



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 16, 1998

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

Administrative Order NSL-4058

Dear Mr. Brewer:

Reference is made to your application dated June 2, 1998 for an unorthodox oil well location in the Undesignated East Empire-Yeso Pool for Mack Energy Corporation's proposed Schley Federal Well No. 8 to be drilled 1580 feet from the North line and 1650 feet from the West line (Unit F) of Section 29, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico. The SE/4 NW/4 of Section 29 is to be dedicated to the well in order to form a standard 40-acre oil spacing and proration unit for said pool.

The 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 above-described unorthodox oil well location is hereby approved.

Sincerely,


Lori Wrotenbery
Director

LW/MES/kv

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