

Submit 3 Copies to Appropriate District Office  
District I  
1625 N. French Dr. Hobbs, NM 88240  
District II  
1301 W. Grand Ave. Artesia, NM 88210  
District III  
1000 Rio Brazos Blvd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
June 19, 2008

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR, USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)		WELL API NO. Multiple ✓
1 Type of Well. Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2 Name of Operator Mack Energy Corporation ✓		6 State Oil & Gas Lease No V-8144
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Arkansas State ✓
4 Well Location Unit Letter NE/4      feet from the _____ line and _____ feet from the _____ line Section 35      Township 18S      Range 36E      NMPM      County Lea ✓		8. Well Number 1-4 ✓
11. Elevation (Show whether DR, RKB, RT, GP etc)		9. OGRID Number 013837 ✓
		10. Pool Name or Wildcat Arkansas Junction; San Andres & Bone Spring ✓

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIALWORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Surface Commingle ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation as operator respectfully requests administrative approval to surface commingle and measurement of production. It is requested that surface commingling of Arkansas Junction; San Andres and Arkansas Junction; Bone Spring pools be approved for the following lease: Arkansas State(V-8144) Sec. 35, T18S, R36E

30-025-39155 ✓  
30-025-39156 ✓

The tank battery is located in the NE/4 NE/4, Sec. 35 T18S R36E. Proper allocation for production will be measured using periodic well tests. Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Interests in all pools on this lease are common.

30-025-38499 ✓

30-025-39078 ✓

Mack Energy is currently producing the Arkansas State #1 in the San Andres and completing the Arkansas State #2 in the Bone Spring formation. Two more wells have been staked for future drilling. At this time we are requesting approval to add the Bone Spring to this production. Production is stabilized therefore allocation of added Bone Spring formation will be easily achieved.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk

DATE 9/18/08

Type or print name Jerry W. Sherrell

E-mail address: jerrys@mackenergycorp.com PHONE (575)748-1288

For State Use Only

APPROVED BY [Signature]

TITLE Engineer

DATE 10/3/08

Conditions of Approval (if any):