

DATE IN 5/08/2015	SUSPENSE	ENGINEER M Am	LOGGED IN 5/11/2015	TYPE DHC	APP NO. DmAm 15133 1859
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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



**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 \_\_\_\_\_
- [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.

Deana Weaver  
Print or Type Name

Deana Weaver  
Signature

Production Clerk  
Title

May 5, 2015  
Date

dweaver@mec.com  
e-mail Address



RECEIVED OGD

P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

2015 MAY -8 P 3:09

May 5, 2015

Oil Conservation Division  
Attn: Phillip R Goetze  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Re: Down Hole Commingling, and measurement of  
Hydrocarbon Production for:  
Derrick Fee #1  
Section 4, T23S, R27E  
Eddy County, New Mexico

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

Mack Energy proposes to commingle Bone Spring and Upper Wolfcamp production in the Derrick Fee #1. Production of all pools will be measured at the TB located in the SE/4 NE/4, Sec. 4 T23S R27E. 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. Allocation will be done using the fixed allocation percentage.

Should you require any additional information concerning this application, please call Deana Weaver at 575-748-1288. Thank you for your consideration of this request.

Sincerely,

MACK ENERGY CORPORATION

*Deana Weaver*

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/  
Enclosures

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

Form C-107A  
Revised June 10, 2003

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

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

Derrick Fee

1

H-4-23S-27E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 013837 Property Code 39522 API No. 30-015-40817 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name		Cass Draw; Bone Spring	WC-015 G-06 S232704H; Upper Wolfcamp
PoolCode		10380	98125
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		6533-8980'	8980-9066'
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)		45.5	45.5
Producing, Shut-In or New Zone		Producing	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: <u>3/1/2015</u> Rates: <u>639/3792/3588</u>	Date: <u>3/1/2015</u> Rates: <u>27/158/150</u>
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? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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 Deana Weaver TITLE Production Clerk DATE 5.5.15

TYPE OR PRINT NAME Deana Weaver TELEPHONE NO. ( 575 ) 748-1288

E-MAIL ADDRESS dweaver@mec.com

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720

DISTRICT III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40817	Pool Code 10380	Pool Name Cass Draw; Bone Spring
Property Code 39522	Property Name DERRICK FEE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3125'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	4	23-S	27-E		1675	NORTH	700	EAST	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
H	4	23-S	27-E		1728	NORTH	389	EAST	EDDY
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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>4 3 2 A</p> <p>39.99 AC. 39.96 AC. 39.94 AC. 39.92 AC.</p> <p>GRID AZ. = 89°44'06" HORIZ. DIST. = 345.0'</p> <p>1675' 1728'</p> <p>S.L. 1389'</p> <p>8'H. 700'</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Deana Weaver</i> 5515 Signature Date</p> <p>Deana Weaver Printed Name</p> <p>dweaver@mec.com E-mail Address</p>
<p><b>CORNER COORDINATES TABLE</b></p> <p>A) Y=486605.8 N, X=544172.4 E</p> <p>B) Y=486621.6 N, X=545496.4 E</p> <p>C) Y=485287.2 N, X=544156.4 E</p> <p>D) Y=485303.0 N, X=545473.9 E</p>		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>JUNE 8, 2012</p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p>GARY G. EIDSON NEW MEXICO REG. 12641 JUNE 9 2012 Certificate Number Gary G. Eidson 12641 Ronald J. Eidson 3239 ACR REL. W.O.# 1211.0913 JWSC W.O.: 13.13.0043</p>
<p><b>GEODETIC COORDINATES</b> NAD 27 NME</p> <p><b>SURFACE LOCATION</b> Y=486229.3 N X=544789.8 E</p> <p><b>BOTTOM HOLE LOCATION</b> Y=486230.9 N X=545134.8 E</p>		<p><b>RECEIVED</b></p> <p>JUN 14 2013</p>

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015040817	Pool Code 98125	Pool Name WC-015 G-06 S232704H; Upper Wolfcamp
Property Code 39522	Property Name DERRICK FEE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3125'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	4	23-S	27-E		1675	NORTH	700	EAST	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
H	4	23-S	27-E		1728	NORTH	389	EAST	EDDY
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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>4 3 2 A</p> <p>GRID AZ. = 89°44'06"</p> <p>HORIZ. DIST. = 345.0'</p> <p>39.99 AC. 39.96 AC. 39.94 AC. 39.92 AC.</p> <p>1675' 1728'</p> <p>389'</p> <p>700'</p> <p>S.L. B.H.</p>			<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Deana Weaver</i> 5/5/13</p> <p>Signature Date</p> <p>Deana Weaver</p> <p>Printed Name</p> <p>dweaver@mec.com</p> <p>E-mail Address</p>	
<p><b>CORNER COORDINATES TABLE</b></p> <p>A) Y=486605.8 N, X=544172.4 E</p> <p>B) Y=486621.6 N, X=545496.4 E</p> <p>C) Y=485287.2 N, X=544156.4 E</p> <p>D) Y=485303.0 N, X=545473.9 E</p>			<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>JUNE 8, 2012</p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p>GARY G. EIDSON</p> <p>NEW MEXICO</p> <p>12641</p> <p>REGIS</p> <p>6/9/13</p> <p>Certificate Number</p> <p>GARY G. EIDSON 12641</p> <p>RONALD J. EIDSON 3239</p> <p>ACR REL. W.O. 12/11/0913 JWSC W.O. 13/13/0043</p>	
<p><b>GEODETIC COORDINATES</b></p> <p>NAD 27 NME</p> <p><b>SURFACE LOCATION</b></p> <p>Y=486229.3 N</p> <p>X=544789.8 E</p> <p>LAT.= 32.336677° N</p> <p>LONG.= 104.188315° W</p> <p><b>BOTTOM HOLE LOCATION</b></p> <p>Y=486230.9 N</p> <p>X=545134.8 E</p>			<p><b>RECEIVED</b></p> <p>JUN 14 2013</p>	

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# MEMO

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DATE: April 2, 2015

TO: NMOCD

FROM: Travis K. Lanning

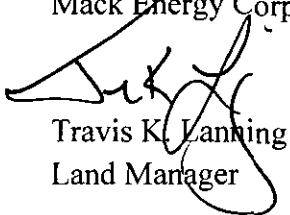
RE: Derrick Fee #1  
T23S, R27E, NMPM  
Section 4: SE/4NE/4,  
Eddy County, New Mexico

Mack Energy Corporation respectfully requests approval to downhole commingle production from the Bone Spring and Wolfcamp formations in our Derrick Fee No. 1.

All formations have identical working and revenue interests.

Please do not hesitate to contact me should you require any further information.

Sincerely,  
Mack Energy Corporation



Travis K. Lanning  
Land Manager

# Division Order Attachment

Owner Code	Owner Name	Addr Sub #	Net Revenue Interest	Interest Type	Susp Code	Tax Id
Deck: 15459	Description: DERRICK FEE - REV DISTR			Inactive: No		
Property: 3412	Derrick Fee					
County, State: Eddy County, NM						
Map Reference: Township: 023-S Range: 027-E Section: 04 Qtr/Qtr: SE/4NE/4, N/2SE/4						
Effective Date: 03/01/2014	Payor: Mack Energy Corporation					
003158	Rolla R. Hinkle III	00001	0.01041667	ORRI	MIN	585-80-0080
	P.O. Box 2292					
	Roswell, NM 88202-2292	US	(575) 622-5061			
003791	Madison M. Hinkle	00001	0.01041667	ORRI	MIN	585-80-0079
	P. O. Box 2292					
	Roswell, NM 88202-2292	US	505/622-5061			
015826	Ross Duncan Properties LLC	00001	0.00727679	RI	MIN	450717304
	P O Box 647					
	Artesia, NM 88211-0647	US				
016112	B&G Royalties	00001	0.00281250	RI	MIN	85-0418113
	P O Box 376					
	Artesia, NM 88211-0376	US	575-746-1706			
016112	B&G Royalties	00001	0.00055804	ORRI	MIN	85-0418113
	P O Box 376					
	Artesia, NM 88211-0376	US	575-746-1706			
016114	Xplor Resources, LLC	00001	0.00727679	RI	MIN	45-2633139
	1104 North Shore Drive	Mike Hyden				
	Carlsbad, NM 88220	US	575-302-6678			
016114	Xplor Resources, LLC	00001	0.00502232	ORRI	MIN	45-2633139
	1104 North Shore Drive	Mike Hyden				
	Carlsbad, NM 88220	US	575-302-6678			
016764	Panhandle Properties, LLC	00001	0.00558036	ORRI	MIN	45-3530132
	P O Box 647					
	Artesia, NM 88211-0647	US	575-513-2544			
016785	Loretta B. Hayes	00001	0.00107142	RI	MIN	
	309 Pecos River Drive					
	Carlsbad, NM 88220	US				
016789	Kenneth E. Bindel	00001	0.00669643	RI	MIN	525-60-6869
	415 San Juan Manor					
	Carlsbad, NM 88220	US	575-885-5505			
017789	Kevin R. Decker	00001	0.00107142	RI	MIN	
	5138 Mt. St. Vrain Avenue					
	Frederick, CO 80504	US	303-720-1382			
018095	Southwest Petroleum Land Svc, LLC	00001	0.00252232	RI	MIN	85-0477085
	1901 W. 4th Street					
	Roswell, NM 88201	US				
018098	Geraldine Webber	00001	0.00892857	RI	MIN	525-28-9078
	1600 Newsom Ct.,					
	Pantego, TX 76013	US	817-657-2971			
018099	Bernice Browning	00001	0.00892857	RI	MIN	525-44-0080
	9659 W. Sierra Pinta Drive					
	Peoria, AZ 85382-0906	US	928-526-5531			
018107	Gytha P. Bindel	00001	0.12500000	RI	MIN	546-42-5952
	or Herbert Bindel					
	2013 E. Wood Ave					
	Carlsbad, NM 88220	US	575-885-8407			
020970	Blackbird Royalties LLC	00001	0.00475446	RI	MIN	45-5420796
	28 Haley Circle					
	Roswell, NM 88201	US	575-910-8187			
020992	Kevin Conlin	00001	0.04166667	RI	MIN	567-65-9626
	25210 Jake Street					
	Veneta, OR 97487	US	541-935-2692			
101	Chase Oil Corporation	00001	0.63750000	WI	MIN	85-0403681
	P.O. Box 1767					
	Artesia, NM 88211-1767	US	(575) 746-9853			
110	Robert C. Chase	00001	0.03750000	WI	MIN	585-80-7468
	P.O. Box 297					
	Artesia, NM 88211-0297	US	505-746-1288			
185	Ventana Minerals LLC	00001	0.03750000	WI	MIN	27-1251162

