



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

April 11, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Mack Energy Corporation

P. O. Box 960

Artesia, New Mexico 88211-0960

Attention: Jerry W. Sherrell

jerrys@mackenergycorp.com

Telefax No. (505) 746-9539

Administrative Order NSL-4856

Dear Mr. Sherrell:

Reference is made to the following: (i) your application dated April 10, 2003 (*administrative application reference No. pMES0-310145796*); (ii) your telephone conversation with Mr. Michael E. Stogner, Hearing Officer/Engineer with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on Thursday, April 10, 2003; and (iii) the Division's records in Santa Fe: all concerning Mack Energy Corporation's ("Mack") request for an exception to the provisions of Division Rule 104.C (2) (b), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, for a non-standard replacement Morrow gas well location within a former standard 320-acre stand-up gas spacing unit in the Runyan Ranch-Morrow Gas Pool (84350) comprising the W/2 of Section 8, Township 19 South, Range 23 East, NMPM, Eddy County, New Mexico.

From the Division's records the discovery well for the Runyan Ranch-Morrow Gas Pool was located within this 320-acre unit with Mesa Petroleum Company's Gardner State Well No. 1 (API No. 30-015-22706), located at a standard gas well location 1980 feet from the South and West lines (Unit K) of Section 8 (see Division Order No. R-6033, issued in Case No. 6575 and dated June 26, 1979). This well was drilled and completed in 1978 and produced from April, 1979 to November, 1983, when it was plugged and abandoned.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

Unable to re-enter this old well, redesignated by Mack as the Tiger State Well No. 2, the proposed alternate unorthodox location offers a favorable geologic position within the gas bearing Morrow sand interval without encroaching the spacing unit boundary line.

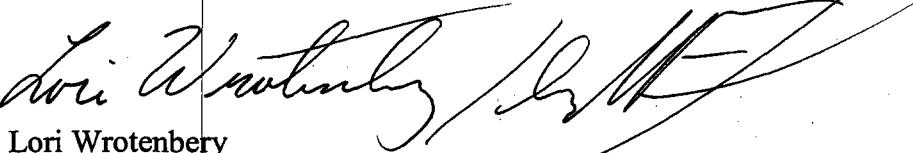
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By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled as a replacement Morrow gas well within this former 320-acre unit at an unorthodox gas well location is hereby approved:

**Tiger State Well No. 3
2310' FSL & 1780' FWL (Unit K).**

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

Sincerely,



Lori Wrotenberg
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe