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

October 16, 1998

Mack Energy Corporation Attention: Matt J. Brewer P. O. Box 960

Artesia, New Mexico 88211-0960

Telefax No. (505) 746-2362

Re:

Division administrative Order NSL-4058

Dear Mr. Brewer:

Reference is made to your letter dated August 21, 1998 with supplemental data attached. This information will be made a part of the record in the New Mexico Oil Conservation Division's file on Administrative Order NSL-4058, dated June 16, 1998, which order authorized Mack Energy Corporation to drill its proposed Schley Federal Well No. 8 (API No. 30-015-30307) at an unorthodox oil well location within the Undesignated East Empire-Yeso Pooi 1580 feet from the North line and 1650 feet from the West line of Section 29, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico and to dedicate this well to a standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 (Unit F) of Section 29.

Further, all provisions of Division Administrative Order NSL-4058 shall remain in full force and effect until further notice.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc:

File: NSL-4058