

DATE IN 1-26-05	SUSPENSE 1/26/05	ENGINEER Jones	LOGGED IN 1-27-05	TYPE PC	APP NO DEM0502733408
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED

JAN 26 2005

ADMINISTRATIVE APPLICATION CHECKLIST CONSERVATION

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jerry W. Sherrell
 Print or Type Name

Jerry W. Sherrell
 Signature

Production Clerk
 Title

1/24/2005
 Date

jerrys@mackenergycorp.com
 e-mail Address

Surface Commingling

Additional Information
Mack Energy Corporation, OGRID 013837
B Lee State Lease E-6002

1. B Lee State #1, API 30-025-03092 - F
Vacuum;Abo Reef
1650 FNL 2236 FWL, Sec. 7 T18S R35E
2. B Lee State #3, API 30-025-03094 - E
Vacuum;Abo Reef
2319 FNL 918 FWL, Sec. 7 T18S R35E
3. B Lee State #4, API 30-025-03095 - L
Vacuum;Abo Reef
2055 FSL 660 FWL, Sec. 7 T18S R35E
4. B Lee State #5, API 30-025-03096 - M
Vacuum;Grayburg-San Andres
994 FSL 330 FWL, Sec. 7 T18S R35E

MEMO

DATE: January 24, 2005

TO: William V. Jones
NMOCD

FROM: Ronald W. Lanning
Land Manager
Mack Energy Corporation

SUBJECT: B Lee State Lease

Our B Lee State Lease is Lots 2, 3, and 4, SE/4NW/4 of Section 7, T18S, R35E, Lea County, New Mexico.

All working interests, royalty interests, and overriding royalty interests are common from the surface to the base of the Abo formation, excepting that portion of the lease located within the boundaries of the Central Vacuum Unit.

All of our current completions and all of our anticipated completions fall in these depths of common ownership and are in the Vacuum Grayburg/San Andres and Vacuum Abo Reef.

Give me a call or contact me via Email at rlanning@mackenergycorp.com if you have any questions.

A handwritten signature in black ink, appearing to read "Ronald W. Lanning". The signature is fluid and cursive, with the first name "Ronald" being more prominent.

RWL: