

PKRV0304929154

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



# Fax

<b>To:</b> Will Jones	<b>From:</b> Jerry W. Sherrell
<b>Fax:</b> (505)476-3462	<b>Pages:</b> 6
<b>Phone:</b> (505)476-3440	<b>Date:</b> 2/14/2003
<b>Re:</b> Downhole Commingling	<b>CC:</b>

Urgent   
  For Review   
  Please Comment   
  Please Reply   
  Please Recycle

● **Comments:** Will, here is the application for the Downhole Commingling on the Sapphire State #1. I will send the hard copy in the mail today. If you have any questions please feel free to call.

Thanks,

Jerry W. Sherrell

---

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

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.

Crissa D. Carter  
Print or Type Name

Signature

*Crissa D. Carter*

Production Analyst  
Title

2/14/2003  
Date

ccarter@pvtnetworks.net  
e-mail Address



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

February 14, 2003

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

*Dear Mr. Jones:*

*Mack Energy Corporation respectfully requests an administrative approval without notice and hearing of the following Downhole commingling application.*

*Per our phone conversation this morning, we are submitting the necessary information to process this application. The well location and legal description is as follows:*

*Sapphire State #1, Lease A-983  
2310 FSL & 330 FWL  
Sec. 11, T23S, R36E  
Lea County, New Mexico*

*The well has been completed in the Wildcat Abo formation and we are now requesting approval to Downhole Commingle the Blinebry formation in the above mentioned well.*

*Sincerely,*

*MACK ENERGY CORPORATION*

A handwritten signature in black ink that reads "Jerry W. Sherrell". The signature is written in a cursive style with a large, prominent initial "J".

*Jerry W. Sherrell  
Production Clerk*

*JWS/*

*Enclosures*

**District I**  
1425 N. French Drive, Hobbs, NM 88241

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised May 15, 2000

**District II**  
1101 W. Grand Avenue, Artesia, NM 88211

**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

**District III**  
1420 Elm Springs Road, Artesia, NM 87111

**APPLICATION FOR DOWNHOLE COMMINGLING**

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

Mack Energy Corporation  
Operator

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

Sapphire State  
Lease

#1  
Well No.

Unit L Sec. 11-T23S-R36E  
Unit Letter-Section-Township-Range

Lea  
County

OGRID No. 013837 Property Code 30427 API No. 30-025-35979 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name		Blinebry	Wildcat Abo
Pool Code			97249
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		6046-7078'	7470-7922'
Method of Production (Flowing or Artificial Lift)		Artificial Lift	Artificial Lift
Bottomhole Pressure <small>(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)</small>		N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)			36
Producing, Shut-In or New Zone		New Zone	Producing
Date and Oil/Gas/Water Rates of Last Production. <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: Rates:	Date: Rates:	Date: 2/14/2003 Rates: 30/35/8
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil % Gas %	Oil % Gas %	Oil % 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  No   
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

NMOC 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 Crissa D. Carter TITLE Production Analyst DATE 2/14/2003

TYPE OR PRINT NAME Crissa D. Carter TELEPHONE NO. (505) 748-1288

DISTRICT I  
P.O. Box 1880, Hobbs, NM 88241-1880

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

DISTRICT II  
P.O. Drawer 82, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION  
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III  
1000 Rio Grande Rd., Artesia, NM 87410

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-35979</b>	Pool Code	Pool Name <b>Wildcat Blanebry</b>
Property Code <b>30427</b>	Property Name <b>SAPPHIRE STATE</b>	
OGRID No. <b>013837</b>	Operator Name <b>MACK ENERGY CORPORATION</b>	Well Number <b>1</b>
		Elevation <b>3444'</b>

Surface Location

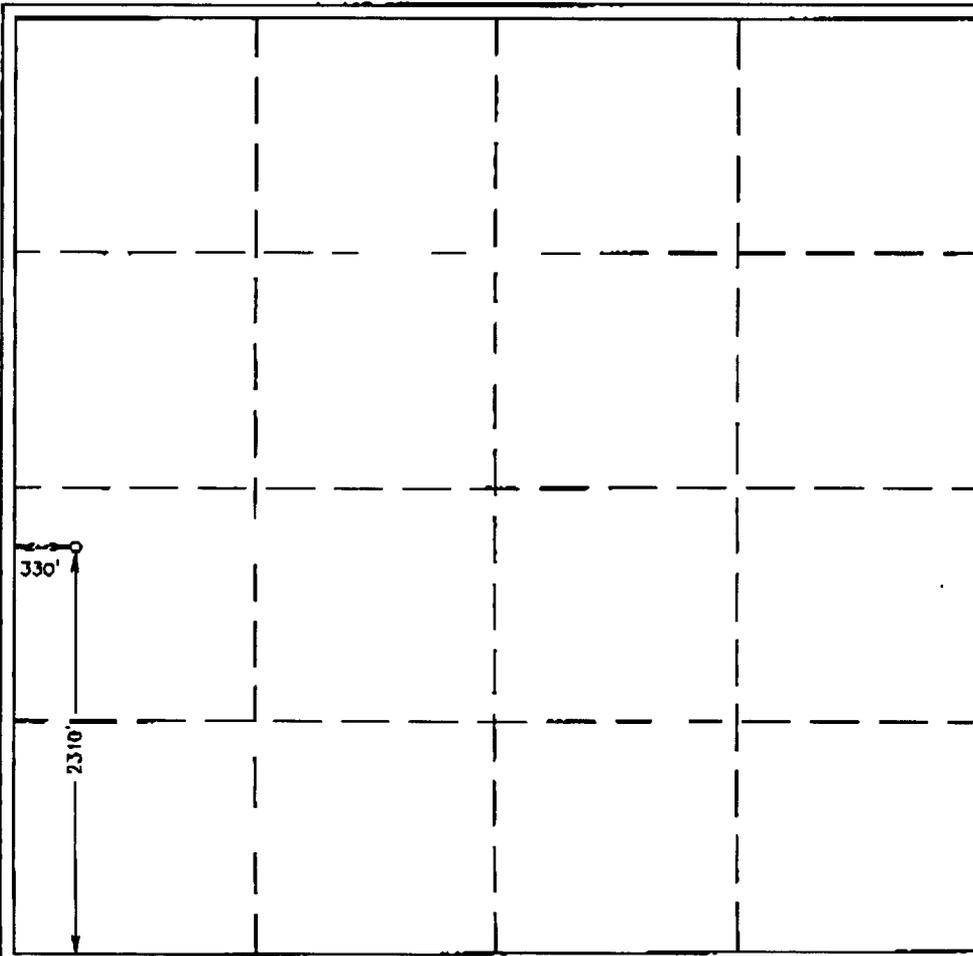
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	23-S	36-E		2310	SOUTH	330	WEST	LEA

