

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**

2005 JUL 11 11:12 AM

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: ADMINISTRATIVE APPLICATION CHECKLIST

- [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.

Jerry W. Sherrell		Production Clerk	7/8/2005
Print or Type Name	Signature	Title	Date
		jerrys@mackenergycorp.com	
		e-mail Address	

Submitt 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 May 27, 2004

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. Multiple see attached
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. VB-638/VB-646
7. Lease Name or Unit Agreement Name Gar State/Carp State
8. Well Number Multiple see attached
9. OGRID Number 013837
10. Pool name or Wildcat Hume Queen West/Wildcat Grayburg

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well  Gas Well  Other

2. Name of Operator  
Mack Energy Corporation

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

4. Well Location  
 Unit Letter All \_\_\_\_\_ feet from the \_\_\_\_\_ line and \_\_\_\_\_ feet from the \_\_\_\_\_ line  
 Section 23 \_\_\_\_\_ Township 16S \_\_\_\_\_ Range 33E \_\_\_\_\_ NMPM \_\_\_\_\_ County Lea \_\_\_\_\_  
 I 1. Elevation (Show whether DR, RKB, RT, GR, etc.) \_\_\_\_\_

Pit or Below-grade Tank Application  or Closure

Pit type \_\_\_\_\_ Depth Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_  
 Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
OTHER: Surface Commingling/Off Lease Storage <input checked="" type="checkbox"/>		OTHER: _____ <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation as operator respectfully requests administrative approval for a permit to surface commingle and measurement of production. It is requested that surface commingling of Hume Queen West and Wildcat Grayburg pools be approved for the following leases: Gar State Lease N/2 Sec. 23, T16S, R33E VB-638  
 Carp State Lease S/2 Sec. 23, T16S, R33E VB-646

A central tank battery will be located in the SE/4 NE/4, Sec. 23 T16S R33E. Proper allocation for production will be measured with meters at the battery. Mack Energy Corporation has made notification to all parties owning an interest in these leases, including the oil purchaser, of the intent to commingle. The interests in all pools on both leases are common.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit  or an (attached) alternative OCD-approved plan

SIGNATURE Jerry W. Sherrell TITLE Production Clerk DATE 7/8/2005

Type or print name Jerry W. Sherrell E-mail address: jerrys@mackenergycorp.com Telephone No. (505)748-1288  
 For State Use Onl

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 Conditions of Approval (if any): \_\_\_\_\_

**Surface Commingling/Off Lease Storage**

**Additional Information**

**Mack Energy Corporation, OGRID 013837**

**Gar State Lease VB-638/Carp State Lease VB-646**

1. **Gar State #1, API 30-025-35763**  
**Hume Queen West/Wildcat Grayburg**  
**1980 FNL 660 FEL, Sec. 23 T16S R33E**
  
2. **Gar State #5, API N/A**  
**Hume Queen West/Wildcat Grayburg**  
**2310 FNL 1650 FEL, Sec. 23 T16S R33E**
  
3. **Carp State #1, API 30-025-37270**  
**Hume Queen West/Wildcat Grayburg**  
**990 FSL 990 FEL, Sec. 23 T16S R33E**
  
4. **Carp State #2, API 30-025-37332**  
**Hume Queen West/Wildcat Grayburg**  
**2210 FSL 990 FEL, Sec. 23 T16S R33E**
  
5. **Carp State #3, API 30-025-37333**  
**Hume Queen West/Wildcat Grayburg**  
**2310 FSL 2310 FEL, Sec. 23 T16S R33E**
  
6. **Carp State #4, API 30-025-37334**  
**Hume Queen West/Wildcat Grayburg**  
**990 FSL 2310 FEL, Sec. 23 T16S R33E**

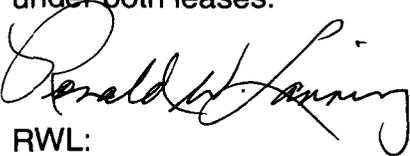
*Undersignated West Hume-Queen  
Wildcat-Grayburg*

# MEMO

DATE: July 8, 2005  
TO: William V. Jones  
NMOCD  
FROM: Ronald W. Lanning  
Land Manager  
Mack Energy Corporation  
SUBJECT: Surface Comingling

State of New Mexico Lease VB-646-1 is our Carp State Lease, and State of New Mexico Lease VB-638 is our Gar State Lease. The cover, respectively, the S/2 and N/2 of Section 23, T16S, R33E, Lea County, New Mexico.

