VHC-3533

District I 1621 N. French Drive, Hobbs, NM 88240 District 11 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 874 1 0 District IV 1220 S. St Francis Dr., Santa Fe, NM 87505

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State of New Mexico Energy, Minerals and Natural Resources Department

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

APPLICATION TYPE X_Single Well X_Establish Pre-Approved Pools EXISTING WELLBORE X_Yes ___No

Form C-107A

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Revised June 10, 2003

APPLICATION FOR DOWNHOLE COMMINGLING

Mack Energy Corpo	oration	P.O. Box 960, Arter	sia, N <u>M 882</u>	11-0960		
Operator		Address				
Trout State	3	E-18-T16S-R32E			Lea	
Lease	Well No.	Unit Letter-Section-Township-Rang	ge		County	
OGRID No. 013837	_ Property Code <u>34710</u>	API No. <u>30-025-37158</u>	Lease Type: _	Federal X	State	Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Mesa Queen A Stoc.		Anderson Ranch Grayburg West
PoolCode	45703-45709		1560
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3600-3700'		4050-4150'
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)	36.8		36.8
Producing, Shut-In or New Zone	New Zone		New Zone
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:	Date: Rates:
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 % %	011 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 <u>X</u> Yes	No No
Are all produced fluids from all commingled zones compatible with each other?	Yes <u>X</u>	No
Will commingling decrease the value of production?	Yes	No <u>X</u>
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:		
A the abuve sector		

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 List of all operators within the proposed Pre-Approved Pools Proof that all operators within the proposed Pre-Approved Po Bottornhole pressure data.		ation.
I hereby certify that the information above is true and c	complete to the best of my knowled	ge and belief
SIGNATURE <u>Jeny W. Shenell</u>	TITLE Production Clerk	DATE <u>7/20/2005</u>
TYPE OR PRINT NAME Jerry W. Sherrell	TELEPHON	E NO. (<u>505</u>) 748-1288

E-MAIL ADDRESS jerrys@mackenergycorp.com

DISTRICT	I	
L		

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

Form C-102 Revised JUNE 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

30/05

12641

05.11.0434

DISTRICT IV 1220 S. ST. FRANCIS		NM 82505	WELL LO	CATION	AND ACREA	GE DEDICATI	ON PLAT	AMENDE	D REPORT
	Number			Pool Code		mi · · · · · · · · · · · · · · · · · · ·	Pool Name		
30-025	5-37158			45703			Mesa Queen		
Property	Code				Property Nam			Well Num	ber
34710					TROUT STA	ATE		3	
OGRID N 013837				MACK	Operator Name ENERGY CO			Elevatio 4375	_
		ł			Surface Loc	ation			
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	18	16-S	32-E		2310	NORTH	990	WEST	LEA
			Bottom	Hole Lo	cation If Diffe	erent From Sur	face		
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	l Joint o	r Infill C	onsolidation	Code 0	rder No.	l		<u> </u>	Ĺ
40									
NO ALLO	OWABLE V	TILL BE A	SSIGNED	TO THIS	COMPLETION U	JNTIL ALL INTER	RESTS HAVE B	EEN CONSOLIDA	TED
						APPROVED BY			
LOT 1			500570 0	T				OR CERTIFICAT	
		G	EODETIC C NAD 2		£5				
			V 6007	70 4 14	I		11	ny certify the the inj in is true and compl	·
			Y=6997 X=6603				best of my know	wledge and belief.	
			· · · · · · · · · · · · · · · · · · ·	-'04 47"	, ,			1 -1	1
	-10		LAT.=32*55 DNG.=103*4				(lerue	W. Sherre	
40.42 A				I	··· · · · · · · · · · ·		Signatur		
LOT 2				1			Jerry W	I. Sherrell	
					1		Printed Nam		
				1	1		Title	ion Clerk	
					·		7/20/20	05	
							Date		
	-0			1					
40.43 A					l		SURVEYO	OR CERTIFICAT	TION
LOT 3							I hereby certif	y that the well locat	ion shown
	ł							as plotted from field	
	1			ł	1			made by me or rd that the same is	-
								e best of my belie	
	1			1	1		MAF	RCH 18, 2005	
40.43 AC	c						Date Survey	Seal of Surveyor	JŔ
LOT 4	· I					······································		Seal of Willing	
							FON	N.S. S.	

G Cettificate No. GARY.EDGOR

40.44 AC

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

DISTRICT I

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1625 N. FRENCH DR., HOBBS, NM 68240

DISTRICT II 1301 W. GRAND AVENUE, ARTESIA, NH 88210

DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

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-102 Revised JUNE 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT IV 1220 S. ST. FRANCES DR., SANTA FE. NM 87505	WELL LOCATION AND	ACREAGE DEDICATION PLAT	AMENDED REPOR
API Number	Pool Code	Pool Name	
30-025-37158	1560	Anderson Ranch Gray	yburg West
Property Code	Proj	perty Name	Well Number
34710	TROU	JT STATE	3
OGRID No. 013837	-	rator Name SY CORPORATION	Elevation 4375'
u	Surfa	ce Location	

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	18	16-S	32-E		2310	NORTH	990	WEST	LEA

Bottom Hole Location If Different From Surface

ſ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
ſ	Dedicated Acres	Joint o	r Infill (onsolidation	Code Or	der No.				
	40									