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



**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

**8/22/2002**  
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.

**AUGUST 12, 2002**

Date Surveyed **8/12/02** AWE  
Signature of **J. Eidson**  
Professional Surveyor

**NEW MEXICO**  
Professional Surveyor Seal  
**02-11-0566**

Certified to: **RONALD J. EIDSON 3239**  
Professional Surveyor **12641**

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

DISTRICT II  
P.O. Drawer 80, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artesia, 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, 1984  
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 30-025-35979	Pool Code 97249	Pool Name Wildcat Abo
Property Code 30427	Property Name SAPPHIRE STATE	Well Number 1
CORD No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3444'

Surface Location

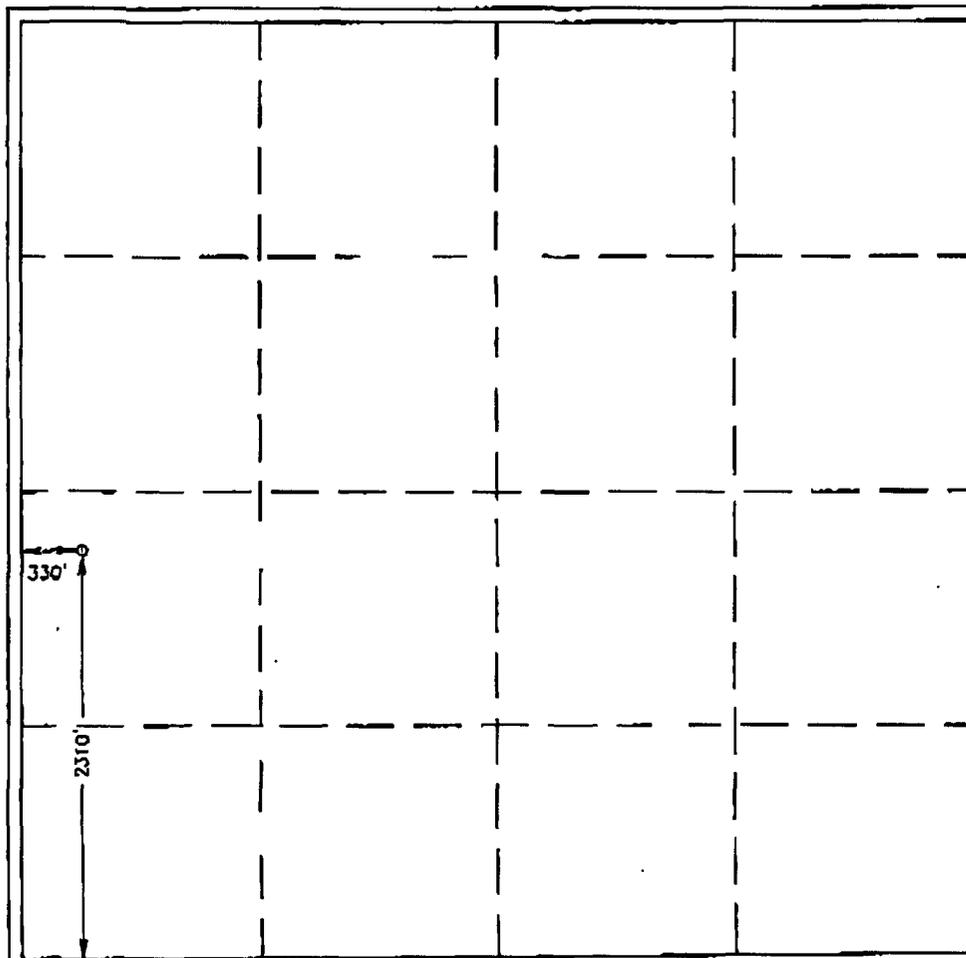
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	23-S	36-E		2310	SOUTH	330	WEST	LEA

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



**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

8/22/2002  
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.

AUGUST 12, 2002

Date Surveyed  
Signature  
Professional Surveyor

*Ronald J. Eidson*  
AWB  
NEW MEXICO  
3639  
02-11-0565  
8/12/02

Certification No. RONALD J. EIDSON 3239  
PROFESSIONAL SURVEYOR 12841