



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 22, 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 2600' FSL & 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:

Subsequent to my letter dated June 3, 1999 concerning this application, the New Mexico Oil Conservation Division ("Division") has received an objection from an off-setting working interest owner in the SW/4 NW/4 (Unit E) of Section 21, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico (see copy of letter from Home-Stake Oil & Gas Company dated June 17, 1999 attached). This application is therefore denied and is being returned to you.

Should you wish to pursue this matter further, an application before a duly appointed hearing examiner will be necessary whereby you will be required to present sufficient evidence to support this application.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
Kathy Valdes, NMOCD - Santa Fe
Larry Tarwater, Home-Stake Oil & Gas Company - Tulsa, Oklahoma