

9/23/03 DATE IN	-NA- SUSPENSE	WVJ ENGINEER	9/23/03 LOGGED IN	DHC TYPE 3195	APP NO PWVJ 032665 1800
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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.

Jerry W. Sherrell Print or Type Name	<i>Jerry W. Sherrell</i> Signature	Production Clerk Title	9/23/2003 Date
		jerrys@mackenergycorp.com e-mail Address	

**District I**  
1625 W. Pecos Drive, Hobbs, NM 88240

**District II**  
1201 W. Grand Avenue, Artesia, NM 88210

**District III**  
1806 Rio Street Road, Artesia, NM 88210

**District IV**  
1220 E. D. Pecos Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

**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

**APPLICATION FOR DOWNHOLE COMMINGLING**

Mack Energy Corporation PO Box 960 Artesia, NM 88211-0960  
Operator Address

Coyote State 3y J-36-17S-31E Eddy  
Lease Well No. Unit Lease-Section-Township-Range County

OGRID No. 013837 Property Code 30476 API No. 30-015-32583 Lease Type: Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>Majamar GB-SA</u> ✓	<u>Tamano Delaware</u> ✓	
Pool Code	<u>43329</u>	<u>97270</u>	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>4406-4517.5'</u>	<u>4601-4641'</u>	
Method of Production (Flowing or Artificial Lift)	<u>Artificial Lift</u>	<u>Artificial Lift</u>	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 100% of the depth of the top perforation in the upper zone)	<u>N/A</u>	<u>N/A</u>	
Oil Gravity or Gas BTU (Degrees API or Gas BTU)	<u>39</u>	<u>39</u>	
Producing, Shut-In or New Zone	<u>Producing</u>	<u>New Zone</u>	
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: <u>9/21/2003</u> Rates: <u>19/34/160</u>	Date: <u>N/A</u> Rates: <u>N/A</u>	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>100%</u> Gas <u>100%</u> <i>Submitted</i>	Oil <u>100%</u> Gas <u>100%</u> <i>later</i>	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

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: PC-1091

**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 Jerry W. Sherrill TITLE Production Clerk DATE 9/23/2003

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

E-MAIL ADDRESS jerryw@mackenergycorp.com



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

September 23, 20032

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

Re: Downhole Commingling, and measurement of  
Hydrocarbon Production for:  
Coyote State #3Y  
Section 36, T17S, R31E  
Eddy County, New Mexico

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

Mack Energy proposes to commingle Maljamar, Grayburg-San Andres and Tamano Delaware production in the Coyote State #3Y, API 30-015-32583 (State of NM Lease V-6248). Production of both pools will be measured at the Coyote State Tank Battery, under surface commingling order PC-1091. We will conduct well tests to determine production. This lease has common interest in both pools.

Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Attached, as part of this application is a copy of the sundry notice to the OCD Artesia office.

Mack Energy Corporation is respectfully requesting administrative approval of this application to downhole commingle. 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". The signature is written in a cursive, flowing style.

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

JWS/

Enclosures



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

September 23, 2003

Mr. Pete Martinez  
 State Land Office  
 P.O. Box 1148  
 Santa Fe, NM 87504-1148

Re: Application for Coyote State #3Y Downhole Commingling

Dear Mr. Martinez:

Enclosed is a copy of our application and our check #7984 in the amount of \$30.00. Mack Energy Corp. is requesting approval to Downhole Commingle the Tamano San Andres and the Maljamar; Grayburg-San Andres pool in Coyote State #3Y, Lease V-6248, Sec. 36 T17S R31E Eddy County.

Please process the application at your earliest convenience. Should you have any questions, please call me at the above number.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

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

JWS/

Enclosures

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

DISTRICT I  
 P.O. Box 1260, Hobbs, NM 88241-1800

DISTRICT II  
 P.O. Drawer 30, Aztec, NM 86211-0718

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

DISTRICT IV  
 P.O. Box 2088, Santa Fe, N.M. 87501-2088

OIL CONSERVATION DIVISION  
 P.O. Box 2088  
 Santa Fe, New Mexico 87501-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code 43329	Pool Name Maljamar GB SA
Property Code 30476	Property Name COYOTE STATE	Well Number 3 Y
NCRD No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3834'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	17-S	31-E		1650	SOUTH	840	EAST	EDDY

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 Acre 40	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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Crissa D. Carter</i>                  Signature                  Crissa D. Carter                  Printed Name                  Production Analyst                  Title                  1/14/2003                  Date</p>
	<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>DECEMBER 6, 2002</p> <p>Date Suggested                  Signature &amp; Seal of Professional Surveyor  <i>Ronald J. Eidsun</i>                  02.11.0934                  12/09/02</p>
	<p>Certificate No. RONALD J. EIDSON 3230                  GARY EIDSON 12841</p>

