

Submit 3 Copies to Appropriate District Office
 District I
 1625 N French Dr, Hobbs, NM 88240
 District II
 1301 W Grand Ave, Hobbs, NM 88240
 District III
 1000 Rio Brazos Blvd, Hobbs, NM 88240
 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

RECEIVED
OCT 08 2008
HOBBS OIL

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

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 NE/4 _____ feet from the _____ line and _____ feet from the _____ line
 Section 35 Township 18S Range 36E NMPM County Lea

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 V-8144

7. Lease Name or Unit Agreement Name
 Arkansas State

8. Well Number 1-4

9. OGRID Number
 013837

10. Pool Name or Wildcat
 Arkansas Junction; San Andres & Bone Spring

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:

PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:

REMEDIALWORK ALTERING CASING
 COMMENCE DRILLING OPNS P AND A
 CASING/CEMENT JOB

OTHER: Surface Commingle OTHER:

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 Arkansas Junction; San Andres and Arkansas Junction; Bone Spring pools be approved for the following lease: Arkansas State (V-8144) Sec. 35, T18S, R36E

The tank battery is located in the NE/4 NE/4, Sec. 35 T18S R36E. Proper allocation for production will be measured using periodic well tests. 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 is currently producing the Arkansas State #1 in the San Andres and completing the Arkansas State #2 in the Bone Spring formation. Two more wells have been staked for future drilling. At this time we are requesting approval to add the Bone Spring to this production. Production is stabilized therefore allocation of added Bone Spring formation will be easily achieved.

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 9/18/08

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

For State Use Only
 APPROVED BY: Will Jones TITLE Engineer DATE 10/3/08
 Conditions of Approval (if any):

PC-1201