



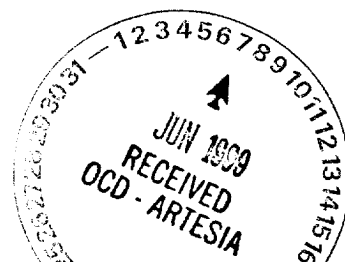
NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

June 3, 1999

Mack Energy Corporation  
P. O. Box 960  
Artesia, New Mexico 88211-0960

Attention: Matt J. Brewer



Re: *Administrative application dated May 27, 1999 for Mack Energy Corporation's proposed Brinham "H" Well No. 3 to be drilled at an unorthodox oil well location 2000' ESL & 760' FWL (L) of Section 21, Township 17 South, Range 30 East, NMPM, Undesignated Loco Hills-Paddock Pool, Eddy County, New Mexico, within a standard 40-acre oil spacing and proration unit comprising the NW/4 SW/4 of Section 21.*

Dear Mr. Brewer:

Since the proposed location is only 40 feet from another lease that will be adversely affected by drainage from this well and in order to assure that correlative rights of all affected mineral interest are being protected from such adverse drainage it will be necessary to submit the following information before an administrative order will be issued by the Division:

1. a topographic map or aerial photo of this quarter-quarter section which more accurately details the surface features preventing Mack Energy Corporation from drilling this well at a standard location within Unit "L";
2. an explanation as to why the other two locations in Unit "L" mentioned in your application, which appear to be spotted at standard locations or at locations that are not as "unorthodox," can not/should not be drilled prior to this well;
3. a detailed explanation why directional drilling to a standard bottomhole location is not an option;
4. geological, economical, and engineering data to support your claim that the Loco Hills-Paddock Pool can be developed on 10-acre spacing without causing waste;
5. identify the ownership of all mineral interest (royalty, overriding royalty, and working) within the Paddock interval in both the SW/4 NW/4 (Unit E) and the NW/4 SW/4 (Unit L) of Section 21; and
6. proof of notification to all of those interest owners in Unit "E".

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

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