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

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

DISTRICT II  
P.O. Drawer 80, Azusa, NM 88211-0710

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

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

DISTRICT IV  
P.O. Box 2000, SANTA FE, N.M. 87504-2000

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number		Pool Code	Pool Name
		97270	Tamano Delaware
Property Code	Property Name		Well Number
30476	COYOTE STATE		3Y
OCRI# No.	Operator Name		Elevation
013837	MACK ENERGY CORPORATION		3834'

Surface Location

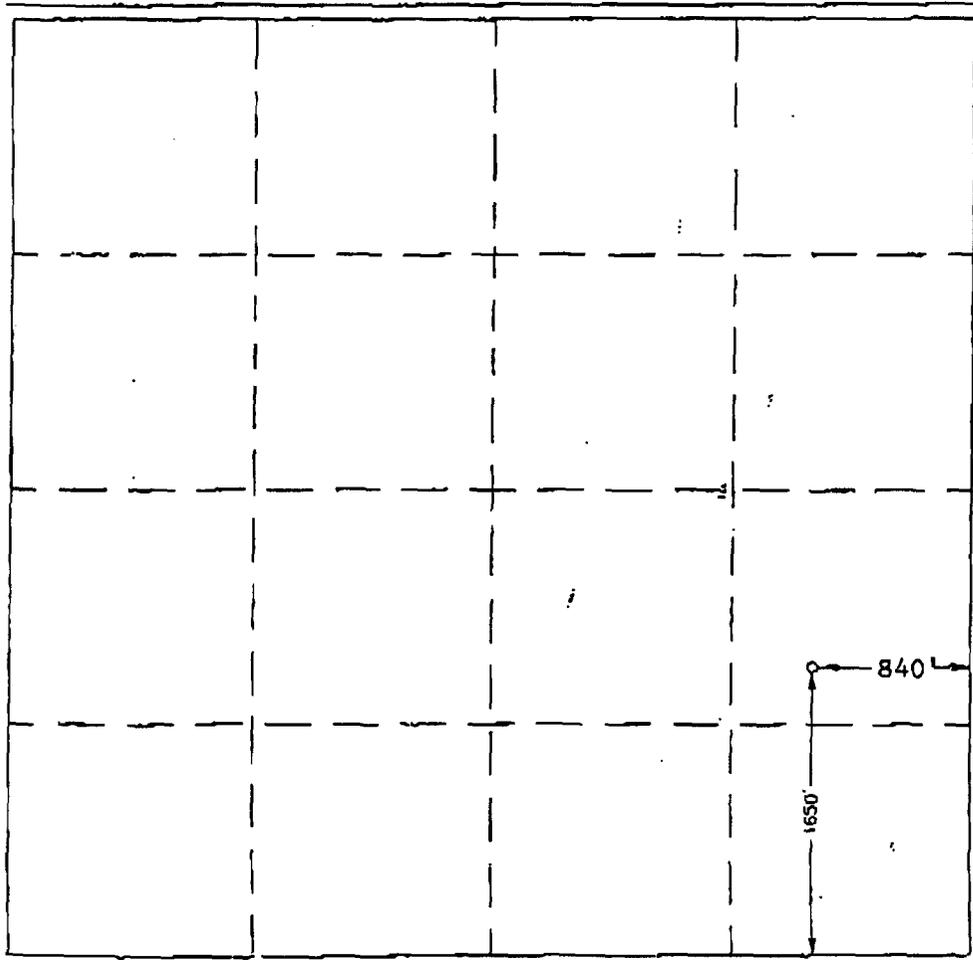
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	17-S	31-E		1650	SOUTH	840	EAST	EDDY

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.

*Crisa D. Carter*  
Signature

Crisa D. Carter  
Printed Name

Production Analyst  
Title

1/14/2003  
Date

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**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.

DECEMBER 6, 2002  
Date Surveyed

*Ronald J. Elson*  
Signature

Professional Surveyor  
Seal of

12/09/02  
02-11-0934

Certificate No. RONALD J. ELSON 3238  
GARY ELSON 12841

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

**DISTRICT I**  
P.O. Box 1980, Hobbs NM 88240

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, New Mexico 87505

**DISTRICT II**  
511 South First, Artesia, NM 88210

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

WELL API NO.  
30-015-32583

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.  
V-6248

**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 I : 1650 Feet From The South Line and 840 Feet From The East Line  
Section 36 Township 17S Range 31E NMPM Eddy County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
3834' GR

11. 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"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <u>Downhole Commingle</u> <input checked="" type="checkbox"/>		OTHER <input type="checkbox"/>	

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent data, including estimated date of starting any proposed work) SEE RULE 1103.

Mack Energy Corporation as operator respectfully requests administrative approval for downhole commingling and measurement of production. It is requested that downhole commingling of Maljamar GB SA and Tamano Delaware pools be approved for the following well:  
Coyote State #3Y, Sec. 36, T17S, R31E State of NM Lease V-6248

A central tank battery will be located in the SE/4 NW/4, Sec. 36 T17S R31E. Proper allocation for production will be measured at the battery, approval to surface commingle has been granted by Commingling Order PC-109J. 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 both pools on this lease are common.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrill TITLE Production Clerk DATE 9/23/2003

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

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY: