

LARRY G. PHILLIPS
INDEPENDENT LANDMAN-OIL & GAS PROPERTIES
P. O. BOX 2197
MIDLAND, TEXAS 79702-2197

(915) 682-9162

October 31, 2002

Ms. Audrey Varn
Branch Bank and Trust
P. O. Box 687
Columbia, SC 29202-0687

RE: Term Assignment Proposal
NM-03428 issued 2/1/51 U.S.A. to Wilma Elliott Donahue
Section 31: Lots 3, 4 & E/2 SW/4, from surface to 5,000'
T-17-S, R-32-E, NMPM
Lea County, New Mexico

Dear Ms. Varn:

Pursuant to our telephone conversation, we are interesting in acquiring a Term Assignment in the captioned lands from the Brooks Moleen Trust. As we discussed, there are numerous questions concerning the ownership in these lands. I have attached a limited chain of title covering the leasehold ownership in the captioned lands as reflected in the records of Lea County, New Mexico. If you would, please look over the attachment and make any comments that you can from your records.

If my assumptions are correct, it appears that the Brooks Moleen Trust is the owner of an undivided 42.50% interest in the captioned lands. Please consider my offer of \$100.00 per net acre for a one-year term assignment for the delivery of a 75% net revenue lease on a mutually agreeable form of assignment. This would amount to a \$6,800.00 bonus consideration for the trust.

Please feel free to e-mail me or call me at (800) 881-8055 with your comments. Your favorable consideration and early reply will be greatly appreciated.

Sincerely,

Larry G. Phillips

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13070 Exhibit No. 1
Submitted by:
MACK ENERGY CORPORATION
Hearing Date: May 22, 2003

Ron Lanning

From: Larry G. Phillips [lgp@t3wireless.com]
Sent: Thursday, January 16, 2003 8:06 AM
To: Ron Lanning
Subject: RE: Antelope Area

Ron:

Here is the info concerning the Brooks Moleen Trust:

Ms. Audrey Varn
Branch Bank and Trust
P. O. Box 687
1901 Assembly St.
Columbia, SC 29202-0687

Phone: (803) 251-1315
E-Mail: avarn@bbandt.com

I am attaching a copy of the letter that was sent 10/31/02.

My last conversation with Ms. Varn was 12/4/02 when she indicated that her Real Estate department had advised her she could not make any trades pending the settlement of the Brooks Moleen Estate.

1/16/2003

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ms. Audrey Varn
Branch Bank and Trust
P.O. Box 687
Columbia, South Carolina 29202-0687

FED NM-03428

2. Article Number
 (Transfer from service label)

7002 0860 0006 7056 3110

PS Form 3811, August 2001

Domestic Return Receipt

102595-01-M-0381

COMPLETE THIS SECTION ON DELIVERY

A. Signature

Sarah Bennett

☐ Agent

☐ Addressee

B. Received by (Printed Name)

Sarah Bennett

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

Service Type

☒ Certified Mail ☐ Express Mail

☐ Registered Mail ☐ Return Receipt for Merchandise

☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage \$

Certified Fee

Return Receipt Fee
 (Endorsement Required)

Restricted Delivery Fee
 (Endorsement Required)

Total Postage & Fees \$

2.30
 1.75
 4.88

RETURNED FOR POSTAGE WHEN THIS NOTICE IS REMAILED TO POST OFFICE
 FEB 07 2003
 PM
 FED NM-03428

Sent To

Ms. Audrey Varn
Branch Bank and Trust
P.O. Box 687
Columbia, South Carolina 29202-0687

CAZA ENERGY LLC

Post Office Box 1767
Altoia, New Mexico 88211-1767
Office (505) 746-9858
FAX (505) 746-9859

CERTIFIED MAIL

January 27, 2003

Ms. Audrey Varn
Branch Bank and Trust
P.O. Box 687
Columbia, South Carolina 29202-0687

Re: **1335 – FED NM-03428**
Sw/4 Sec. 31, T17S, R32E
Lea County, New Mexico

Dear Ms. Varn:

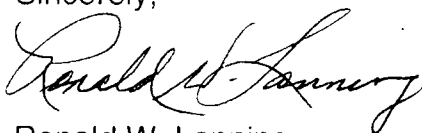
Mr. Larry G. Phillips contacted you on various occasions in the past few months on our behalf regarding your interest in the captioned oil and gas lease. As you know, we believe the Brooks Moleen Trust is the owner of a 42.5% interest in the lease as to those rights from the surface to 5,000 feet below the surface.

