



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 1, 1997

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

Administrative Order NSL-3817

Dear Mr. Brewer:

Reference is made to your application dated May 14, 1997 for a non-standard oil well location for the proposed McIntyre "DK" Federal Well No. 10 (API No. 30-015-29424) to be drilled 990 feet from the South line and 1610 feet from the East line (Unit O) of Section 17, Township 17 South, Range 30 East, NMPM, Grayburg Jackson Pool and Undesignated-Loco Hills-Paddock Pool, Eddy County, New Mexico. The SW/4 SE/4 of said Section 17 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit.

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"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay".

William J. LeMay
Director

WJL/MES/kv

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