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

LOT 1		
	GEODETIC COORDINATES NAD 27 NME	OPERATOR CERTIFICATION
		I hereby certify the the information
	Y=699732.1 N	contained herein is true and complete to the best of my knowledge and belief.
	X=660333.8 E	
	LAT.=32°55′21.17″ N	() $()$ $()$ $()$
40.42 AC N	LONG.=103°48'38.96" W	Jerry W. Shenell
40.42 AC N LOT 2 1	/ / / / /	Signature
		Jerry W. Sherrell
		Printed Name
	1	Production Clerk
		7/20/2005
990'0	1	Date
	1	
40.43 AC		SURVEYOR CERTIFICATION
LOT 3		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 supervison, and that the same is true and
		correct to the best of my belief.
		MARCH 18, 2005 Date Surveyed
40.43 AC		Date Surveyed and the JR Signature (Seal / of Unit Professional - Surveyor Unit
LOT 4	1	Professional Surveyo
		MELO WIN
		Bar & Eulin 3/30/05
		05.11.0434
		Certificate No. GARY EDGOR 12641
40.44 AC		PROFESSIONA 12041

 [A] Location - Spacing Unit - Simultaneous Dedication [A] NSL NSP SD Check One Only for [B] or [C] [B] Commingling - Storage - Measurement [A] DHC CTB PLC PC OLS OLM [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [C] WFX PMX SWD IPI EOR PPR [D] Other: Specify 	25 h	05	SUSPENSE		ENGINEER	LOGGED	IN	PHC		APP NO.	
• Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505 • ADMINISTRATIVE APPLICATION CHECKLIST THIS CHECKLIST IS MANATORY 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] [PC-Pool Commingling] [CIB- · Off-Lease Storage [OLM - Off-Lease Measurement] (PC-Pool Commingling] [OLS - Off-Lease Measurement] [SWD-Sait Water Disposal] [PI-Nichtion Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PR-Positive Production Response [B] Check One Only for [B] or [C] [B] Check One Only for [B] or [C] [B] Other: Specify [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [] WFX PMX SWD IPI [] EOR PPR [] Other: Specify										A THE OLIVER	
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 Supplication Acronyms: INSE-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] [PC-Pool Commingling] [DLS - Off-Lease Commingling] [PC-Pool Commingling] [DLS - Off-Lease Measurementit] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Sait Water Disposal] [IPI-Injection Pressure Increase] [CoR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Respond [WFX Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Sait Water Disposal] [IPI-Injection Pressure Increase] [CoR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Respond [WFX Waterflood Expansion] [NSL NSP SD Check One Only for [B] or [C] [B] Commingling Storage - Measurement MED COM PPLICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply [D] Other: Specify [PIC PO I OP C P PP PR			N	IEW MI				DIVISION	1 ·		
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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] [PC-Pool Commingling] [CDS- Off-Lease Storage] [DLM-Off-Lease Measurement] [PC-Pool Commingling] [CDS- Off-Lease Storage] [DLM-Off-Lease Measurement] [PC-Pool Commingling] [CDS- Off-Lease Storage] [DLM-Off-Lease Measurement] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response [EOR-Qualified Enhanced Oil Recovery Certification] [PPF OF APPLICATION - Check Those Which Apply for [A] [A] Location - Spacing Unit - Simultaneous Dedication [B] Commingling - Storage - Measurement [B] DHC CTB [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [B] Offset Operators, Leaseholders or Surface Owners [B] Offset Operators, Leaseholders or Surface 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 [B] Offset Operators, Commissioner of Public Leads, State Land Office [D] <th><u>i-</u></th> <th><u></u></th> <th></th> <th></th> <th>NISTRAT</th> <th>IVE APP</th> <th>PLICAT</th> <th>ION CH</th> <th>IECK</th> <th>LIST</th> <th>····</th>	<u>i-</u>	<u></u>			NISTRAT	IVE APP	PLICAT	ION CH	IECK	LIST	····
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 WFX PMX SWD PMX BWD PPR Other: Specify Other: Specify 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, 			Check [B]	Commi	ngling - Stora	ge - Measure		🗌 OLS	[] O	LM	ER COS
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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,			[C]	🗌 Ap	plication is O	ne Which Red	quires Pub	lished Legal	Notice		
			[D]								
[F] Waivers are Attached			[E]	Foi	r all of the abc	ove, Proof of	Notificatio	n or Publica	tion is A	ttached, and	d/or,
			[F]	🗌 Wa	ivers are Atta	ched					

[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.

	W. Shenell	Production Clerk		7/20/2005
Signature		Title	D	Date

jerrys@mackenergycorp.com e-mail Address

Jerry W. Sherrell Print or Type Name



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

July 20, 2005 OIL COLLES SUBS **Oil Conservation Division** 1220 South St. Francis Dr. Santa Fe, NM 87505 Downhole Commingling, and measurement of Re: Hydrocarbon Production for: *Trout State* #1,2,3,4 Section 18, T16S, R32E Lea County, New Mexico

Mack Energy Corporation as operator of the aforementioned (4) wells respectfully requests administrative approval for down hole commingling and measurement of production.

Mack Energy proposes to commingle Mesa Queen and Anderson Ranch Grayburg West production in the Trout State wells (State of NM Lease E-4199). Production of both pools will be measured at the Trout State Tank Battery located in the NE/4 NE/4 Sec. 18 T16S R32E. 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

Shenel

Jérry W. Sherrell Production Clerk jerrys@mackenergycorp.com

JWS/

Enclosures