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PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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October 16, 2008

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960

Attention: Mr. Jerry W. Sherrell

Re: Surface Commingling
Arkansas State V-8144
NE/4 Section 35-18S-36E
Lea County, New Mexico

Dear Mr. Sherrell:

We are in receipt of your letter of September 18, 2008 requesting our approval to surface commingle the San Andres & Bone Spring production within the Arkansas State Lease (V-8144) from the following wells:

Arkansas State #1, API 30-025-28999, Arkansas Junction; San Andres
Arkansas State #2, API 30-025-39078, Arkansas Junction; Bone Spring

It is our understanding that two more wells have been staked for drilling and are to be included at the tank battery located in the NE/4NE/4 of Sec. 35-18S-36E when completed.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico, as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division. Please submit a copy of the NMOCD's approval order to this office.

Please submit a \$30.00 dollar filing fee.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

cc: Reader File, OCD-Attention: Mr. Ed Martin

-State Land Office Beneficiaries-

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