



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**  
Cabinet Secretary

April 29, 2003

**Lori Wrotenbery**

Director

**Oil Conservation Division**

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

Attention: Mr. Jerry W. Sherrell

Re: Form C-107-B  
Coyote State Lease  
Section 36, T-17S, R-31E  
Eddy County, New Mexico

Dear Mr. Sherrell:

I have reviewed your application dated April 21, 2003 for authorization to surface commingle Maljamar Grayburg-San Andres and Undesignated Delaware production on the Coyote State Lease in Section 36, Township 17 South, Range 31 East, NMPM, Lea County, New Mexico. Additional clarification is necessary prior to approving the application.

- 1) Is the ownership between the pools on this lease identical? If so, the application should be filed on Form C-103, complete with all of the attachments as required by Rule 19.15.5.303.B.3.(b);
- 2) Your application states that there may be wells on this lease that are capable of production in excess of top unit allowable. If this is the case, these well(s) must be separately measured prior to commingling.

Please provide the necessary clarification so that we may continue to process your application.

If you should have any questions, please contact me at (505) 476-3466.

Sincerely,

David Catanach  
Engineer