We are now ready to proceed with our plans to explore for oil and gas on the lease. We invite you to join with us in the drilling of our Panther Federal Well Nos. 1, 3, 5 and 6. If you desire to join, please approve one of the enclosed AFE's for each well, and retain one for your file.

If you do not wish to join, we again offer a bonus consideration of \$100 per acre for a one year Term Assignment of your interest with delivery of a 75% net revenue interest to Caza Energy LLC.

Please give me a call if you have any questions. You can contact me by Email at rlanning@mackenergycorp.com.

Sincerely,



Ronald W. Lanning



Branch Banking & Trust Co.
of South Carolina

March 6, 2003.

Trust Division
1901 Assembly Street (29202)
P.O. Box 687
Columbia, SC 29202-0687
(803) 251-1370
Fax (803) 251-1774


Mr. Ronarld W. Lanning
Post Office Box 1767
Artesia, New Mexico 88211-1767

RE: 1335-FED NM-03428
Brooks Moleen Trust

Dear Mr. Lanning:

Thank you for your correspondence regarding the drilling of Panther Federal Well Nos. 1,3,5 and 6. Unfortunately, we are unable to pursue any action at this time due to the status of the Brooks Moleen Trust. We are in the process of transferring the trust to a successor trustee at this time. I have passed along your information to the successor. If I can be of any further assistance, please let me know.

Yours truly,


Audrey Varr

REC-11410

11410-1000

MACK ENERGY CORPORATION

AUTHORIZATION FOR EXPENDITURE

Panther Federal #1

5000

1650 FSL 330 FWL SEC 31 T17S R32E

Lea County, New Mexico

Drilling Intangible	Dry Hole Without Pipe	Completed Well	Actual Cost
Location,Roads,Pits,Damages	\$15,406.28	\$0.00	\$15,406.28
Footage 5,000 \$16.50	\$87,140.63	\$0.00	\$87,140.63
Daywork--28 Hours 28 \$5,000.00	\$5,707.42	\$0.00	\$5,707.42
Cement and Services	\$32,760.00	\$0.00	\$32,760.00
Testing and Coring	\$0.00	\$0.00	\$0.00
Open Hole Logs/Wireline	\$24,500.00	\$0.00	\$24,500.00
Professional Services	\$2,280.50	\$0.00	\$2,280.50
Mud Materials,Fuel,Water	\$10,635.42	\$0.00	\$10,635.42
Turnkey, Directional, Full Core	\$0.00	\$0.00	\$0.00
Bits,Corehead and Rentals	\$0.00	\$0.00	\$0.00
Miscellaneous and Contingency	\$17,843.02	\$0.00	\$17,843.02
Administrative, General Expense	\$0.00	\$0.00	\$0.00

Total Drilling Intangibles	\$196,273.27	\$0.00	\$196,273.27
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Completion Intangibles

Completion Unit	\$0.00	\$9,834.75	\$9,834.75
Cement and Cementing	\$0.00	\$15,900.00	\$15,900.00
Perforating and Logging	\$0.00	\$8,786.92	\$8,786.92
Frac and/or Acid Treatment	\$0.00	\$83,533.16	\$83,533.16
Fuel,Water,Power	\$0.00	\$1,197.67	\$1,197.67
Battery Construction-Dirt Work,Etc	\$0.00	\$819.92	\$819.92
Completion Tools And Equipment-Rental	\$0.00	\$31,725.01	\$31,725.01
Professional Services	\$0.00	\$2,280.94	\$2,280.94
Miscellaneous Services	\$0.00	\$1,824.16	\$1,824.16
Contingency	\$0.00	\$15,590.25	\$15,590.25