All working interests, royalty interests, and overriding royalty interests are common under both leases.

  
RWL:

2005 JUL 11 PM 12:31

**Catanach, David, EMNRD**

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**From:** Jerry Sherrell [jerrys@mackenergycorp.com]  
**Sent:** Tuesday, July 26, 2005 10:18 AM  
**To:** Catanach, David, EMNRD  
**Subject:** RE: Surface Commingling

David,  
Lease production will be metered seperatly, then commingled together at one facility.

Thanks,  
Jerry

-----Original Message-----

**From:** Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]  
**Sent:** Tuesday, July 26, 2005 10:07 AM  
**To:** Jerry Sherrell  
**Subject:** RE: Surface Commingling

Thanks Jerry,

My question is, are you going to measure each lease separately, or are you going to measure the total production from both leases?

Thanks,

DRC

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**From:** Jerry Sherrell [mailto:jerrys@mackenergycorp.com]  
**Sent:** Tuesday, July 26, 2005 10:05 AM  
**To:** Catanach, David, EMNRD  
**Subject:** RE: Surface Commingling

David,

I am getting a DHC for each individual well to commingle the two pools using percentages based on testing of each pool, that will be provided to the OCD. The CTB is requested to commingle the two leases using meters for allocation.

Thanks,  
Jerry

-----Original Message-----

**From:** Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]  
**Sent:** Monday, July 25, 2005 10:54 AM  
**To:** Jerry Sherrell  
**Subject:** RE: Surface Commingling

Jerry,

Could you provide me with more details on how you guys are going to measure this commingled production. Your application is kind of vague.

Thanks,

DRC

**Catanach, David, EMNRD**

**From:** Catanach, David, EMNRD  
**Sent:** Monday, July 25, 2005 10:54 AM  
**To:** 'Jerry Sherrell'  
**Subject:** RE: Surface Commingling

Jerry,

Could you provide me with more details on how you guys are going to measure this commingled production. Your application is kind of vague.

Thanks,

DRC

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**From:** Jerry Sherrell [mailto:jerrys@mackenergycorp.com]  
**Sent:** Tuesday, July 19, 2005 2:21 PM  
**To:** Catanach, David, EMNRD  
**Subject:** RE: Surface Commingling

David,

Carp State Lease and Gar State Lease	
Caza Energy LLC	.85
Robert C. Chase	.05
Richard L. Chase	.05
Gereen Dianne Chase Crouch	<u>.05</u>
	100%

Thanks  
 Jerry W. Sherrell

-----Original Message-----

**From:** Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]  
**Sent:** Tuesday, July 19, 2005 1:56 PM  
**To:** Jerry Sherrell  
**Subject:** Surface Commingling

Jerry,

Could you please provide me with a list of the interest owners that were notified of the surface commingling on the Gar and Carp State leases.

Thank You,

David Catanach  
 Engineer

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7/26/2005

**Catanach, David, EMNRD**

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**From:** Jerry Sherrell [jerrys@mackenergycorp.com]  
**Sent:** Tuesday, July 19, 2005 2:21 PM  
**To:** Catanach, David, EMNRD  
**Subject:** RE: Surface Commingling

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David,

Carp State Lease and Gar State Lease	
Caza Energy LLC	.85
Robert C. Chase	.05
Richard L. Chase	.05
Gereen Dianne Chase Crouch	<u>.05</u>
	100%

Thanks  
Jerry W. Sherrell

-----Original Message-----

**From:** Catanach, David, EMNRD [mailto:david.catanach@state.nm.us]  
**Sent:** Tuesday, July 19, 2005 1:56 PM  
**To:** Jerry Sherrell  
**Subject:** Surface Commingling

Jerry,

Could you please provide me with a list of the interest owners that were notified of the surface commingling on the Gar and Carp State leases.

Thank You,

David Catanach  
Engineer

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