# Division Order Attachment

Owner Code	Owner Name	Addr Sub #	Net Revenue Interest	Interest Type	Susp Code	Tax Id
195	P. O. Box 359					
	Artesia, NM 88211	US				
	DiaKan Minerals LLC	00001	0.03750000	WI	MIN	27-1243802
	P. O. Box 693					
	Artesia, NM 88211-0693	US				
<hr/>			<hr/>			
21			1.00000000			





P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

---

May 5, 2015

Rolla R. Hinkle III  
P.O. Box 2292  
Roswell, NM 88202-2292

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1210**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

*Should you have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the DHC application if no objection has been made within the 20 days after the application has been received.*

Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Madison M. Hinkle  
P.O. Box 2292  
Roswell, NM 88202-2292

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1227**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Ross Duncan Properties LLC  
P.O. Box 647  
Artesia, NM 88211-0647

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1234**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

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Office (575) 748-1288  
Fax (575) 746-9539

---

May 5, 2015

B&G Royalties  
P.O. Box 376  
Artesia, NM 88211-0376

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1241**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
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Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Xplor Resources, LLC  
1104 North Shore Drive  
Carlsbad, NM 88220

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1258**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

*Should you have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the DHC application if no objection has been made within the 20 days after the application has been received.*

Sincerely,

A handwritten signature in cursive script that reads "Deana Weaver".

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Panhandle Properties, LLC  
P.O. Box 647  
Artesia, NM 88211-0647

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1623**  
**CERTIFIED RETURN RECEIPT MAIL**

*Dear Sir:*

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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*Sincerely,*

*Deana Weaver*  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

*DW/*

*Enclosures*



P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Loretta B. Hayes  
309 Pecos River Drive  
Carlsbad, NM 88220

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1630**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
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Fax (575) 746-9539

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May 5, 2015

Kenneth E. Bindel  
415 San Juan Manor  
Carlsbad, NM 88220

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1647**  
**CERTIFIED RETURN RECEIPT MAIL**

*Dear Sir:*

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*Sincerely,*

*Deana Weaver*  
Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

*DW/*

*Enclosures*





P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Kevin R. Decker  
5138 Mt. St. Vrain Avenue  
Frederick, CO 80504

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1654**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



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Artesia, NM 88211-0960  
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Fax (575) 746-9539

---

May 5, 2015

Southwest Petroleum Land Svc, LLC  
1901 W. 4<sup>th</sup> Street  
Roswell, NM 88201

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1661**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

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Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Geraldine Webber  
1600 Newsom Ct.,  
Pantego, TX 76013

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1678**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Bernice Browning  
9659 W. Sierra Pinta Drive  
Peoria, AZ 85382-0906

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1685**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

*Deana Weaver*

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
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Fax (575) 746-9539

May 5, 2015

Gytha P. Bindel  
Herbert Bindel  
2013 E. Wood Ave  
Carlsbad, NM 88220

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1692**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

