



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joann Prukop**  
Cabinet Secretary

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

November 1, 2006

Mack Energy Corporation  
c/o Mr. Jerry W. Sherrell  
P.O. Box 960  
Artesia, NM 88211-0960

**Administrative Order NSL-5475**

Re: Lea KG State Well No. 9  
API No. 30-025-36370  
Unit I, Section 35, Twsp 17S, Range 33E  
Lea County

Dear Mr. Sherrell:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS-0626850025**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 25, 2006,
- (b) supplemental memo from Ronald W. Lanning, land manager, dated October 4, 2006, and
- (b) the Division's records pertinent to your request.

Mack Energy Corporation (Mack) has requested to re-complete its Lea KG State Well No. 9 (API No. 30-025-36370) at an unorthodox Bone Spring oil well location, 1395 feet from the South line and 1255 feet from the East line (Unit I) of Section 35, Township 17 South, Range 33 East, N.M.P.M., in Lea County, New Mexico. The NE/4 SE/4 of Section 35 will be dedicated to this well to form a standard 40-acre wildcat Bone Spring spacing and proration unit. This location is governed by statewide Rule 104.B(1), which provides that a well shall be located at least 330 feet from the outer boundary of a unit. The location is only 75 feet and 65 feet, respectively, from the southern and western boundaries of the proposed unit.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that Mack is seeking this location exception in order to utilize an existing wellbore.

We also understand that ownership of the adjoining spacing units toward which this location encroaches (SE/4 SE/4, NW/4 SE/4 and the SW/4 SE/4 of Section 35) is identical to the ownership of the proposed unit.

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

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

Sincerely,



Mark E. Fesmire, P.E.  
Director

MEF/db

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