



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3195

Mack Energy Corporation
PO Box 960
Artesia, New Mexico 88211-0960

Attention: Jerry Sherrell

*Coyote State Well No.3Y
API No. 30-015-32583
Unit J, Section 36, Township 17 South, Range 31 East, NMPM,
Eddy County, New Mexico.
Maljamar-Grayburg San Andres (Oil 43329) and
Tamano-Delaware (Oil 97270) Pools*

Dear Mr. Sherrell:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be supplied upon completion to the Artesia District office of the Division. Upon District approval, these ratios shall be copied in writing to the Santa Fe Division office.

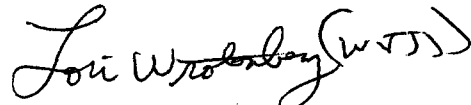
REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the

Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 23rd day of September 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Lori Wrotenbery (wrtj)", is written over the printed name.

LORI WROTENBERY
Director

S E A L

LW/wvj

cc: Oil Conservation Division - Artesia
State Land Office -- Minerals Management Division