



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mack Energy Corporation

P. O. Box 960

Artesia, New Mexico 88211-0960

Attention: **Jerry Sherrell**

jerrys@mackenergycorp.com

September 9, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Administrative Order NSL-4897-A (SD)

Dear Mr. Sherrell:

Reference is made to the following: (i) your application dated August 28, 2003 (*administrative application reference No. pMES0-325252629*), which was received by the New Mexico Oil Conservation Division ("Division") in Santa Fe on September 2, 2003; and (ii) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-4897 (SD): all concerning Mack Energy Corporation's ("Mack Energy") request for an unorthodox infill oil well location within an existing standard 40.96-acre oil spacing and proration unit comprising Lot 1 (NW/4 NW/4 equivalent - Unit D) of Section 31, Township 17 South, Range 32 East, NMPM, Maljamar-Grayburg San Andres Pool (43329), Lea County, New Mexico.

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.

This 40.96-acre unit is currently simultaneously dedicated to Mack Energy's: (i) Brown Federal Well No. 1 (API No. 30-025-30199), located at a standard oil well location 330 feet from the North and West lines of Section 31; and (ii) Brown Federal Well No. 4 (API No. 30-025-36321), located at an unorthodox infill oil well location [approved by Division Administrative Order NSL-4897 (SD), dated June 10, 2003] 1040 feet from the North line and 330 feet from the West line of Section 31.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox "infill" oil well location within Lot 1 (Unit D) of Section 31 is hereby approved:

**Brown Federal Well No. 5
1115' FNL & 990' FWL.**

Further, both the existing Brown Federal Wells No. 1 and 4 and the proposed Brown Federal Well No. 5 are to be simultaneously dedicated to the subject 40.96-acre unit.

Sincerely,

Lori Wrotenbery
Director

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-4897 (SD)