Total Completion Intangibles	\$0.00	\$171,492.78	\$171,492.78
Total Intangibles	\$196,273.27	\$171,492.78	\$367,766.05

Drilling and Completion Tangibles

Surface Casing 800 13 3/8	\$12,928.50	\$0.00	\$12,928.50
Intermediate Casing 2200 8 5/8	\$18,159.58	\$0.00	\$18,159.58
Production Casing 5000 5 1/2	\$0.00	\$28,907.09	\$28,907.09
Production Tubing 5000 2 7/8	\$0.00	\$17,058.44	\$17,058.44
WellHead Equipment	\$749.14	\$3,272.86	\$4,022.00
Floating Equipment	\$1,469.75	\$3,666.89	\$5,136.64
Rods	\$0.00	\$11,769.27	\$11,769.27
Subsurfaces Equipment	\$0.00	\$5,204.00	\$5,204.00
Linepipe	\$0.00	\$4,778.52	\$4,778.52
Tanks,Treater,Separators	\$0.00	\$0.00	\$0.00
Pumping Unit And Engine	\$0.00	\$44,281.00	\$44,281.00
Other Miscellaneous Equipment	\$0.00	\$6,972.15	\$6,972.15
Contingency	\$3,330.70	\$12,591.02	\$15,921.72

Total Tangible	\$36,637.66	\$138,501.24	\$175,138.90
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TOTAL WELL COSTS	\$232,910.93	\$309,994.02	\$542,904.95
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Approved By _____

Date _____

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13070 Exhibit No. 2
Submitted by:
MACK ENERGY CORPORATION
Hearing Date: May 22, 2003

MACK ENERGY CORPORATION

AUTHORIZATION FOR EXPENDITURE

Panther Federal #3

5000

1650 FSL 1650 FWL SEC 31 T17S R32E

Lea County, New Mexico

Drilling Intangible	Dry Hole Without Pipe	Completed Well	Actual Cost
Location,Roads,Pits,Damages	\$15,406.28	\$0.00	\$15,406.28
Footage 5,000 \$16.50	\$87,140.63	\$0.00	\$87,140.63
Daywork--28 Hours 28 \$5,000.00	\$5,707.42	\$0.00	\$5,707.42
Cement and Services	\$32,760.00	\$0.00	\$32,760.00
Testing and Coring	\$0.00	\$0.00	\$0.00
Open Hole Logs/Wireline	\$24,500.00	\$0.00	\$24,500.00
Professional Services	\$2,280.50	\$0.00	\$2,280.50
Mud Materials,Fuel,Water	\$10,635.42	\$0.00	\$10,635.42
Turnkey, Directional, Full Core	\$0.00	\$0.00	\$0.00
Bits,Corehead and Rentals	\$0.00	\$0.00	\$0.00
Miscellaneous and Contingency	\$17,843.02	\$0.00	\$17,843.02
Administrative, General Expense	\$0.00	\$0.00	\$0.00

Total Drilling Intangibles	\$196,273.27	\$0.00	\$196,273.27
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Completion Intangibles

Completion Unit	\$0.00	\$9,834.75	\$9,834.75
Cement and Cementing	\$0.00	\$15,900.00	\$15,900.00
Perforating and Logging	\$0.00	\$8,786.92	\$8,786.92
Frac and/or Acid Treatment	\$0.00	\$83,533.16	\$83,533.16
Fuel,Water,Power	\$0.00	\$1,197.67	\$1,197.67
Battery Construction-Dirt Work,Etc	\$0.00	\$819.92	\$819.92
Completion Tools And Equipment-Rental	\$0.00	\$31,725.01	\$31,725.01
Professional Services	\$0.00	\$2,280.94	\$2,280.94
Miscellaneous Services	\$0.00	\$1,824.16	\$1,824.16
Contingency	\$0.00	\$15,590.25	\$15,590.25

Total Completion Intangibles	\$0.00	\$171,492.78	\$171,492.78
Total Intangibles	\$196,273.27	\$171,492.78	\$367,766.05