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Enclosures



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Artesia, NM 88211-0960  
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Fax (575) 746-9539

May 5, 2015

Blackbird Royalties LLC  
28 Haley Circle  
Roswell, NM 88201

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1708**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

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Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures



P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

May 5, 2015

Kevin Conlin  
25210 Jake Street  
Veneta, OR 97487

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1715**  
**CERTIFIED RETURN RECEIPT MAIL**

Dear Sir:

*This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Bone Spring & Upper Wolfcamp in the Derrick Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.*

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Sincerely,

  
Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/

Enclosures

## McMillan, Michael, EMNRD

---

**From:** Deana Weaver <dweaver@mec.com>  
**Sent:** Monday, May 11, 2015 10:13 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Jerry Sherrell  
**Subject:** FW: Derrick Fee #1 Bone Spring/Wolfcamp Split Data  
**Attachments:** Den Spoon Water (2).pdf

Michael,

Mack Energy has perforated and produced some of our wells in the Carlsbad area. It was discovered that the bottom section of perforations were actually in the Wolfcamp formation. After meeting with Paul Kautz and Randy Dade to discuss this issue, we agreed to test one of the wells(Derrick Fee #1) and use this data for all wells within this area.

The water analysis for the Den SWD #1 and Spoon SWD #1 is attached.

### Isolated Wolfcamp perms, Bone Spring Production Only

Date:	Oil	Gas	Water
3/22/2015	22	154	87
3/23/2015	25	152	127
3/24/2015	25	152	117
3/25/2015	22	161	119
3/26/2015	25	134	111
3/27/2015	22	140	141
3/28/2015	25	152	85

### Commingled Wolfcamp and Bone Spring

Date:	Oil	Gas	Water
4/30/2015	28	153	146
5/1/2015	22	153	162
5/2/2015	25	161	236
5/3/2015	25	159	150

### Commingled Bone Spring and Wolfcamp Avg:

Avg: 25 Oil, 157 MCF, 173 Water

### Bone Spring Only Avg:

Avg: 24 Oil, 149 MCF, 112 Water

Avg: 96% Oil

### Wolfcamp Only Avg:



Avg: 1 Oil, 8 MCF, 61 Water

Avg: 4% Oil

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

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

**Jami Bailey, Division Director**  
Oil Conservation Division



Administrative Order DHC-4694

Order Date: September 2, 2014

Application Reference Number: pMAM1424137369

Mack Energy Corporation  
P. O. Box 960  
Artesia, New Mexico 88211-0960

Attention: Deana Weaver

Derrick Fee Well No. 1  
API No. 30-015-40817  
Unit H, Section 4, Township 23 South, Range 27 East, NMPM  
Eddy County, New Mexico

Pool	CASS DRAW; BONE SPRING	Oil	10380
Names:	FOREHAND RANCH; DELAWARE	Oil	24670

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 since 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.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the subtraction method. The total well production minus the Cass Draw; Bone Spring Pool production shall be assigned to the Forehand Ranch; Delaware Pool.

REMARKS: The operator shall notify the Division's district II 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 BAILEY  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs

## **McMillan, Michael, EMNRD**

---

**From:** Deana Weaver <dweaver@mec.com>  
**Sent:** Monday, May 11, 2015 12:17 PM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Jerry Sherrell  
**Subject:** RE: Wind Fee Well No.1, and Derrick Fee Well No. 1 DHC applications

We haven't done anything with the Delaware pool. We received approval to DHC but the work has not been yet. Do I need to cancel those DHC order for the Cass Draw; Bone Spring & Forehand Ranch; Delaware?

---

**From:** McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]  
**Sent:** Monday, May 11, 2015 11:53 AM  
**To:** Deana Weaver  
**Subject:** Wind Fee Well No.1, and Derrick Fee Well No. 1 DHC applications

Ms. Weaver:

For the Wind Fee Well No.1, and Derrick Fee Well No. 1 wells, they are presently Administratively approved for commingling in the Cass Draw; Bone Spring and Forehand Ranch; Delaware Pools. The new application has the Cass Draw; Bone Spring and Wildcat Bone Spring Pools.

What is Mack Energy doing with the Delaware Pools in these two wells?

Thank You

## **Michael A. McMillan**

Engineering and Geological Services Bureau, Oil Conservation Division  
1220 South St. Francis Dr., Santa Fe NM 87505  
O: 505.476.3448 F. 505.476.3462  
[Michael.mcmillan@state.nm.us](mailto:Michael.mcmillan@state.nm.us)