



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

May 12, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960

Attention: Jerry Sherrell
jerrys@mackenergycorp.com

Administrative Order NSL-5160-A

Dear Mr. Sherrell:

Reference is made to the following: (i) your application filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico by telefax on May 6, 2005 (*administrative application reference No. pMES0-513156979*); (ii) the Division's initial response by e-mail on Wednesday afternoon, May 11, 2005 from Mr. Michael E. Stogner, Engineer with the Division in Santa Fe for corrected data; (iii) your same-day response to Mr. Stogner by telefax with the necessary information to complete this application; and (vi) the Division's records in Artesia and Santa Fe including the file on Division Administrative Order NSL-5160: all concerning all concerning Mack Energy Corporation's ("MOC") request to amend the current order of the Division by expanding the vertical limits.

Division Administrative Order NSL-5160, dated January 25, 2005, authorized MOC to re-enter the plugged and abandoned Southland Royalty Company ("Southland") Duffield "16" State Com. Well No. 1 (**API No. 30-015-25072**), redesignated the Oryx State Well No. 1, located 990 feet from the South line and 2180 feet from the West line (Unit N) of Section 16, Township 16 South, Range 27 East, NMPM, Eddy County, New Mexico, at an unorthodox Strawn gas well location within a proposed 320-acre standard lay-down gas spacing unit comprising the S/2 of Section 16, for either the Undesignated Duffield-Strawn Gas Pool (**96348**), the Undesignated North Duffield-Strawn Gas Pool (**96621**), or the Undesignated Southwest Diamond Mound-Strawn Gas Pool (**97254**).

Your request to include the Wolfcamp formation for gas production within the same 320-acre lay-down spacing unit has been duly filed under the provisions of Division Rules 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, and Division Rule 111.C (2).

By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox gas well location in the Undesignated Diamond Mound-Wolfcamp Gas Pool (**97243**) is hereby approved.

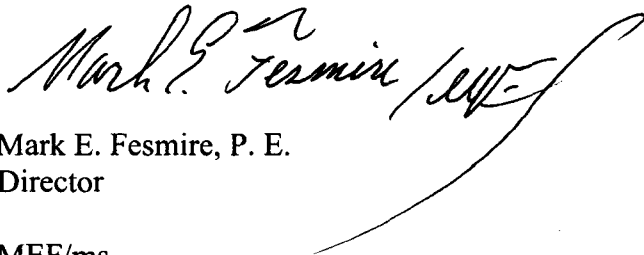
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Since the Strawn interval was determined to be unproductive within the Oryx well No. 1, Division Administrative Order NSL-5160 is hereby placed in abeyance until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, reading "Mark E. Fesmire". The signature is written in dark ink and is positioned above the printed name and title.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe
File: NSL-5160