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

10522239285 DAK

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 <u>X</u> Single Well <u>X</u> Establish Pre-Approved Pools EXISTING WELLBORE <u>X</u> Yes No

Form C-107A

Revised June 10, 2003

APPLICATION FOR DOWNHOLE COMMINGLING

Mack Energy Corporation	P.	.O. Box 960, Artesia, NM 8821	1-0960
Operator	Add	iress	
Jenkins B Federal	7 E-20-17	7S-30E	Eddy
Lease	Well No. Unit Letter-	Section-Township-Range	County
OGRID No. 013837 Property Co	de <u>6125</u> API No. <u>30-01</u>	5-29451 Lease Type: X	FederalStateFee
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson SR Q G SA		Loco Hills Paddock
PoolCode	28509		96718
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2750-4211'		4286-4637'
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	Date:	Date:	Date: <u>5/31/2005</u>
estimates and supporting data.)	Rates:	Rates:	Rates: <u>12/61/16</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other	oil Gas	Oil Gas	oil Gas
than current or put production, supporting data or explanation will be required.)	% %	% %	% %

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?	YesX	No	
Will commingling decrease the value of production?	Yes	<u>No</u> X	_
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 List of all operators within the proposed Pre-Approved Pools Proof that all operators within the proposed Pre-Approved Pool Bottornhole pressure data.		
I hereby certify that the information above is true and co SIGNATURE Certy W. Shenall	mplete to the best of my knowledge and be TITLEProduction Clerk	lief DATE 7/27/2005
TYPE OR PRINT NAME Jerry W. Sherrell	TELEPHONE NO. (505) 748-1288

E-MAIL ADDRESS jerrys@mackenergycorp.com



DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

□ AMENDED REPORT

Revised February 10, 1994

State Lease - 4 Copies

Fee Lease - 3 Copies

Submit to Appropriate District Office

Form C-102

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name			
30-015-29451	96718	96718 Loco Hill			
Property Code	Prop	erty Name	Well Number		
006125	JENK	INS B Federal	7		
OGRID No.	Oper	ator Name	Elevation		
013837	MACK ENERGY	CORPORATION	3629		

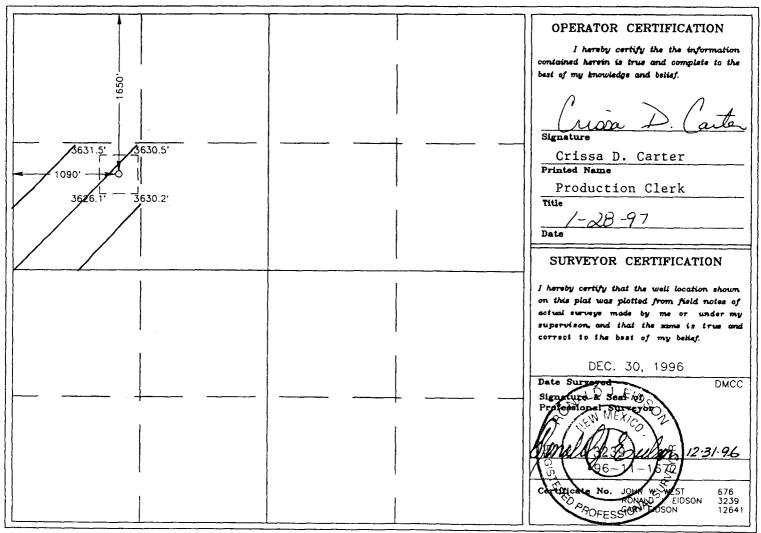
Surface Location

UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
E	20	17 S	30 E		1650	NORTH	1090	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	Joint o	r Infill Co	nsolidation	Code Or	ier No.			I	<u> </u>

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







Form C-102 Revised February 10, 1994 Submit to Appropriate District Office. State Lease - 4 Copies Fee Lease - 3 Copies

J 4 DISTRICT II P.O. Drawer DD, Artesia, NM 88211-0719

P.O. Box 1980, Hobbs, NM 88241-1980

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DISTRICT 1

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

DISTRICT IV P.O. BOX 2088, SANTA PE, N.M. 87604-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name	
30-015-29451	28509	Grayburg Jackson 7RVS-QN-GB-	SA
Property Code	Prop	erty Name	Well Number
006125	JENK	7	
OGRID No.	Oper	ator Name	Elevation
013837	MACK ENERGY	CORPORATION	3629

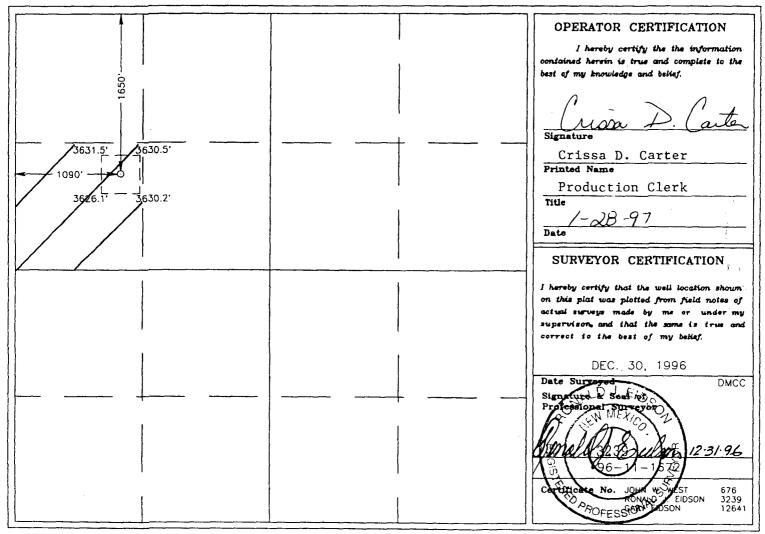
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	{								1

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





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

July 28, 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: Jenkins B Federal #1,2,3,4,7,8,9,10,11,12,13,14,15,16 Section 20, T17S, R30E Eddy County, New Mexico

Mack Energy Corporation as operator of the aforementioned (14) 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 Jenkins B Federal wells(Lease NMLC-054988B). Production of both pools will be measured at the Jenkins B Federal Tank Battery located in the SE/4 SW/4 Sec. 17 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

king W. Shenel

Jerry W. Sherrell Production Clerk <u>jerrys@mackenergycorp.com</u>

JWS/

Enclosures