



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

March 14, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960
Attention: **Crissa D. Carter**
ccarter@pvtnetworks.net

Telefax No. (505) 746-9539

Administrative Order NSL-4708

Dear Ms. Carter:

Reference is made to the following: (i) your application (*application reference No. pKRV0-207132792*) that was submitted to the New Mexico Oil Conservation Division ("Division") on March 11, 2002; (ii) your telephone conversation with Mr. Will Jones, Engineer with the Division in Santa Fe, on March 13, 2002; (iii) Mr. Jerry W. Sherrell's telefax to the Division on March 13, 2002 with additional information; and (iv) the Division's records in Santa Fe: all concerning Mack Energy Corporation's ("Mack Energy") request for an unorthodox infill oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 29, Township 17 South, Range 29 East, NMPM, East Empire-Yeso Pool (**96610**), Eddy County, New Mexico.

This 40-acre unit is currently simultaneously dedicated to Mack's: (i) Schley Federal Well No. 5 (**API No. 30-015-30302**) located at a standard oil well location 2230 feet from the North line and 990 feet from the West line of Section 29; and (ii) Schley Federal Well No. 7 (**API No. 30-015-30303**) located at a standard oil well location 1710 feet from the North line and 330 feet from the West line of Section 29.

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.

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 for the East Empire-Yeso Pool within the SW/4 NW/4 of Section 29 is hereby approved:

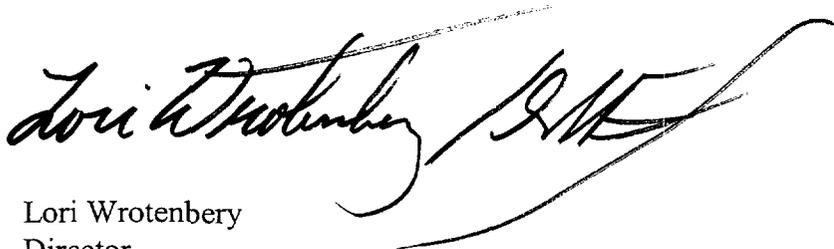
Schley Federal Well No. 13
1525' FNL & 990' FWL.

Further, both the existing Schley Federal Wells No. 5 and 7 and the proposed Schley Federal

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Well No. 13 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely

A handwritten signature in black ink, appearing to read "Lori Wrotenbery" followed by a stylized flourish.

Lori Wrotenbery
Director

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