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PATRICK H. LYONS  
COMMISSIONER

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

July 22, 2008

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

Attn: Mr. Jerry W. Sherrell

Re: Downhole Commingling Application and Measurement of Production  
B Lee State Well No. 3 (API # 30-025-03094)  
Unit Letter E, Section 07-18S-35E  
Vacuum; Blinbry and Vacuum; Abo Reef Pools  
Lea County, New Mexico

Dear Mr. Sherrell:

Thank you for your application to downhole commingle the Vacuum; Blinbry and Vacuum; Abo Reef pools in Lea County, New Mexico.

It is our understanding that the production of all pools will be measured at the B Lee State TB located in the SE4NW4, of Sec. 7-18S-35E.

Since it appears that all the New Mexico Oil Conservation's (OCD) 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 application is approved. Any deviation from the substance of your application will be cause for rescinding our approval, and approval is subject to like approval by the OCD.

Please submit a filing fee in the amount of \$30.00.

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  
PL/JB/jm  
Enclosure

xc: Reader File      OCD—Ed Martin, State Land Office Beneficiaries -

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