

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 Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 June 19, 2008

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-40243 & 30-025-40249
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-1325
7. Lease Name or Unit Agreement Name Leo State
8. Well Number 1 & 2
9. OGRID Number 013837
10. Pool Name or Wildcat Vacuum;Blinebry/Vacuum:Abo Reef

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.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
Mack Energy Corporation

3. Address of Operator
P.O. Box 960 Artesia, NM 88210

4. Well Location
 Unit Letter A feet from the _____ line and _____ feet from the _____ line
 Section 18 Township 18S Range 35E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GP etc.)

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIALWORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Surface Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

Order No. PC-1237

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 Vacuum;Abo Reef and Vacuum;Blinebry pools be approved for the following lease: Leo State(VB-1325) Sec. 18, T18S, R35E, covering Lots 1-4, NE/4 E/2W/2.

The tank battery is located in the NE/4 NE/4, Sec. 18 T18S R35E. Proper allocation for production will be measured using periodic well tests and increased production from second well when drilled. 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.

Mack Energy currently has no producing wells on this lease and has proposed to drill the Leo State #1 in the Blinebry formation, evaluate and drill the Leo State #2 and produce in the Abo formation.

Reviewed by RC
 Recommend Approval 11/22/11

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 10/26/11

Type or print name Jerry W. Sherrell E-mail address: jerrys@mec.com PHONE: (575)748-1288

For State Use Only

* APPROVED BY: [Signature] TITLE Director DATE 11/22/11
 Conditions of Approval (if any):