



10/14/03

MA

PWVJ0328830275

DHC-3198

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

October 9, 2003

RECEIVED

OCT 14 2003

OIL CONSERVATION
DIVISION

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

Re: Downhole Commingling, and measurement of
Hydrocarbon Production for:
Fox Federal #1
Section 31, T17S, R32E
Lea County, New Mexico

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

Mack Energy proposes to commingle Maljamar; Grayburg-San Andres and Tamano Delaware production in the Fox Federal #1, API 30-025-36322 (Lease LC-029410B). Production of both pools will be measured at the Fox Federal Tank Battery. This lease has common interest in both pools.

Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Attached, as part of this application is a copy of the sundry notice to the BLM.

Mack Energy Corporation is respectfully requesting administrative approval of this application to downhole 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
1625 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

Fox Federal

1

J-31-T17S-R32E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 013837 Property Code 32539 API No. 30-025-36322 Lease Type: X Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Maljamar GB SA <i>oil</i>	<i>undesignated</i> Tamang Delaware <i>oil</i>	
Pool Code	43329	97270	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4213-4348.5'	4929-5002.5'	
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)	39	39	
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: 10/9/2003 Rates: 14/13/330	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas % %	Oil Gas 100 % 100 %	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-102 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 10/9/2003

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

E-MAIL ADDRESS jerrys@mackenergycorp.com

Attachments to form C-107A

- 1. C-102's enclosed**
- 2. No production curve date of first production for the Tamano Delaware is 10/3/2003, have not completed Maljamar;Grayburg-San Andres.**
- 3. We will allocate production using increased production from Maljamar;Grayburg-San Andres zone.**
- 4. Interest is common in both pools.**

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

DISTRICT III
1000 MacDonnell Rd., Aztec, NM 87410DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 97270	Pool Name Tamano Delaware
Property Code	Property Name FOX FEDERAL	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3853'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17-S	32-E		1650	SOUTH	2310	EAST	LEA

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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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>GEOGRAPHIC COORDINATES SPC NME NAD 1927 Y = 650901.1 X = 662613.9 LAT. - 32°47'17.88"N LONG. - 103°48'15.08"W</p>		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Crissa D. Carter Printed Name Production Analyst Title 2/11/2003 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. JANUARY 21, 2003 Date Surveyed Signature & Seal of Professional Surveyor 03.14.0043 Certificate No. RONALD J. EDSON 3239 GARY EDSON 12641

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

DISTRICT I
1980, Hobbs, NM 88241-1980DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 43329	Pool Name Undesignated Maljamar GB SA
Property Code	Property Name FOX FEDERAL	Well Number 1
GRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3853'

Surface Location


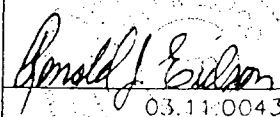
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	17-S	32-E		1650	SOUTH	2310	EAST	LEA

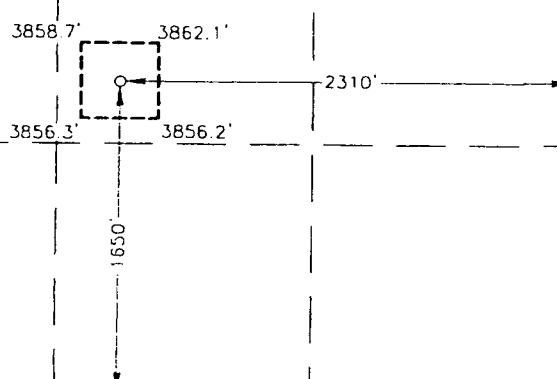
Bottom Hole Location If Different From Surface

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 or Infill	Consolidation Code	Order 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

<p>GEOGRAPHIC COORDINATES SPC NME NAD 1927 Y = 650901.1 X = 662613.9 LAT. - 32°47'17.88"N LONG. - 103°48'15.08"W</p>				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Crissa D. Carter Printed Name Production Analyst Title 2/11/2003 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. JANUARY 21, 2003 Date Surveyed LA Signature & Seal of Professional Surveyor  03.11.0043 Certificate No. RONALD J. EDISON 3239 GARY EDISON 12641	



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires, March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mack Energy Corporation

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T. R., M. or Survey Description)

1650 FSL & 2310 FEL, Sec. 31 T17S R32E, J

5. Lease Designation and Serial No.

LC-029410B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No

Fox Federal #1

9. API Well No.

30-025-36322

10. Field and Pool, or Exploratory Area

Tamano Delaware

11. County or Parish, State

Lea, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Downhole Commingle

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Mack Energy Corporation has submitted an application to the OCD Santa Fe for approval to downhole commingle production on the Fox Federal #1. Mack Energy would like approval to commingle production from the Tamano Delaware and Maljamar; Grayburg-San Andres formations.

14. I hereby certify that the foregoing is true and correct

Signed Gerry W. Sherrell

Title Production Clerk

Date 10/9/2003

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any: _____



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

October 9, 2003

*Mr. Pete Martinez
State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148*

Re: Application for Fox Federal #1 Downhole Commingling

Dear Mr. Martinez:

Enclosed is a copy of our application and our check #8028 in the amount of \$30.00. Mack Energy Corp. is requesting approval to Downhole Commingle the Tamano San Andres and the Maljamar Grayburg-San Andres pool in the Fox Federal #1, LC-029410B, Sec. 31 T17S R32E Lea County.

Please process the application at your earliest convenience. Should you have any questions, please call me at the above number.

Sincerely,

MACK ENERGY CORPORATION

*Jerry W. Sherrell
Production Clerk
jerrys@mackenergycorp.com*

JWS/

Enclosures