

Substitit 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
May 27, 2004

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

WELL API NO. 30-025-36324
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. (Federal) NMNM-03428
7. Lease Name or Unit Agreement Name Panther Federal
8. Well Number 3
9. OGRID Number 013837
10. Pool name or Wildcat Grayburg/Delaware DHC-3289

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 88211-0960

4. Well Location
Unit Letter K 1650 feet from the South line and 1650 feet from the West line
Section 31 Township 17S Range 32E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3861' GR

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

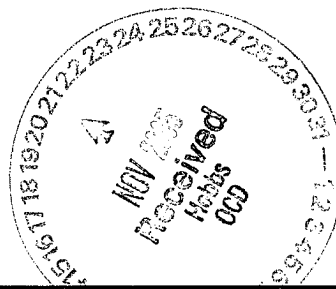
NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
OTHER: _____ <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>
	OTHER: DHC Percentages <input checked="" type="checkbox"/>

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 would like to change the allocation method for this well: The original DHC was set up to use a production forecast for the Tamano Delaware of 10% decline annually. The decline is not steep enough and has caused the production for the Maljamar GB SA to be inaccurate. Based on engineering data the decline should be at least 25% annually. At this time we would like to use a fixed allocation percentage for this well. Daily production for this well is now 8-Oil, 16-Gas. Using the 25% decline for the Delaware we would like to use these percentages:

Tamano Delaware 65% Oil and Gas
Maljamar GB SA 35% Oil and Gas

DHC-3289



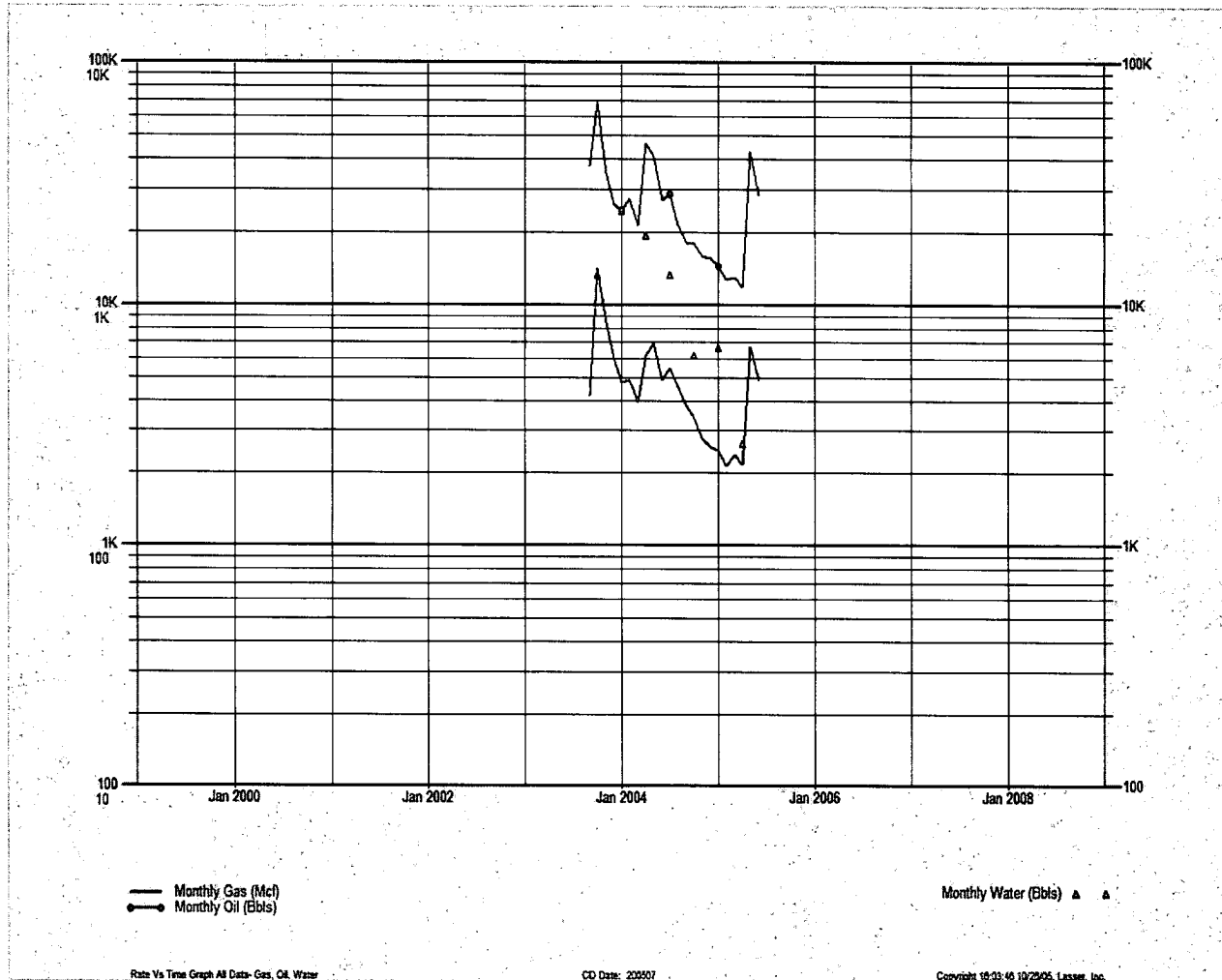
I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 11/16/2005

Type or print name Jerry W. Sherrell E-mail address: jerrys@mackenergycorp.com Telephone No. (505)748-1288
For State Use Onl

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE DEC 15 2005
Conditions of Approval (if any):

Mack Operated
 Panther Federal Leases
 Tamano (Delaware) production commingled with Maljamar
 (Grayburg-SA) on 6/1/2004



Decline rate of Delaware prior to commingle was approximately 25% annual decline rate.
 Decline rate of lease after commingle is too early to tell.