



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

October 16, 1998

Mack Energy Corporation
Attention: Matt J. Brewer
P. O. Box 960
Artesia, New Mexico 88211-0960

Telefax No. (505) 746-2362

Administrative Order NSL-4058-A(SD)

Dear Mr. Brewer:

Reference is made to your application dated August 21, 1998 for an unorthodox "infill" oil well location within a standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 (Unit F) of Section 29, Township 17 South, Range 29 East, NMPM, Undesignated East Empire-Yeso Pool, Eddy County, New Mexico. This 40-acre unit is also to be dedicated to Mack Energy Corporation's Schley Federal Well No. 8 (API No. 30-015-30307), to be drilled at an unorthodox oil well location (approved by Division Administrative Order NSL-4058, dated June 16, 1998) 1580 feet from the North line and 1650 feet from the West line of Section 29.

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

By the authority granted me under the provisions of Division General Rule 104.F(2), the following described well to be drilled at an unorthodox "infill" oil well location within the SE/4 NW/4 (Unit F) of Section 29 is hereby approved:

Schley Federal Well No. 6
2035' FNL - 2450' FWL.

Further, at such time as Yeso production is established from both the Schley Federal Well Nos. 6 and 8 are to be simultaneously dedicated to the subject 40-acre tract.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSL-4058