Drilling and Completion Tangibles

Surface Casing 800 13 3/8	\$12,928.50	\$0.00	\$12,928.50
Intermediate Casing 2200 8 5/8	\$18,159.58	\$0.00	\$18,159.58
Production Casing 5000 5 1/2	\$0.00	\$28,907.09	\$28,907.09
Production Tubing 5000 2 7/8	\$0.00	\$17,058.44	\$17,058.44
WellHead Equipment	\$749.14	\$3,272.86	\$4,022.00
Floating Equipment	\$1,469.75	\$3,666.89	\$5,136.64
Rods	\$0.00	\$11,769.27	\$11,769.27
Subsurfaces Equipment	\$0.00	\$5,204.00	\$5,204.00
Linepipe	\$0.00	\$4,778.52	\$4,778.52
Tanks,Treater,Separators	\$0.00	\$0.00	\$0.00
Pumping Unit And Engine	\$0.00	\$44,281.00	\$44,281.00
Other Miscellaneous Equipment	\$0.00	\$6,972.15	\$6,972.15
Contingency	\$3,330.70	\$12,591.02	\$15,921.72

Total Tangible	\$36,637.66	\$138,501.24	\$175,138.90
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TOTAL WELL COSTS	\$232,910.93	\$309,994.02	\$542,904.95
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Approved By _____

Date _____

MACK ENERGY CORPORATION

AUTHORIZATION FOR EXPENDITURE

Panther Federal #5

5000

990 FSL 990 FWL SEC 31 T17S R32E

Lea County, New Mexico

Drilling Intangible	Dry Hole Without Pipe	Completed Well	Actual Cost
Location,Roads,Pits,Damages	\$15,406.28	\$0.00	\$15,406.28
Footage 5,000 \$16.50	\$87,140.63	\$0.00	\$87,140.63
Daywork--28 Hours 28 \$5,000.00	\$5,707.42	\$0.00	\$5,707.42
Cement and Services	\$32,760.00	\$0.00	\$32,760.00
Testing and Coring	\$0.00	\$0.00	\$0.00
Open Hole Logs/Wireline	\$24,500.00	\$0.00	\$24,500.00
Professional Services	\$2,280.50	\$0.00	\$2,280.50
Mud Materials,Fuel,Water	\$10,635.42	\$0.00	\$10,635.42
Turnkey, Directional, Full Core	\$0.00	\$0.00	\$0.00
Bits,Corehead and Rentals	\$0.00	\$0.00	\$0.00
Miscellaneous and Contingency	\$17,843.02	\$0.00	\$17,843.02
Administrative, General Expense	\$0.00	\$0.00	\$0.00

Total Drilling Intangibles	\$196,273.27	\$0.00	\$196,273.27
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Completion Intangibles

Completion Unit	\$0.00	\$9,834.75	\$9,834.75
Cement and Cementing	\$0.00	\$15,900.00	\$15,900.00
Perforating and Logging	\$0.00	\$8,786.92	\$8,786.92
Frac and/or Acid Treatment	\$0.00	\$83,533.16	\$83,533.16
Fuel,Water,Power	\$0.00	\$1,197.67	\$1,197.67
Battery Construction-Dirt Work,Etc	\$0.00	\$819.92	\$819.92
Completion Tools And Equipment-Rental	\$0.00	\$31,725.01	\$31,725.01
Professional Services	\$0.00	\$2,280.94	\$2,280.94
Miscellaneous Services	\$0.00	\$1,824.16	\$1,824.16
Contingency	\$0.00	\$15,590.25	\$15,590.25

Total Completion Intangibles	\$0.00	\$171,492.78	\$171,492.78
Total Intangibles	\$196,273.27	\$171,492.78	\$367,766.05

