

1/13/06

PWT 0602033 886
DHC-3608

District I
1621 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

APPLICATION TYPE
 Single Well

District III
1000 Rio Brazos Road, Aztec, NM 87410

Establish Pre-Approved Pools
EXISTING WELLBORE

District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Yes No

Mack Energy Corporation

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

Operator

Address

Berry A Federal

15

F-21-17S-30E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 013837 Property Code 6051 API No. 30-015-33486 Lease Type: Federal State Fee

| 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) | 3492-4157' | | 4398-4826' |
| 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 | | 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: <u>12/26/2005</u> Rates: <u>26/36/148</u> | Date: _____ Rates: _____ | Date: <u>12/26/2005</u> Rates: <u>46/63/262</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 _____ 36 % 36 % | Oil _____ Gas _____ % % | Oil _____ Gas _____ 64 % 64 % |

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 Jerry W. Sherrell TITLE Production Clerk DATE 1/11/2006

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

January 11, 2006

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

Re: DHC-3584
Berry A Federal #15
Section 21, T17S, R30E
Eddy County, New Mexico

RECEIVED
JAN 13 2006
Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Mack Energy Corporation as operator of the aforementioned well respectfully requests administrative approval for down hole commingling and measurement of production. At this time we would like to add the above mentioned well to this DHC order for this lease.

Mack Energy proposes to commingle Grayburg Jackson, SR-Q-G-SA(28509) and Loco Hills Paddock(96718) production in the above mentioned Berry A Federal well(Lease NMLC-054988A). Production of both pools will be measured at the Berry A Federal Tank Battery located in the NE/4 NW/4 Sec. 21 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.

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

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

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

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

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

RECEIVED
Form C-102
Revised February 10, 1994

Submitted to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505
WELL LOCATION REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|--|---------------------------------|
| API Number 30-015-33486 | Pool Code 96718 | Pool Name Loco Hills Paddock |
| Property Code 006051 | Property Name BERRY A FED. | Well Number 15 |
| OGRID No. 013837 | Operator Name MACK ENERGY CORPORATION | Elevation 3650' |

Surface Location

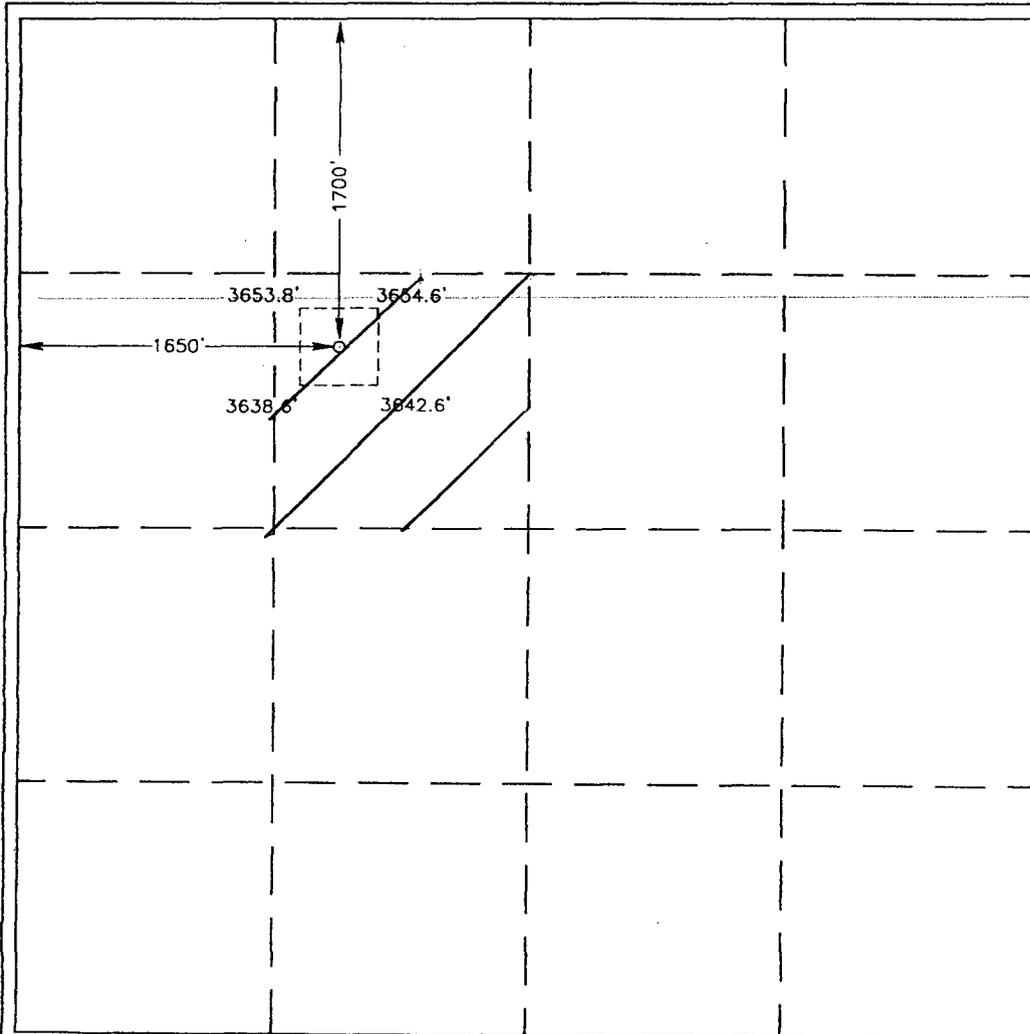
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 21 | 17-S | 30-E | | 1700 | NORTH | 1650 | 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 ALL 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.

