



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-4088
Order Date: 10/28/2008

MACK ENERGY CORP
PO Box 960, 11352 Lovington Hwy
Artesia, NM 88211

Attention: JERRY W. SHERRELL

B LEE STATE Well No. 004
API No: 30-025-03095
Unit L, Section 7, Township 18 South, Range 35 East, NMPM
Lea County, New Mexico

Pool: VACUUM;Grayburg-SanAndres Oil 62180
Names: Undesignated VACUUM;BLINEBRY Oil 61850

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.

Assignment of allowable to the well and allocation of production from the well shall be done using the subtraction method. The Grayburg San Andres production shall be the remainder after subtracting projected Blinebry production.

REMARKS: The operator shall notify the Division's district office 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Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, ESQ. P.E.
Director

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