Drilling and Completion Tangibles

Surface Casing 800 13 3/8	\$12,928.50	\$0.00	\$12,928.50
Intermediate Casing 2200 8 5/8	\$18,159.58	\$0.00	\$18,159.58
Production Casing 5000 5 1/2	\$0.00	\$28,907.09	\$28,907.09
Production Tubing 5000 2 7/8	\$0.00	\$17,058.44	\$17,058.44
WellHead Equipment	\$749.14	\$3,272.86	\$4,022.00
Floating Equipment	\$1,469.75	\$3,666.89	\$5,136.64
Rods	\$0.00	\$11,769.27	\$11,769.27
Subsurfaces Equipment	\$0.00	\$5,204.00	\$5,204.00
Linepipe	\$0.00	\$4,778.52	\$4,778.52
Tanks,Treater,Separators	\$0.00	\$0.00	\$0.00
Pumping Unit And Engine	\$0.00	\$44,281.00	\$44,281.00
Other Miscellaneous Equipment	\$0.00	\$6,972.15	\$6,972.15
Contingency	\$3,330.70	\$12,591.02	\$15,921.72

Total Tangible	\$36,637.66	\$138,501.24	\$175,138.90
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TOTAL WELL COSTS	\$232,910.93	\$309,994.02	\$542,904.95
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Approved By _____

Date _____

MACK ENERGY CORPORATION

AUTHORIZATION FOR EXPENDITURE

Panther Federal #6

5000

990 FSL 2310 FWL SEC 31 T17S R32E

Lea County, New Mexico

Drilling Intangible	Dry Hole Without Pipe	Completed Well	Actual Cost
Location,Roads,Pits,Damages	\$15,406.28	\$0.00	\$15,406.28
Footage 5,000 \$16.50	\$87,140.63	\$0.00	\$87,140.63
Daywork--28 Hours 28 \$5,000.00	\$5,707.42	\$0.00	\$5,707.42
Cement and Services	\$32,760.00	\$0.00	\$32,760.00
Testing and Coring	\$0.00	\$0.00	\$0.00
Open Hole Logs/Wireline	\$24,500.00	\$0.00	\$24,500.00
Professional Services	\$2,280.50	\$0.00	\$2,280.50
Mud Materials,Fuel,Water	\$10,635.42	\$0.00	\$10,635.42
Turnkey, Directional, Full Core	\$0.00	\$0.00	\$0.00
Bits,Corehead and Rentals	\$0.00	\$0.00	\$0.00
Miscellaneous and Contingency	\$17,843.02	\$0.00	\$17,843.02
Administrative, General Expense	\$0.00	\$0.00	\$0.00

Total Drilling Intangibles	\$196,273.27	\$0.00	\$196,273.27
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Completion Intangibles

Completion Unit	\$0.00	\$9,834.75	\$9,834.75
Cement and Cementing	\$0.00	\$15,900.00	\$15,900.00
Perforating and Logging	\$0.00	\$8,786.92	\$8,786.92
Frac and/or Acid Treatment	\$0.00	\$83,533.16	\$83,533.16
Fuel,Water,Power	\$0.00	\$1,197.67	\$1,197.67
Battery Construction-Dirt Work,Etc	\$0.00	\$819.92	\$819.92
Completion Tools And Equipment-Rental	\$0.00	\$31,725.01	\$31,725.01
Professional Services	\$0.00	\$2,280.94	\$2,280.94
Miscellaneous Services	\$0.00	\$1,824.16	\$1,824.16
Contingency	\$0.00	\$15,590.25	\$15,590.25

Total Completion Intangibles	\$0.00	\$171,492.78	\$171,492.78
Total Intangibles	\$196,273.27	\$171,492.78	\$367,766.05

Drilling and Completion Tangibles

Surface Casing 800 13 3/8	\$12,928.50	\$0.00	\$12,928.50
Intermediate Casing 2200 8 5/8	\$18,159.58	\$0.00	\$18,159.58
Production Casing 5000 5 1/2	\$0.00	\$28,907.09	\$28,907.09
Production Tubing 5000 2 7/8	\$0.00	\$17,058.44	\$17,058.44
WellHead Equipment	\$749.14	\$3,272.86	\$4,022.00
Floating Equipment	\$1,469.75	\$3,666.89	\$5,136.64
Rods	\$0.00	\$11,769.27	\$11,769.27
Subsurfaces Equipment	\$0.00	\$5,204.00	\$5,204.00
Linepipe	\$0.00	\$4,778.52	\$4,778.52
Tanks,Treater,Separators	\$0.00	\$0.00	\$0.00
Pumping Unit And Engine	\$0.00	\$44,281.00	\$44,281.00
Other Miscellaneous Equipment	\$0.00	\$6,972.15	\$6,972.15
Contingency	\$3,330.70	\$12,591.02	\$15,921.72

