



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

August 18, 1998

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

Administrative Order NSL-3788-A(SD)

Dear Mr. Brewer:

Reference is made to the following: (i) your application to the Division, dated July 23, 1998; and, (ii) the records of the Division in Santa Fe: all concerning Mack Energy Corporation's request for an unorthodox "infill" oil well location within an existing standard 40-acre, more or less, oil spacing and proration unit comprising the NE/4 SE/4 (Unit I) of Section 20, Township 17 South, Range 30 East, NMPM, Loco Hills-Paddock Pool, Eddy County, New Mexico. The 40-acre unit is currently dedicated to Mack Energy Corporation's McIntyre "A" Federal Well No. 1 (API No. 30-015-04219) located at an unorthodox oil well location (approved by Division Administrative Order NSL-3788, dated April 16, 1997) 2430 feet from the South line and 990 feet from the East line of Section 20.

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 NE/4 SE/4 (Unit I) of Section 20 is hereby approved:

McIntyre "A" Federal Well No. 11
1615' FSL - 1065' FEL

Further, Loco Hills-Paddock oil production from both the McIntyre "A" Federal Well Nos. 1 and 11 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