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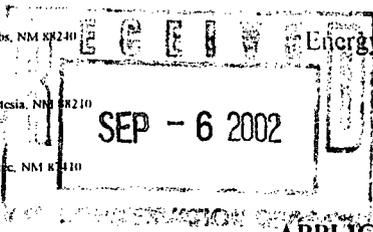
NA

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

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



State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
 EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Mack Energy Corporation Address P.O. Box 960 Artesia, NM 88210

Lease Antelope State Well No. 3 Unit Letter-Section-Township-Range K-36-17S-31E County Eddy

OGRID No. 013837 Property Code 17568 API No. 30-015-32151 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg	Tamano San Andres	
Pool Code	N/A	58060	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3645-3656'	4278-4352'	
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	N/A	N/A	
Oil Gravity or Gas BTU (Degree API or Gas BTU)		API 40	
Producing, Shut-In or New Zone	New Zone	Producing	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: N/A Rates:	Date: 7-3-2002 22-Oil Rates: 27MCF-Gas 785-Water	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil: N/A % Gas: N/A %	Oil: 100 % Gas: 100 %	Oil: % Gas: %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones?
 If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No

Are all produced fluids from all commingled zones compatible with each other? Yes No

Will commingling decrease the value of production? Yes No

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Matt J. Brewer TITLE Geological Engineer DATE 9/4/2002

TYPE OR PRINT NAME Matt J. Brewer TELEPHONE NO. (505) 748-1288

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

September 4, 2002

*Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Dr.
Santa Fe, NM 87505*

Dear Mr. Jones:

This is a list of attachments or explanations:

- 1. C-102 for both formations*
- 2. Date of first production for Tamano San Andres is 6/19/02*
- 3. N/A*
- 4. We will allocate using increased production from Grayburg.*
- 5. Interests are common.*

Sincerely,

MACK ENERGY CORPORATION



*Matt J. Brewer
Geological Engineer*

MJB/jws

Enclosures

DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2086, SANTA FE, N.M. 87504-2086

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		58060	Tamano San Andres
Property Code	Property Name		Well Number
17568	ANTELOPE STATE		3
OGRID No.	Operator Name		Elevation
013837	MACK ENERGY CORP.		3833

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	36	17 S	31 E		2310	SOUTH	2310	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Joint or Infill	Consolidation Code		Order No.				
40									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained hereta is true and complete to the best of my knowledge and belief.</p> <p><i>Crissa D. Carter</i></p> <p>Signature</p> <p>Crissa D. Carter</p> <p>Printed Name</p> <p>Production Analyst</p> <p>Title</p> <p>1/8/2002</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>DECEMBER 20, 2001</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Edson</i></p> <p>Professional Surveyor</p> <p>01-11-1323</p> <p>Certificate No. RONALD J. EDSON 3239 12641</p>

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-32151		Pool Code	Pool Name Grayburg
Property Code 17568	Property Name ANTELOPE STATE		Well Number 3
OGRID No. 013837	Operator Name MACK ENERGY CORP.		Elevation 3833

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	36	17 S	31 E		2310	SOUTH	2310	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Matt J. Brewer</i> Signature</p> <p>Matt J. Brewer Printed Name</p> <p>Geological Engineer Title</p> <p>9/4/2002 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>DECEMBER 20, 2001</p> <p>Date Surveyed _____ LMP</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 01/03/02 01-11-1323</p>
	<p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>

Well Test Report

Date	Lease Name	Well Number	Oil Per Day	Gas Per Day	Water
6/19/2002	Antelope State	3	47		
6/20/2002	Antelope State	3	41		
6/22/2002	Antelope State	3	69		
6/30/2002	Antelope State	3	33		
7/1/2002	Antelope State	3	30		
7/2/2002	Antelope State	3	25		
7/3/2002	Antelope State	3	22		
7/4/2002	Antelope State	3	22		
7/23/2002	Antelope State	3	25		
7/25/2002	Antelope State	3	27		
7/26/2002	Antelope State	3	11		
7/27/2002	Antelope State	3	14		
7/28/2002	Antelope State	3	11		
7/29/2002	Antelope State	3	11		
7/30/2002	Antelope State	3	11		
8/13/2002	Antelope State	3	102		
8/14/2002	Antelope State	3	61		
8/15/2002	Antelope State	3	54		
8/16/2002	Antelope State	3	49		
8/17/2002	Antelope State	3	49		
8/18/2002	Antelope State	3	45		
8/19/2002	Antelope State	3	36		
8/20/2002	Antelope State	3	41		136
8/21/2002	Antelope State	3	36		
8/22/2002	Antelope State	3	30		
8/23/2002	Antelope State	3	33		
8/24/2002	Antelope State	3	36		
8/25/2002	Antelope State	3	32		
8/26/2002	Antelope State	3	29		
8/27/2002	Antelope State	3	30		
8/28/2002	Antelope State	3	30		
8/29/2002	Antelope State	3	27		
8/31/2002	Antelope State	3	30		
9/1/2002	Antelope State	3	25		
9/2/2002	Antelope State	3	25		
9/3/2002	Antelope State	3	27		
9/4/2002	Antelope State	3	25		