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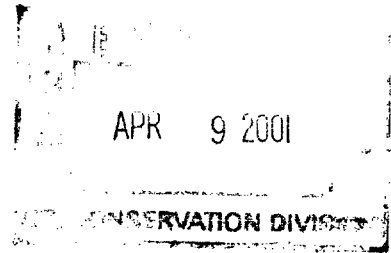
N/R

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

April 6, 2001

1038



Oil Conservation Division
State Land Office Building
2040 South Pacheco
Santa Fe, NM 87505

Re: Surface Commingling, and measurement of
Hydrocarbon Production for:
White Oak State
Section 23, T17S, R28E
Eddy County, New Mexico

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

Mack Energy proposes to surface commingle Empire Yeso and Red Lake QN GB SA production from the White Oak State (State of NM Lease VB-492) at a central battery located at SE/4 SE/4, Sec. 23, T17S, R28E. 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 a copy of the sundry notice to the OCD.

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 Crissa D. Carter at the above number. Thank you for your consideration of this request.

Sincerely,

Crissa D. Carter
Production Analyst

CDC/jws

Enclosures

Empire
96210

Interest is common as
per Crissa Carter
5/7/01

Notified them that they need
to file with SLO.

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

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 South Pacheco

Santa Fe, New Mexico 87506

WELL API NO.

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

VB-492

7. Lease Name or Unit Agreement Name

White Oak State

8. Well No.

9. Pool name or Wildcat

Red Lake Queen Grbg S.A./ Empire Yeso

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 P : _____ Feet From The _____ Line and _____ Feet From The _____ Line

Section 23 Township 17S Range 28E NMPM Eddy County

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

11.

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER ☐

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

Mack Energy Corporation as operator respectfully requests administrative approval for a permit to surface commingle and measurement of production. It is requested that surface commingling of Empire Yeso and Red Lake Queen, GB, SA pools be approved for the following lease:

White Oak State Sec. 23, T17S, R28E State of NM Lease VB-492

A central tank battery will be located in the SE/4 SE/4, Sec. 23 T17S R28E. Proper allocation for production will be measured at the battery. The attached site facility diagram illustrates the typical separation equipment and the proposed production battery. Mack Energy Corporation has made notification to all parties owning an interest in these leases, including the oil purchaser, of the intent to commingle.

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

SIGNATURE

Crissa D. Carter

TITLE

Production Analyst

DATE

4/3/01

TYPE OR PRINT NAME

Crissa D. Carter

TELEPHONE NO. 748-1288

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

**To: Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505-0000**

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. VB-492 ; Lease Name: White Oak State

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
<u>30-015-29749</u> 1	<u>P</u>	<u>23</u>	<u>17S</u>	<u>28E</u>	<u>Red Lake QN GB SA</u>
<u>31344</u> 2	<u>O</u>	<u>23</u>	<u>17S</u>	<u>28E</u>	<u>Red Lake QN GB SA</u>
<u>31345</u> 3	<u>I</u>	<u>23</u>	<u>17S</u>	<u>28E</u>	<u>Red Lake QN GB SA</u>
<u>31346</u> 4	<u>H</u>	<u>23</u>	<u>17S</u>	<u>28E</u>	<u>Red Lake QN GB SA</u>

with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. VB-492 ; Lease Name: White Oak State

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>31347</u> 5	<u>A</u>	<u>23</u>	<u>17S</u>	<u>28E</u>	<u>Empire Yeso</u>
<u>31348</u> 6	<u>B</u>	<u>23</u>	<u>17S</u>	<u>28E</u>	<u>Empire Yeso</u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>White Oak State #1</u>	<u> </u>	<u> </u>	<u> </u>
<u>White Oak State #2</u>	<u> </u>	<u> </u>	<u> </u>
<u>White Oak State #3</u>	<u> </u>	<u> </u>	<u> </u>
<u>White Oak State #4</u>	<u> </u>	<u> </u>	<u> </u>
<u>White Oak State #5</u>	<u> </u>	<u> </u>	<u> </u>
<u>White Oak State #6</u>	<u> </u>	<u> </u>	<u> </u>

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 SESE -1/4, Sec. 23 T 17 S, R 28 E, on lease No. VB-492 EDDY County, New Mexico. OCD 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 will conduct well tests to make sure allocation is correct

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 State 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 OCD's Realty Section in your office if we have not already done so.