Crissa D. Carter
Signature

Crissa D. Carter
Printed Name

Production Analyst
Title

10/4/2002
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.

SEPTEMBER 16, 2002

Date Surveyed LA

Signature Seal
Professional Surveyor

Ronald C. Edson
RONALD C. EDSON
NEW MEXICO
3239
02.11.0669C
REGISTERED PROFESSIONAL SURVEYOR

Certificate No. RONALD C. EDSON 3239
NEW MEXICO 12641

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|-----------------------------------|---|--|
| API Number 30-015-33486 | Pool Code 28509 | Pool Name Grayburg Jackson SR QGSA |
| Property Code 006051 | Property Name BERRY A FED. | |
| OGRID No. 013837 | Operator Name MACK ENERGY CORPORATION | |
| | Well Number 15 | Elevation 3650' |

Surface Location

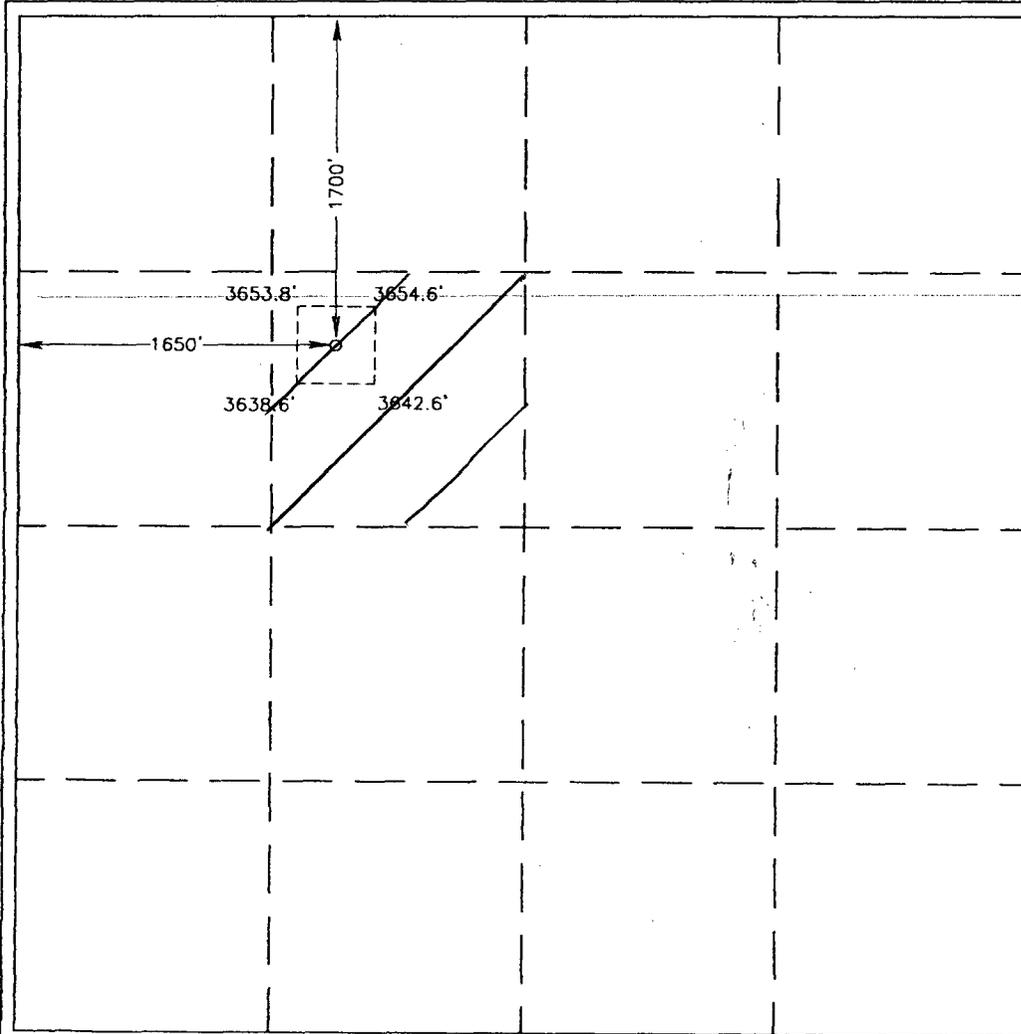
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F | 21 | 17-S | 30-E | | 1700 | NORTH | 1650 | 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. |
|------------------------------|-----------------|--------------------|-----------|

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OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Crissa D. Carter
Signature

Crissa D. Carter
Printed Name

Production Analyst
Title

10/4/2002
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.

