

DATE IN 8.8.05	SUSPENSE	ENGINEER Jones	LOGGED IN 8.9.05	TYPE DHC	APP NO. PSEM0522126508
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ABOVE THIS LINE FOR DIVISION USE ONLY

3523

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



ADMINISTRATIVE APPLICATION CHECKLIST

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 _____
- [21] **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

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

[41] **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

8/3/2005
 Date

jerrys@mackenergycorp.com
 e-mail Address

RECEIVED
 AUG 8 - 2005
 OIL CONSERVATION
 DIVISION

District I
1621 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

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

Form C-107A
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

Mack Energy Corporation

P.O. Box 960, Artesia, NM 88211-0960

Operator

Address

McIntyre B

1

L-20-17S-30E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 013837 Property Code 18385 API No. 30-015-04218 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson SR Q G SA		Loco Hills Paddock
Pool Code	28509		96718
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2803-4233'		4323-4714'
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)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.1		38.1
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: _____ Rates: _____	Date: _____ Rates: _____	Date: 5/31/2005 Rates: 4/29/7
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or put production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas % %	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 ☐
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- 1 02 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 Jerry W. Sherrell TITLE Production Clerk DATE 8/3/2005

TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO. (505) 748-1288

E-MAIL ADDRESS jerrys@mackenergycorp.com



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

August 3, 2005

Oil Conservation Division
Attn: David Catanach
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Downhole Commingling, and measurement of
Hydrocarbon Production for:
McIntyre B #1,2,5,6,7,8,9
Section 20, T17S, R30E
Eddy County, New Mexico

Mack Energy Corporation as operator of the aforementioned (7) wells respectfully requests administrative approval for down hole commingling and measurement of production.

Mack Energy proposes to commingle Grayburg Jackson;SR-Q-G-SA(28509) and Loco Hills Paddock(96718) production in these McIntyre B wells(Lease NMLC-060999). Production of both pools will be measured at the McIntyre B Tank Battery located in the SE/4 SW/4 Sec. 20 T17S R30E. This lease has common interest in both pools. Notification has been made to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Testing will be conducted and allocation percentages will be sent to OCD after completion of these wells.

Should you require any additional information concerning this application, please call Jerry W. Sherrell at the above number. Thank you for your consideration of this request.

Sincerely,

MACK ENERGY CORPORATION

Jerry W. Sherrell
Production Clerk
jerrys@mackenergycorp.com

JWS/

Enclosures

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
EnerRy, Minerals & Natural ResourcesOIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

'API Number 30-015-04218		'Pool Code 28509		'Pool Name Grayburg Jackson SR Q G SA	
'Property Code 18385		'Property Name McIntyre B			'Well Number 1
'OGRID No. 013837		'Operator Name Mack Energy Corporation			'Elevation

HI Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	17S	30E		2310	South	330	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 40		'joint or Infill		'Consolidation Code		'Order No.			

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

					" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Signature Jerry W. Sherrell Printed Name Production Clerk Title 7/28/2005 Date
					"SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor. Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-04218		Pool Code 96718	Pool Name Loco Hills Paddock
Property Code 18385	Property Name McIntyre B		Well Number 1
GRID No. 013837	Operator Name Mack Energy Corporation		Elevation

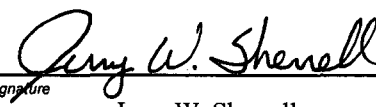
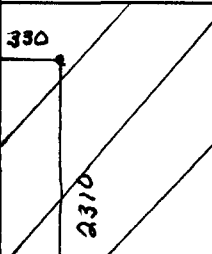
HI Surface Location

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" Dedicated Acres 40	" joint or Infill	Consolidation Code		" Order No.					

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<div data-bbox="131 995 155 1012" data-label="Text">16</div>				" OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature Jerry W. Sherrell Printed Name Production Clerk Title 7/28/2005 Date
				"SURVEYOR CERTIFICATION 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. Date of Survey Signature and Seal of Professional Surveyor. Certificate Number