New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

John H. Bemis Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary



Administrative Order DHC-4517

Order Date: 3/6/2012

Application Reference Number: pTGW1206131116

MACK ENERGY CORPORATION PO BOX 960 ARTESIA, NM 88211

Attention: Jerry W. Sherrell

DASH FOR CASH Well No. 002

API No: 30-025-40292

Unit M, Section 5, Township 18 South, Range 35 East, NMPM

Lea County, New Mexico

Pool:

WILDCAT DELAWARE

Oil

Names:

UNDES. VACUUM; BLINEBRY

Oil 61850

Reference is made to your recent application for an exception to 19.15.12.9A NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The allocation of oil and gas production between these pools shall be based on the subtraction method, using the existing Blinebry decline rate and calculating the Delaware production as the incremental.

REMARKS: The operator shall notify the Division's district office upon implementation of commingling operations.



Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

JAMI-BAILE

Director

JB/wvjj

cc: Oil Conservation Division - Hobbs

State Land Office - Oil, Gas, and Minerals Division