



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
DISTRICT II ARTESIA  
811 S. FIRST ST. ARTESIA, NM 88210  
(505) 748-1283  
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CABINET SECRETARY  
Jennifer A. Salisbury

August 4, 1999

Mack Energy Corporation  
P.O. Box 960  
Artesia, N.M. 88211-2362

Attn: Matt J. Brewer

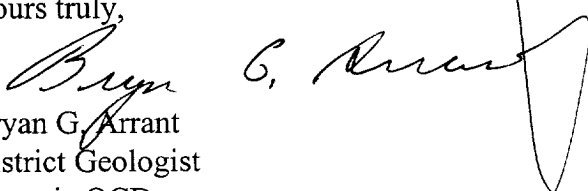
Re: Application for Mack Energy Corporation to directionally drill its proposed Brigham 'H' #3 from a surface location 2600' FSL & 760' FWL (L) of Section 21, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico into the Undesignated Loco Hills; Paddock Pool at a standard subsurface oil well location 2290' FSL & 990' FWL (L) of Section 21.

Dear Matt Brewer,

Your application to drill the subject well has been approved at District level provided that the top of the producing interval and the bottom hole location falls within the orthodox window as defined by minimum setbacks from the outer boundaries of the project area. Please refer to Division Rules 11.A(6) and (7) for further clarification.

Please feel free to call if you have any questions.

Yours truly,

  
Bryan G. Arrant  
District Geologist  
Artesia OCD