

DATE IN 5-14-10	SUSPENSE	ENGINEER WJ.	LOGGED IN 5-17-10	TYPE DHC	APP NO. 1013731431
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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



MACIL Energy
 (13837)

T-Rex State #1

ADMINISTRATIVE APPLICATION CHECKLIST **30-025-36988**

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

4282

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 _____

2010 MAY 14 P 12:41
 RECEIVED OGD

[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

Jerry W. Sherrell
 Signature

Production Clerk
 Title

5/13/10
 Date

jerrys@mec.com
 e-mail Address



Post Office Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

May 13, 2010

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 Wildcat Abo and West Kemnitz-Wolfcamp 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. Allocation percentages are based on pore volume within the perforated interval. Using this method the allocation will be Abo-53.8% and Wolfcamp-46.2%. This well has produced for some time from the Lower Wolfcamp/Cisco formation. A CIBP will be placed above the existing perms and capped with 35' of cement.

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

Jerry W. Sherrell
Production Clerk
jerrys@mec.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
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

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. 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	Wildcat Abo		West Kemnitz-Wolfcamp
Pool Code	N/A		35600
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	9658-9713.5'		9720.5-9863'
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		38
Producing, Shut-In or New Zone	New Zone		New Zone
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: _____ Rates: _____
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 53.8 % 53.8 %	Oil Gas % %	Oil Gas 46.2 % 46.2 %

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 5/12/10
 TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO. (575) 748-1288
 E-MAIL ADDRESS jerrys@mec.com

MEMO

DATE: May 12, 2010

TO: NMOCD

FROM: Ronald W. Lanning
Mack Energy Corporation

SUBJECT: 1013 – T Rex State #1
State of New Mexico Lease V-5860-2

Working interests and royalty interests are common from the surface to all depths on this lease. There are no overriding royalty interests.

A handwritten signature in black ink, appearing to read 'RWL', is positioned above the typed name 'Ronald W. Lanning'.

RWL:

MACK ENERGY CORPORATION

T-Rex State #1 7th set Perforations

Check	Perf #	Depth	SPF
	1	9863	2/SPF
	2	9859	2/SPF
	3	9852.5	2/SPF
	4	9848	2/SPF
	5	9841.5	2/SPF
	6	9815.5	2/SPF
	7	9810	2/SPF
	8	9799.5	2/SPF
	9	9797.5	2/SPF
	10	9795	2/SPF
	11	9793	2/SPF
	12	9790	2/SPF
	13	9781.5	2/SPF
	14	9777.5	2/SPF
	15	9773	2/SPF
	16	9768	2/SPF
	17	9766.5	2/SPF
	18	9762.5	2/SPF
	19	9753.5	2/SPF
	20	9746.5	2/SPF
	21	9743	2/SPF
	22	9741.5	2/SPF
	23	9736.5	2/SPF
	24	9732	2/SPF
	25	9730.5	2/SPF
	26	9726.5	2/SPF
	27	9724.5	2/SPF
	28	9720.5	2/SPF
	29	9713.5	2/SPF
	30	9711.5	2/SPF
	31	9708.5	2/SPF
	32	9706.5	2/SPF
	33	9699.5	2/SPF
	34	9695.5	2/SPF
	35	9693.5	2/SPF
	36	9688.5	2/SPF
	37	9683.5	2/SPF
	38	9680	2/SPF
	39	9675.5	2/SPF
	40	9667.5	2/SPF
	41	9658	2/SPF

Casing: 5 1/2"

Casing Gun or Select Fire

Mack Energy Rig

Directions: Go east toward Lovington on Hwy 82, 3 miles past Maljamar. Turn south, go 1/4 mile, turn east to location

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1625 N. FRANCH 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

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	Pool Name Wildcat Abo
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 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

LOT 1 40.31 AC LOT 2 40.29 AC LOT 3 40.27 AC LOT 4 40.25 AC	GEODETIC COORDINATES NAD 27 NME Y=684374.6 N X=695747.6 E LAT.=32°52'47.29" N LONG.=103°41'44.60" W	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><i>Jerry W. Sherrell</i> Signature</p> <p>Jerry W. Sherrell Printed Name</p> <p>Production Clerk Title</p> <p>5/13/2010 Date</p> <hr/> <p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>NOVEMBER 24, 2004</p> <p>Date Surveyed: _____ JR</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Gary E. Edson</i> 12/01/04 04.11.1543</p> <p>Certificate No. GARY.EDSON 12641</p>
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State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1825 N. FRENCH DR., BOBBS, NM 88240

Form C-102

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

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

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	<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>OPERATOR CERTIFICATION</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>Jerry W. Sherrell</i> Signature</p> <p>Jerry W. Sherrell Printed Name</p> <p>Production Clerk Title</p> <p>11/29/2005 Date</p>
40.31 AC LOT 2		<p>SURVEYOR CERTIFICATION</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 & Seal of Professional Surveyor <i>Gary E. Eldson</i> 12/01/04 04.11/1543</p> <p>Certificate No. GARY ELDSON 12841</p>
40.29 AC LOT 3		
40.27 AC LOT 4		
40.25 AC		