



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3582

Mack Energy Corporation
PO Box 960
Hobbs, NM 88211-0960

Attention: Jerry Sherrell

*Snapper State Wells No. 7, 8, 9, 10, 11, 12
Section 14, Township 16 South, Range 33 East, NMPM,
Lea County, New Mexico
West Hume-Queen (33560) Pool, and the
Wildcat-Grayburg Oil Pool (97444) Pool*

Dear Mr. Sherrell:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the following-described wells to commingle production from the subject pools in the wellbores.

Snapper State lease (V-7274)

Section 14, Township 16 South, Range 33 East, NMPM, Lea County, New Mexico

Lease	Well		Spacing		
	Num	API Number	Unit	Pool1	Pool2
Snapper State	7	30-025-37338	Unit C	Wildcat-Grayburg Oil	West Hume-Queen
Snapper State	8	30-025-37339	Unit J	Wildcat-Grayburg Oil	West Hume-Queen
Snapper State	9	30-025-37340	Unit O	Wildcat-Grayburg Oil	West Hume-Queen
Snapper State	10	30-025-37341	Unit N	Wildcat-Grayburg Oil	West Hume-Queen
Snapper State	11	30-025-37478	Unit D	Wildcat-Grayburg Oil	West Hume-Queen
Snapper State	12	30-025-37477	Unit M	Wildcat-Grayburg Oil	West Hume-Queen

It appearing that the subject wells 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 Orders which authorized the dual completions 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 these wells shall not exceed the allowable applicable to that pool.

It is our understanding that interests are identical within each of these two pools and identical between pools. Assignment of allowable and production to the wells and to the lease shall be done after testing of all intervals to be commingled. The Division in Santa Fe shall be notified in writing of allocation percentages or the method of allocation. Thereafter, additional changes to the allocation shall be done only with permission of the Division.

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.

Approved at Santa Fe, New Mexico on October 28, 2005.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

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