

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 \_\_\_\_\_
- [21] **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

[31] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[41] **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  
 Print or Type Name

*Jerry W. Sherrell*  
 Signature

Production Clerk  
 Title

2/20/2006  
 Date

jerrys@mackenergycorp.com  
 e-mail Address



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

February 20, 2006

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

Re: Down hole Commingling, and measurement of  
Hydrocarbon Production for:  
T-Rex State #1  
Section 31, T16S, R33E  
Lea County, New Mexico

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

Mack Energy proposes to commingle West Kemnitz-Wolfcamp and Maljamar Cisco production in the T-Rex State #1 (State of NM Lease V-5860). Production of both pools will be measured at the T-Rex State TB located in the SE/4 NE/4, Sec. 31 T16S R33E. This lease has common interest in both pools. Notification has been made to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Testing will be conducted and allocation percentages will be sent to OCD after completion of this well. This well has produced for some time from the Cisco formation. The subtraction method will be used to allocate production based on increased production from the Wolfcamp formation.

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

A handwritten signature in black ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Clerk  
[jerrys@mackenergycorp.com](mailto:jerrys@mackenergycorp.com)

JWS/  
Enclosures

District I  
1621 N. French Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

District II  
1301 W. Grand Avenue, Artesia, NM 88210

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

APPLICATION TYPE  
 Single Well

District III  
1000 Rio Brazos Road, Aztec, NM 87410

Establish Pre-Approved Pools

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

APPLICATION FOR DOWNHOLE COMMINGLING

EXISTING WELLBORE  
 Yes  No

Mack Energy Corporation

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

Operator

Address

T-Rex State

1

H-31-16S-33E

Lea

Lease

Well No. 1

Unit Letter-Section-Township-Range

County

OGRID No. 013837 Property Code 34450 API No. 30-025-36988 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	West Kemnitz-Wolfcamp <sup>oil</sup>		Maljamar; Cisco <sup>oil</sup>
Pool Code	35600 ✓		43270 ✓
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	10798-10842'		11268-11737'
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)	38		42.7
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: _____ Rates: _____	Date: <u>2/15/2006</u> Rates: <u>22/125/8</u>
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or put production, supporting data or explanation will be required.)	Oil _____ Gas _____ % %	Oil _____ Gas _____ % %	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: NSL-5334

**Attachments:**

- C- 1 02 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 2/20/2006

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

E-MAIL ADDRESS jerrys@mackenergycorp.com

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, 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 Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-36988	Pool Code 43270	Pool Name Maljamar;Cisco
Property Code 34450	Property Name T-REX STATE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4239'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	31	16-S	33-E		1980	NORTH	660	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 80	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

LOT 1 40.31 AC	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=684374.6 N X=695747.6 E</p> <p>LAT.=32°52'47.29" N LONG.=103°41'44.60" W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Jerry W. Sherrell</i> Signature</p> <p>Jerry W. Sherrell Printed Name</p> <p>Production Clerk Title</p> <p>2/20/2006 Date</p>
LOT 2 40.29 AC		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>NOVEMBER 24, 2004</p> <p>Date Surveyed</p>
LOT 3 40.27 AC		<p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Gary Bidson</i> 12/01/04 04.11.15435</p>
LOT 4 40.25 AC		<p>Certificate No. GARY BIDSON 12841</p>

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT I  
1625 N. FRENCH DR., BOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-36988	Pool Code 35600	Pool Name Kemnitz;Wolfcamp, West
Property Code 34450	Property Name T-REX STATE	Well Number 1
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4239'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	31	16-S	33-E		1980	NORTH	660	EAST	LEA

Bottom Hole Location If Different From Surface

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LOT 2 40.29 AC		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>NOVEMBER 24, 2004</p> <p>Date Surveyed _____ JR</p> <p>Signature &amp; Seal of Professional Surveyor <i>Gary E. Edson 12/01/04</i></p> <p>04.11/1543</p> <p>Certificate No. GARY EIDSON 12641</p>
LOT 3 40.27 AC		
LOT 4 40.25 AC		