

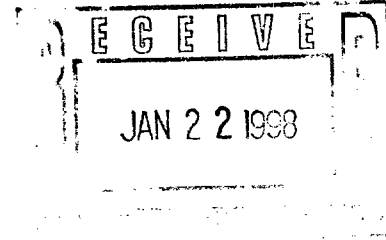
PC  
N/R  
96

# MACK ENERGY CORPORATION

Post Office Box 960  
Artesia, New Mexico 88211-0960  
(505) 748-1288 / FAX (505) 746-2362

January 12, 1998

Oil Conservation Division  
State Land Office Building  
P.O. Box 2088  
Santa Fe, NM 87504-2088



Re: Surface Commingling, Off lease storage and measurement of  
Hydrocarbon Production for:  
Jenkins B Federal  
Section 20, T17S, R30E  
Eddy County, New Mexico

Mack Energy Corporation as operator of the aforementioned lease respectfully requests administrative approval for surface commingling, off lease storage and measurement of production.

Mack Energy proposes to surface commingle Loco Hills Paddock and Grayburg Jackson SR QN GB SA production from the Jenkins B (State of NM Lease LC-054988B) at a central battery located at SE/4 SW/4, Sec. 17, T17S, R30E. We will conduct well tests to determine production. The attached site facility diagram illustrates the typical separation equipment and the proposed production battery.

Mack Energy has made notification to all parties owning an interest in these leases, including the oil purchaser, of the intent to commingle. Attached, as part of this application is an approved copy of the sundry notice to the BLM.

Mack Energy Corporation is respectfully requesting administrative approval of this application for surface commingling. Should you require any additional information concerning this application, please call Robert C. Chase at the above number. Thank you for your consideration of this request.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert C. Chase". The signature is fluid and cursive, with a prominent initial "R".

Robert C. Chase  
Vice President

RCC/cc

Enclosures

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

*SUBMIT IN TRIPLICATE*

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Mack Energy Corporation

3. Address and Telephone No.

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

(505)748-1288

4. Location of Well (Footage, Sec., T. R., M. or Survey Description)

NW/4 Sec. 20-T17S-R30E

5. Lease Designation and Serial No.

LC-054988B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Jenkins B Federal

9. API Well No.

10. Field and Pool, or Exploratory Area

GB Jksn SR QN GB SA & Loco Hills Paddock

11. County or Parish, State

Eddy, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent  
☐ Subsequent Report  
☐ Final Abandonment Notice

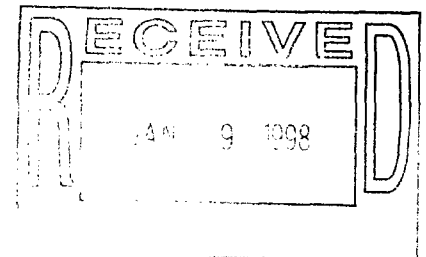
TYPE OF ACTION

- ☐ Abandonment  
☐ Recompletion  
☐ Plugging Back  
☐ Casing Repair  
☐ Altering Casing  
☒ Other Commingling  
☐ Change of Plans  
☒ New Construction  
☐ Non-Routine Fracturing  
☐ Water Shut-Off  
☐ Conversion to Injection  
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)\*

Mack Energy Corporation proposes Surface Commingling and off lease storage and measurement of hydrocarbons from the Loco Hills Paddock Pool and the Grayburg Jackson Queen Grayburg San Andres Pool of the Jenkins B Lease. The Storage Facility will be located at SE/4 SW/4, Section 17, T17S, R30E, which is our McIntyre DK Lease. List of Attachments includes a Surface Owner Map and a Site Diagram of the Facility. We have submitted an application for right of way and have approval from the BLM's Realty Section. The proposed application will not result in reduced royalty or improper measurement of production.



14. I hereby certify that the foregoing is true and correct

Signed Gary D. Gourley

Title Production Clerk

Date 1/5/98

(This space for Federal or State office use)

(ORIG. SGD.) GARY GOURLEY

Approved by  
Conditions of approval, if any:

Title PETROLEUM ENGINEER

Date

JAN 06 1998

**CRA BLM FORMAT**

**APPLICATION FOR SURFACE COMMINGLING,  
OFF LEASE STORAGE AND MEASUREMENT APPROVAL**

**This Format Should Be Attached To A Sundry Notice**

**To: Bureau of Land Management  
P. O. Box 1778  
Carlsbad, New Mexico 88221-1778**

**Mack Energy Corporation (Operators Name) is requesting approval for  
surface commingling and off-lease storage and measurement of  
hydrocarbon production from the following formation(s) and well(s)  
on Federal Lease No. LC-054988-B ; Lease Name: Jenkins B Federal**

<u>Well</u> <u>No.</u>		<u>Loc.</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
<u>2</u>	2C	<u>D</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>
<u>3</u>	2C	<u>C</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>
<u>4</u>		<u>F</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>
<u>7</u>		<u>E</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>
<u>8</u>		<u>F</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>
<u>9</u>		<u>E</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>

**with hydrocarbon production from the following formation(s) and  
well(s) on Federal lease No. LC-054988-B ; Lease Name: Jenkins B Federal**

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>5</u>	<u>D</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u>6</u>	<u>C</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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**Production from the wells involved is as follows:**

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
Jenkins B Federal #2	40	38.3 @ 60 Degree	55
Jenkins B Federal #3	35	38.3 @ 60 Degree	48
Jenkins B Federal #4	37	38.3 @ 60 Degree	50
Jenkins B Federal #5	2.5	34.9 @60 Degree	11
Jenkins B Federal #6	3	34.9 @60 Degree	13
Jenkins B Federal #7	70	38.3 @ 60 Degree	96
Jenkins B Federal #8	**		
Jenkins B Federal #9	**		
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
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**\*\* Drilled Not Completed**

**Continued ...**

**Continued:**

**The proposed operation is described in detail on the attached diagrams.**

**A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.**

**A schematic diagram is also attached which clearly identifies all equipment that will be utilized.**

**The storage and measuring facility is located at SE/SW-1/4, Sec. 17 T 17 S, R 30 E, on lease No. NM-86025 EDDY County, New Mexico. BLM will be notified if there is any future change in the facility location.**

**Details of the proposed method for allocating production to contributing sources is as follows:**

Mack Energy has added a test facility and will conduct well tests to make sure allocation is correct

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**The working interest owners have been notified of the proposal.**

**The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.**

**The proposed commingling is necessary for continued operation of the above referenced Federal leases.**

**We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.**

**Additional wells require additional commingling approvals.**

Signature: Robert C. Chase

Name: Robert C. Chase

Title: Field Supervisor

Date: 1/5/98

on 5 Morton et al  
34 A. Roof  
TD3478  
E. Nearburg  
to 5000'  
● III  
/RON(OPER.)

Rhodes  
HBP  
7752

Windföhr

(Gen Amer. & Allied Chem. et al)

1 Allied Chem. et al  
HBP  
05067

Phillips  
060524

Seely Oil  
5 J.A.R. Co.  
P52  
WMI

Seely Oil  
34.4%

●

7  
(H.E. Ware, Jr.)  
5000 101116Z  
Philips  
Price Fed  
7752  
Darnson Oil  
7752  
1fr 5000 11116Z  
Gen. Amer  
to 5000  
Anderson

274  
SQUARE LAKE 12 UNIT  
(GRAYBURG)

Windfohr  
13-B  
Phillips  
Randell Fed.

Welch  
Red Gulf  
T03475  
Flynn.  
etc!  
123267

Gulf

9. Texaco)

Anodarko  
S/R  
029342

Sev. Rvs  
 Disc  
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(Texas  
S-A  
014935  
Anadarko  
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Woolley  
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2957  
Phillips  
ARCO-Feed  
P472  
McIntyre  
(Texas Amer)  
210 2150  
Phillips  
"Gov McIntyre"  
Kennedy Oil  
74930  
5  
2  
1

Tex. Amer. Texaco 2-BE  
Randall-St 3 Tidewater  
B-2130 10-18-1565  
W. State 100-09102 State  
9-C 10-WI-2095 Tex. Amer.  
2088 7-C 27-C 14-B  
19-C 7-C 18-B  
B-C (Texaco) 11-C 12-C  
6-B  
St. of N.M. 24 16 TEXA  
2-A 2-J (WA) 5  
16-A Tex. Amer. 26 15-J 20  
15-J 21  
2-Muncy 27  
B-3138 25-J 4  
McCulloughs Etr St

(Texas)  
30 074  
G-A  
Anadon  
●8-A  
Loco Hills  
Phillips 18  
●1-M 108  
0384577.Jr  
McIntire  
So Roy 12  
(A.R.Co)  
0384575  
●1-B Jr

A 10-point dartboard with numbers 1 through 10 arranged in a circular pattern. The name "Damson Oil" is written across the top, and "Jenkins" is written across the bottom. The board is divided into segments by dashed lines.

Phillips  
E • 1 Honda  
OE, G  
029342 1029342  
2 3  
13000  
Dexter Fed Wright

Hondo  
(Sinclair)  
McInture  
Oil  
054988  
Repollo  
TD3740  
McInture  
Fed  
Shenandoah  
Parke  
(F.A.F. Inc.)  
Sinclair  
TD11428  
5/19/67  
Chambers  
Tex Pac  
Woolley  
TD11584  
Dickson Pet  
Brown-Lynn  
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3  
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 0467939  
 Brig- Gen  
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 2

Jenkins B Federal  
LC-054988 B  
NW/4  
Sec 20 T17S R30E

Gen. Amer.  
028793  
Gen. Amer.  
Grbg Jackson  
Dp Unit 42  
TO 6900  
LOA 3-2-70  
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41 "C"  
28  
Gen. Amer.  
Grbg Dp  
TO 11600  
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TO 60  
37

1 Belco, Dev  
• Belco Dev

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"Beeson"  
Amer Exptl  
E. Acquis.  
HBP  
028936

Franklin et al  
Beeson  
183440  
Franklin et al  
Fed  
103425  
DAG-1763

028936  
"Beeson"  
Anadarko  
Franklin et al  
Fed  
103425  
DAG-1763

TPCLO  
Woolley  
TD7000  
DIA 1124  
TER  
Hudson  
18300

25 MW  
+F89  
Woolley  
U.S. 90  
Woolley  
103115

Anadarko  
Loco Hills  
7-D Fed  
Woolley  
Phillips  
F  
Anadarko  
1812-17-62  
1812

A R Co  
HB

Phillips

028936

Phillips

Anadarko F82

028936

U.S.

Phillips

028936

MA

Phillips

Phillip  
060520  
(R A Stone)  
(1/2 D/R)  
TO 3171  
16-W1  
\* Arnold  
Ph  
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PHILLIP  
18 3  
G-J PE  
SO LIT