MACK ENERGY CORPORATION

Post Office Box 1359 Artesia, New Mexico 88211-1359 (505) 748-1288 / FAX (505) 746-2362

July 19, 1993

NSP-1676(1)

Mr. David R. Catanach NMOCD State Land Office Building P.O. Box 2088 Santa Fe, New Mexico 87503

RE: Request for Administrative Approval Unorthodox Well Location Leaker CC Well #9 NW/4 SE/4 Sec.16 T17S R32E Lea County, New Mexico

Dear Mr. Catanach:

Mack Energy Corporation proposes to recomplete the referenced well in the Queen Formation in the Maljamar Queen (Gas) Field.

A standard proration unit to contain 160 acres would comprise the southeast quarter of the section, which would include 80 acres, being the south half of the southeast quarter which is leased by Conoco. Furthermore, the well is situated 2310' from the east line and 1650' from the south line of the section which is an unorthodox location.

We requested that Conoco join us in a 160 acre standard unit and they declined; however, they have agreed to waive any objection to the location (please see the attached letter from Conoco).

We wish to proceed with the recompletion of the well on a 80 acre proration basis (comprising the north half of the southeast quarter) with the understanding that we will receive a proportionately reduced gas allowance for the well.

Enclosed is a plat which identifies the location of the well and demonstrates that Conoco is the only other party which directly offsets the subject well. Leaker CC #9 Unorthodox Location July 19, 1993 Page 2

We respectfully request administrative approval of our unorthodox location.

Sincerely,

Mack Energy Corporation

James Brown

JDBJ/ss Enclosures

Mr. J.T. Sexton CC NMOCD - Hobbs, NM





Mike J. Johnson Staff Landman Midland Division Exploration Production

July 13, 1993

Conoco Inc. 10 Desta Drive, Suite 100W Midland, Texas 79705-4500 (915) 686-5547

JUL 15 1993

Mack Energy Corporation P.O. Box 1359 Artesia, New Mexico 88211-1359

Re: Proposed Queen Gas Recompletion Leaker "CC" Well No. 9 NW/4 SE/4 Section 16, T17S-R32E Lea County, New Mexico L-88913

Gentlemen:

Please be advised that Conoco does not wish to participate in the recompletion of the subject well and, therefore, will not be contributing its leasehold in S/2 SE/4 Section 16, T17S-R32E to the proposed 160-acre proration unit.

Per your request, Conoco is waiving any objection to your unorthodox location for the recompletion of the subject well.

Very truly yours,