Total Tangible	\$36,637.66	\$138,501.24	\$175,138.90
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TOTAL WELL COSTS	\$232,910.93	\$309,994.02	\$542,904.95
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Approved By _____

Date _____

**BEFORE THE
OIL CONSERVATION DIVISION
NEW MEXICO ENERGY, MINERALS AND
NATURAL RESOURCES DEPARTMENT**

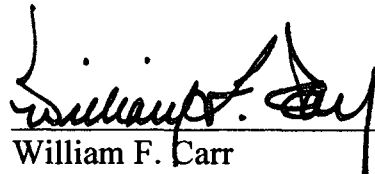
**IN THE MATTER OF THE APPLICATION OF MACK
ENERGY CORPORATION FOR COMPULSORY
POOLING OF FOUR 40-ACRE SPACING AND
PRORATION UNITS, LEA COUNTY, NEW MEXICO.**

CASE NO. 13070

AFFIDAVIT


STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Mack Energy Corporation, the applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested parties entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.



William F. Carr

SUBSCRIBED AND SWORN to before this 1ST day of May 2003 by William F. Carr.



Notary Public

My Commission Expires: Aug. 23, 2005

EXHIBIT A

**APPLICATION OF MACK ENERGY CORPORATION
FOR COMPULSORY POOLING OF FOUR 40-ACRE
SPACING AND PRORATION UNITS
LEA COUNTY, NEW MEXICO**

**The Brooks Moleen Trust
c/o Branch Bank and Trust
Post Office Box 687
Columbia, SC 29202-0687
Attn: Audrey Varn**

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage)

OFFICIAL U.S. MAIL

Postage	\$ 1.60
Certified Fee	2.30
Return Receipt Fee (Endorsement Required)	1.75
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 4.65

Sent To
 Brooks Moleen Trust c/o Branch Bank
 Street, Apt. No., or PO Box No. P.O. Box 687
 City, State, ZIP+4 Columbia, SC 29202-0687

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

The Brooks Moleen Trust
 c/o Branch Bank Trust
 P.O. Box 687
 Columbia, SC 29202-0687

2. Article Number (Copy from _____)

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) Sarah Bonnette
 B. Date of Delivery MAY 13 2001
 C. Signature *Sarah Bonnette*
☐ Agent
☐ Address
 D. Is delivery address different from item 1? ☐ Yes
 If YES, enter delivery address below: ☐ No

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

7001 1140 0002 5601 8851

HOLLAND & HART^{LLP}
ATTORNEYS AT LAW

DENVER • ASPEN
BOULDER • COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS • BOISE
CHEYENNE • JACKSON HOLE
SALT LAKE CITY • SANTA FE
WASHINGTON, D. C.

P.O. BOX 2208
SANTA FE, NEW MEXICO 87504-2208
110 NORTH GUADALUPE, SUITE 1
SANTA FE, NEW MEXICO 87501-6525

TELEPHONE (505) 988-4421
FACSIMILE (505) 983-6043

William F. Carr

wcarr@hollandhart.com

May 1, 2003

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Brooks Moleen Trust
c/o Branch Bank and Trust
Post Office Box 687
Columbia, South Carolina 29202-0687

Attention: Audrey Varn,

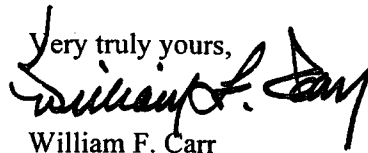
Re: Application of Mack Energy Corporation for compulsory pooling of four 40-acre spacing and proration units, Lea County, New Mexico.

