



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

June 14, 2004

**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-5072*

Dear Mr. Sherrell:

Reference is made to the following: (i) your application dated May 18, 2004 (*administrative application reference No. pSEM0-414245113*), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on May 20, 2004; and (ii) the Division's records in Santa Fe: all concerning Mack Energy Corporation's ("Mack Energy") request for an unorthodox wildcat Delaware oil well location for its proposed Anteater Federal Well No. 5 to be drilled 1140 feet from the North line and 2310 feet from the East line (Unit B) of Section 35, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. The NW/4 NE/4 of Section 35 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the Delaware formation.

This application has been duly filed under the provisions of Division Rule 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.

It is the Division's understanding that the NE/4 of Section 35 comprises a single federal lease (*U. S. Government lease No. LC-058407-B*) with common mineral interests (working, royalty, and overriding royalty) in which Mack is the leasehold operator within the Delaware interval.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox wildcat Delaware oil well location is hereby approved.

Sincerely

Michael E. Stogner  
Engineer/Hearing Officer

cc: New Mexico Oil Conservation Division - Hobbs  
U. S. Bureau of Land Management - Carlsbad  
New Mexico State Land Office - Santa Fe