SEPTEMBER 16, 2002
Date Surveyed

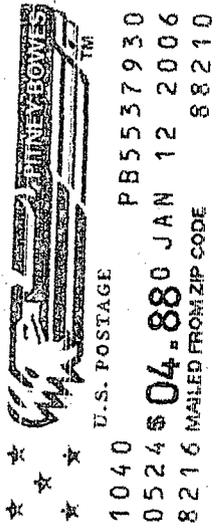
Ronald D. Edson
Signature

RONALD D. EDSON
Professional Surveyor

NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR

3239
Certificate No.

12641
ID No.



☆ ☆ ☆ ☆ ☆ ☆ ☆ ☆
 1040 PB5537930
 0524 \$04.88 JAN 12 2006
 8216 MAILED FROM ZIP CODE 88210

7004 2510 0004 3033 2031
 7004 2510 0004 3033 2031

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information, visit our website at www.usps.com

OFFICIAL USE

| | | |
|---|---------|------------------|
| Postage | \$.63 | Postmark Here |
| Certified Fee | 2.40 | |
| Return Receipt Fee (Endorsement Required) | 1.85 | |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage & Fees | \$ 4.88 | |

Sent To
 West Oil Producers Inc.
 PO Box 1498
 Roswell, NM 88202

PS Form 3800, June 2002 See Reverse for Instructions

West Oil Producers Inc.
 PO Box 1498
 Roswell, NM 88202

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

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> |
| <p>1. Article Addressed to:</p> <p>West Oil Producers Inc. PO Box 1498 Roswell, NM 88202</p> | <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7004 2510 0004 3033 2031</p> | <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |



U.S. POSTAGE
 P B 5537930
 0514 \$04.88 JAN 12 2006
 8214 MAILED FROM ZIP CODE 88210

★ ★ ★ ★
 ★ ★ ★ ★
 1190

Featherstone Development Corporation
 1801 West Second Street
 Roswell, NM 88201

7004 2510 0004 3033 2024
 7004 2510 0004 3033 2024

U.S. Postal Service[®]
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OFFICIAL USE

| | | |
|---|---------|------------------|
| Postage | \$.63 | Postmark Here |
| Certified Fee | 2.40 | |
| Return Receipt Fee (Endorsement Required) | 1.85 | |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage & Fees | \$ 4.88 | |

Sent
 Street or P.O.
 City,
 Featherstone Development Corporation
 1801 West Second Street
 Roswell, NM 88201

PS Form 3800, June 2002 See Reverse for Instructions

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

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:</p> |
| <p>1. Article Addressed to:</p> <p>Featherstone Development Corp 1801 West Second Street Roswell, NM 88201</p> | <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> |
| <p>2. Article Number (Transfer from service label)</p> <p>7004 2510 0004 3033 2024</p> | <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |

☆ ☆ ☆
 ☆ ☆ ☆
 ☆ ☆ ☆
 1210 U.S. POSTAGE PB5537930
 0594 \$04.88 JAN 12 2006
 8215 MAILED FROM ZIP CODE 88210

7004 2510 0004 3033 2048
 7004 2510 0004 3033 2048

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

OFFICIAL USE

| | | |
|---|---------|------------------|
| Postage | \$.63 | Postmark Here |
| Certified Fee | 2.40 | |
| Return Receipt Fee (Endorsement Required) | 1.85 | |
| Restricted Delivery Fee (Endorsement Required) | | |
| Total Postage & Fees | \$ 4.88 | |

Sent To
 Street, Apt. No.,
 or PO Box No.
 City, State, ZIP+4

Latigo Petroleum Inc.
 550 W. Texas Suite 700
 Midland, TX 79701

PS Form 3800, June 2002 See Reverse for Instructions

Latigo Petroleum Inc.
 550 W. Texas Suite 700
 Midland, TX 79701

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

| SENDER: COMPLETE THIS SECTION | COMPLETE THIS SECTION ON DELIVERY |
|--|---|
| <ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete Item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. | <p>A. Signature <input checked="" type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> |
| <p>1. Article Addressed to:</p> <p>Latigo Petroleum Inc. 550 W. Texas Suite 700 Midland, TX 79701</p> | <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p> |
| <p>2. Article Number (Transfer from service label)</p> | <p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p> |
| <p>7004 2510 0004 3033 2048</p> | |
| <p>PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540</p> | |