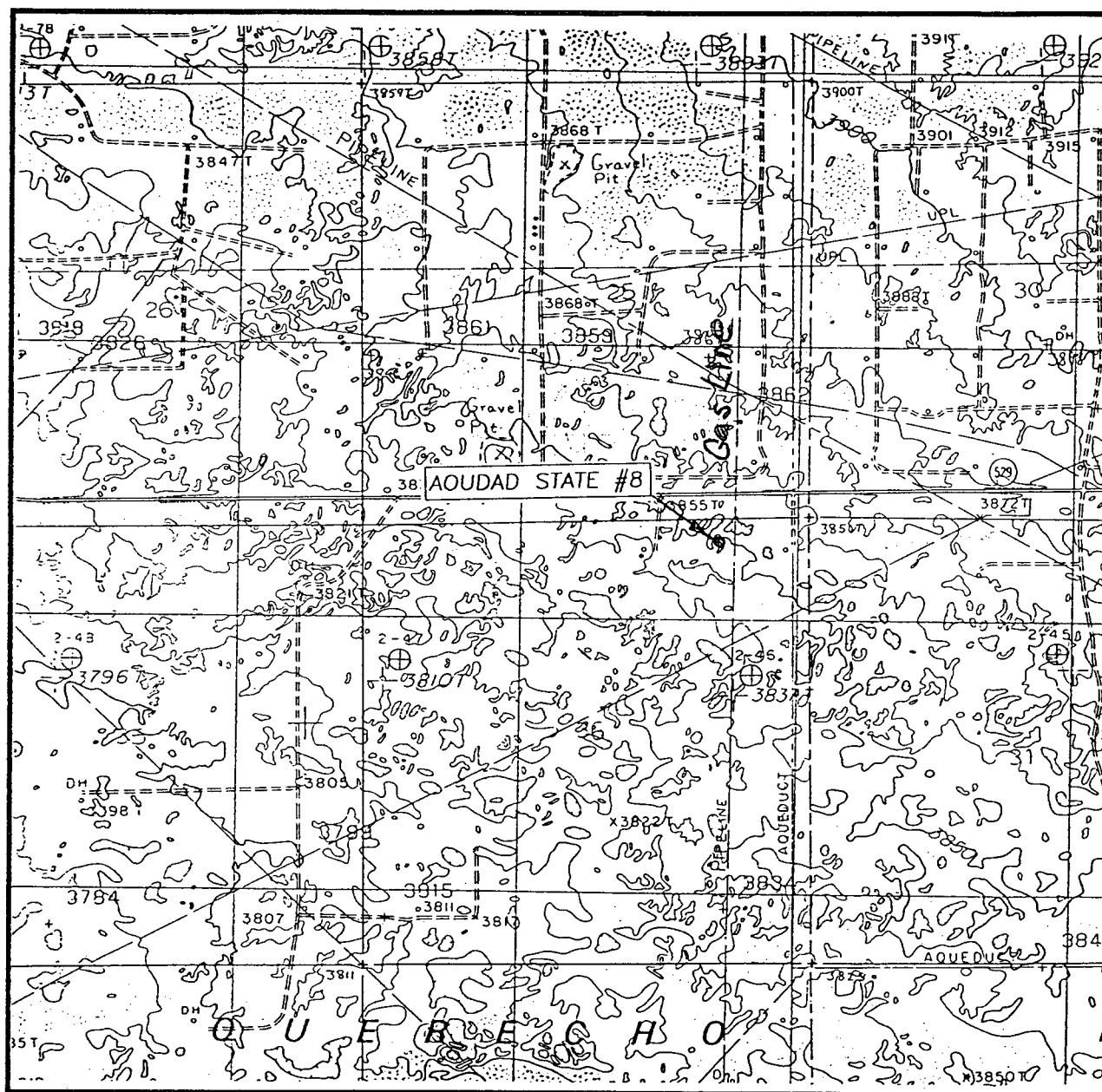
40.2 1 40.11 4 40.07 3 40.05 2 40.01

Yates Ener. et al,

Yates Ener. 1/2  
Burlington E,  
Chevron HBP

Marathon Res.

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

MALJAMAR, N.M.

SEC. 36 TWP. 17-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 330' FNL & 1040' FEL

ELEVATION 3841'

OPERATOR MACK ENERGY CORPORATION

LEASE AOUDAD STATE

U.S.G.S. TOPOGRAPHIC MAP

MALJAMAR, N.M.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117