



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

COMMINGLING ORDER PLC-267

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

Attention: Mr. Jerry W. Sherrell

The above-named company is hereby authorized to surface commingle Undesignated West Hume-Queen (Oil - 33560) and Wildcat-Grayburg (Oil - N/A) Pools from the following-described State of New Mexico leases located in Lea County, New Mexico:

Lease: Gar State Lease (State Lease No. VB-638)
Description: N/2 of Section 23, Township 16 South, Range 33 East, NMPM;

Wells: Gar State Well No. 1 (API No. 30-025-35763) Unit H, Section 23
Gar State Well No. 5 (API No. 30-025-37367) Unit G, Section 23

Lease: Carp State Lease (State Lease No. VB-646)
Description: S/2 of Section 23, Township 16 South, Range 33 East, NMPM;

Wells: Carp State Well No. 1 (API No. 30-025-37270) Unit P, Section 23
Carp State Well No. 2 (API No. 30-025-37332) Unit I, Section 23
Carp State Well No. 3 (API No. 30-025-37333) Unit J, Section 23
Carp State Well No. 4 (API No. 30-025-37334) Unit O, Section 23

(Note: Each of the subject wells is currently or will, in the near future, be downhole commingled in the Undesignated West Hume-Queen and Wildcat-Grayburg Pools)

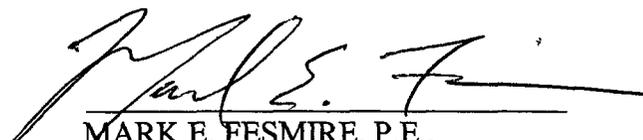
Production from each of the subject state leases shall be metered separately prior to commingling.

Production shall be stored at a central tank battery located on the Gar State Lease and located in the SE/4 NE/4 of Section 23, Township 16 South, Range 33 East, NMPM.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

Done, at Santa Fe, New Mexico on this 1st day of August, 2005.

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Commingling Order PLC-267
August 1, 2005
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MARK E. FESMIRE, P.E.,
Division Director

MEF/drc

cc: Oil Conservation Division – Hobbs
State Land Office-Oil & Gas Division