Ladies and Gentlemen:

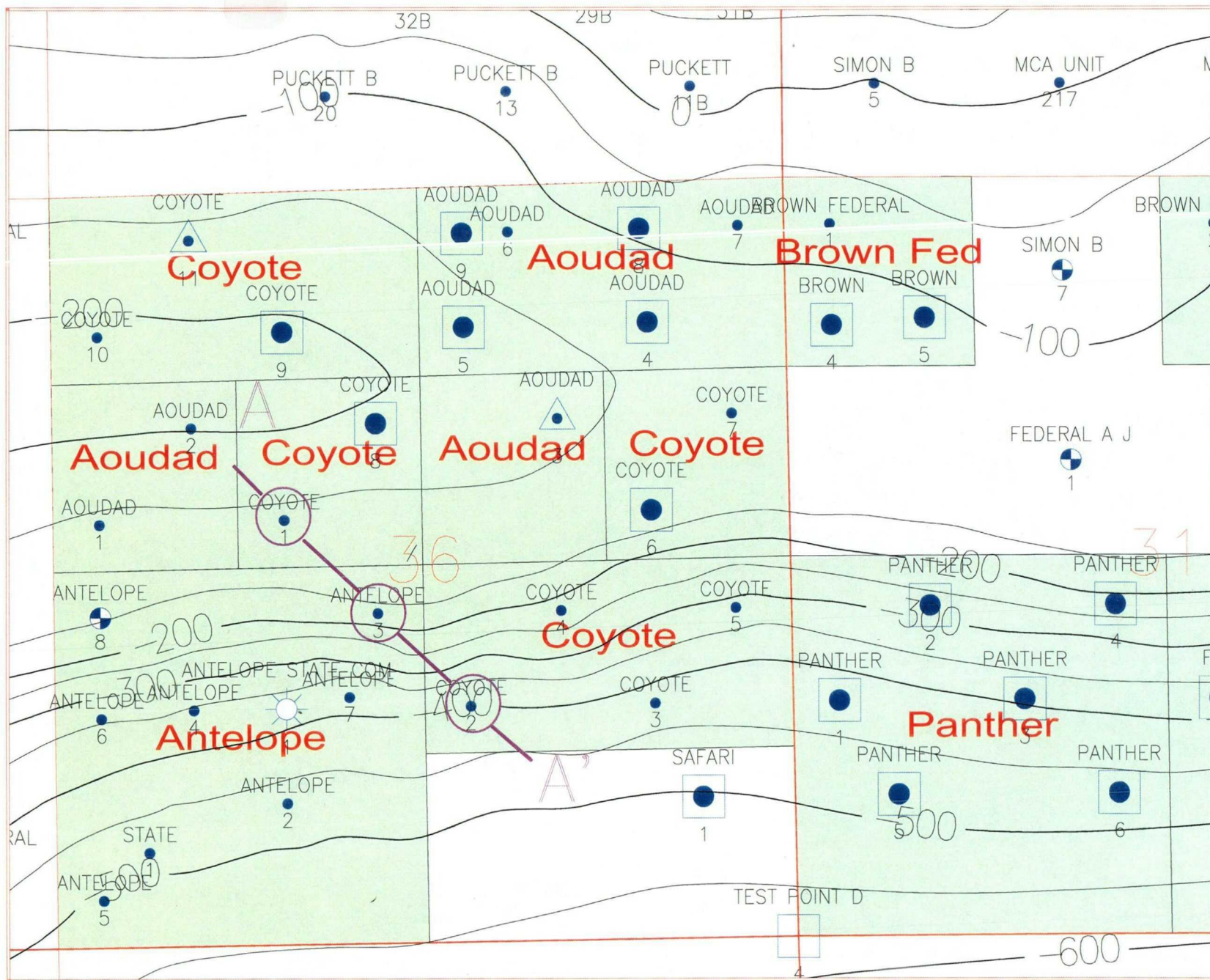
This letter is to advise you that Mack Energy Corporation has filed the enclosed application with the New Mexico Oil Conservation Division seeking the compulsory pooling of certain spacing and proration units in the SW/4 of Section 31, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. Said units will be dedicated to Mack Energy Corporation's proposed Panther Federal Well Nos. 1, 3, 5 and 6 which it proposes to drill at standard oil well locations in the SW/4 of said Section 31 to test all formations from the surface to a depth of 5000 feet.

