



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
**Oil Conservation Division**



**Administrative Order DHC-3992-A**  
**May 12, 2008**

MACK ENERGY CORP  
PO Box 960  
Artesia, NM 88211-0960

Attention: Jerry W. Sherrell

*TW- 5-12-08*

TP State Well No. 1  
API No: 30-025-38582  
Unit N, Section 35, Township 16 South, Range 36 East, NMPM,  
Lea County, New Mexico

Pool: Lovington; Grayburg-San Andres Oil 40580  
Names: Undesignated North Lovington; Queen Oil 40780

Reference is made to your recent application for an exception to Rule 303.A. 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 Rule 303.C., and that 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 Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

It is our understanding that the subtraction method will be utilized to obtain allowables and allocation of production between the two commingled pools within this wellbore. The Queen formation production shall be the remainder after subtracting predicted Grayburg-San Andres production from the total well production.

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.



Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

  
MARK E. FESMIRE, P.E.  
Director

cc: Oil Conservation Division – Hobbs  
State Land Office – Oil, Gas, and Minerals Division