This application has been set for hearing before a Division Examiner on May 22, 2003. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-Hearing Statement with the Oil Conservation Division's Santa Fe office located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505, three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

William F. Carr

cc: Mr. Ronald W. Lanning
Mack Energy Corporation



LEGEND	
•	Oil Wells
✱	Gas Wells
•	Drilled & Abandoned Wells
■	MEC Wells To Be Drilled
△	MEC Wells Drilled Not Completed



Scale 1:12000.

Mack Energy Corp.		
Maljamar GB-SA Field Lease Map Top Subsea San Andres Cl: 50' Panther Force Pooling Sec. 31-T17S-R32		
Well	NACCO Hearing	5/20/2003
Scale 1:12000		

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Case No. 13070 Exhibit No. 4

Submitted by:

MACK ENERGY CORPORATION

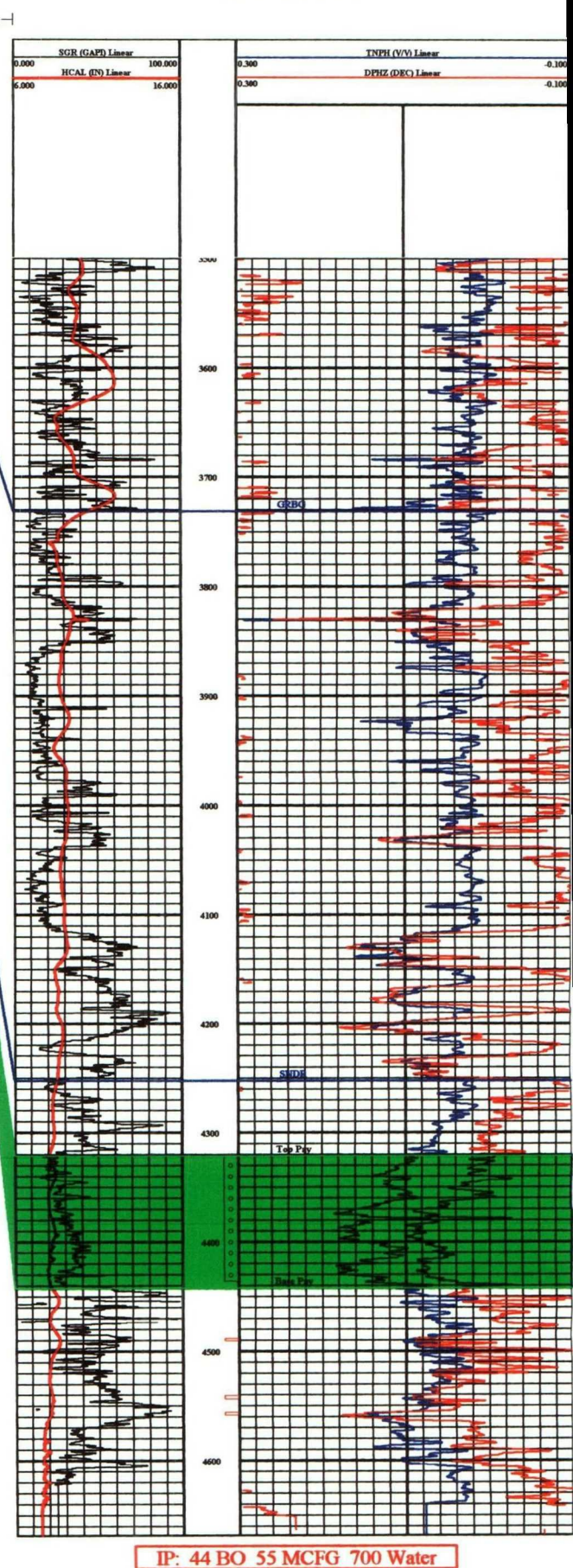
Hearing Date: May 22, 2003

3



MACK ENERGY CORP

COYOTE 2
017.0S 031.0E 036



IP: 5 BO 9 MCFG 49 Water



Mack Energy Corporation
NMOCD Hearing
Panther Force Pooling
Sec. 31-T17S-R32E
5/19/2003 Matt Brewer

Structural X-Section