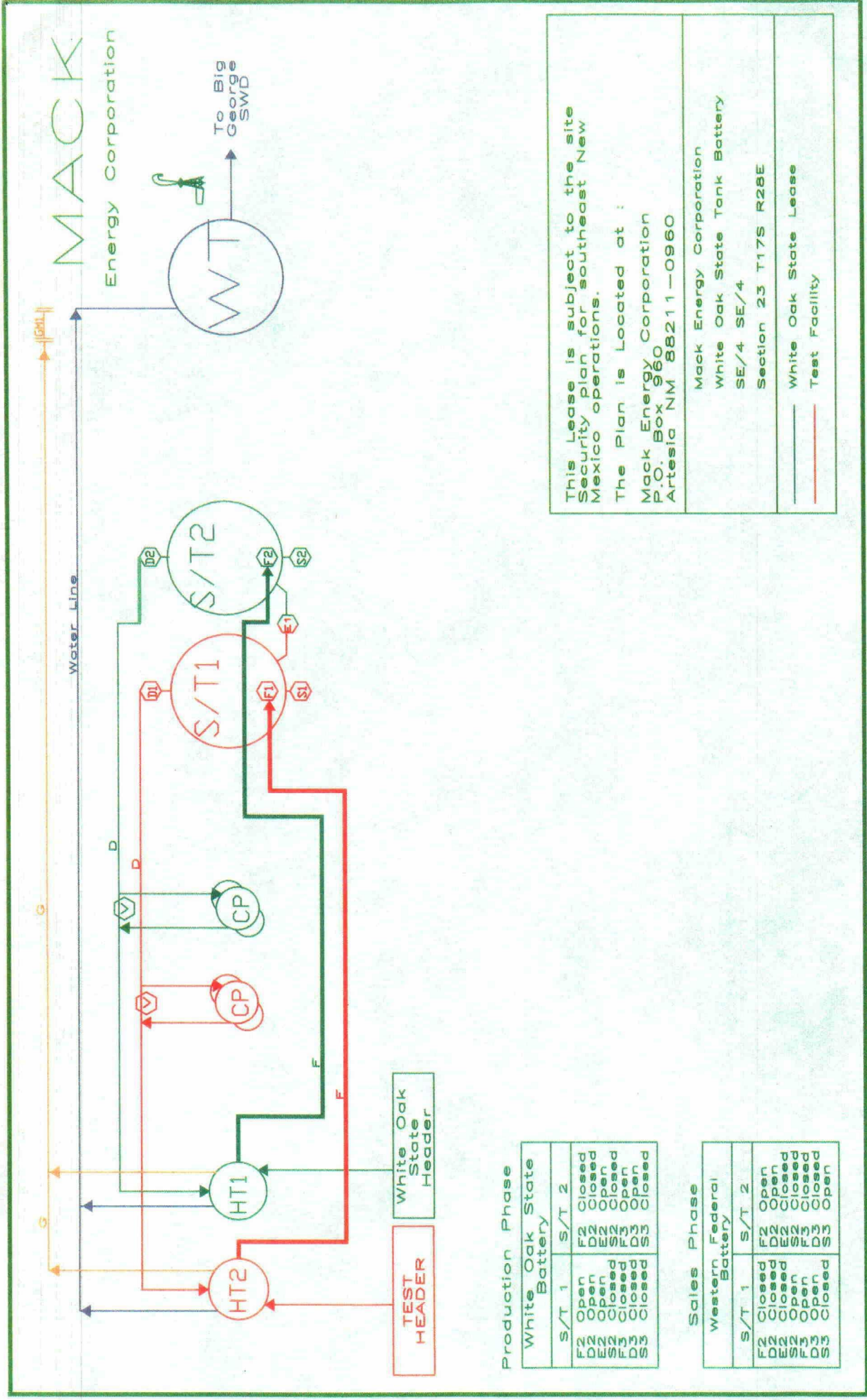
Additional wells require additional commingling approvals.

Signature: Crissa D. Carter

Name: Crissa D. Carter

Title: Production Analyst

Date: 4/5/01

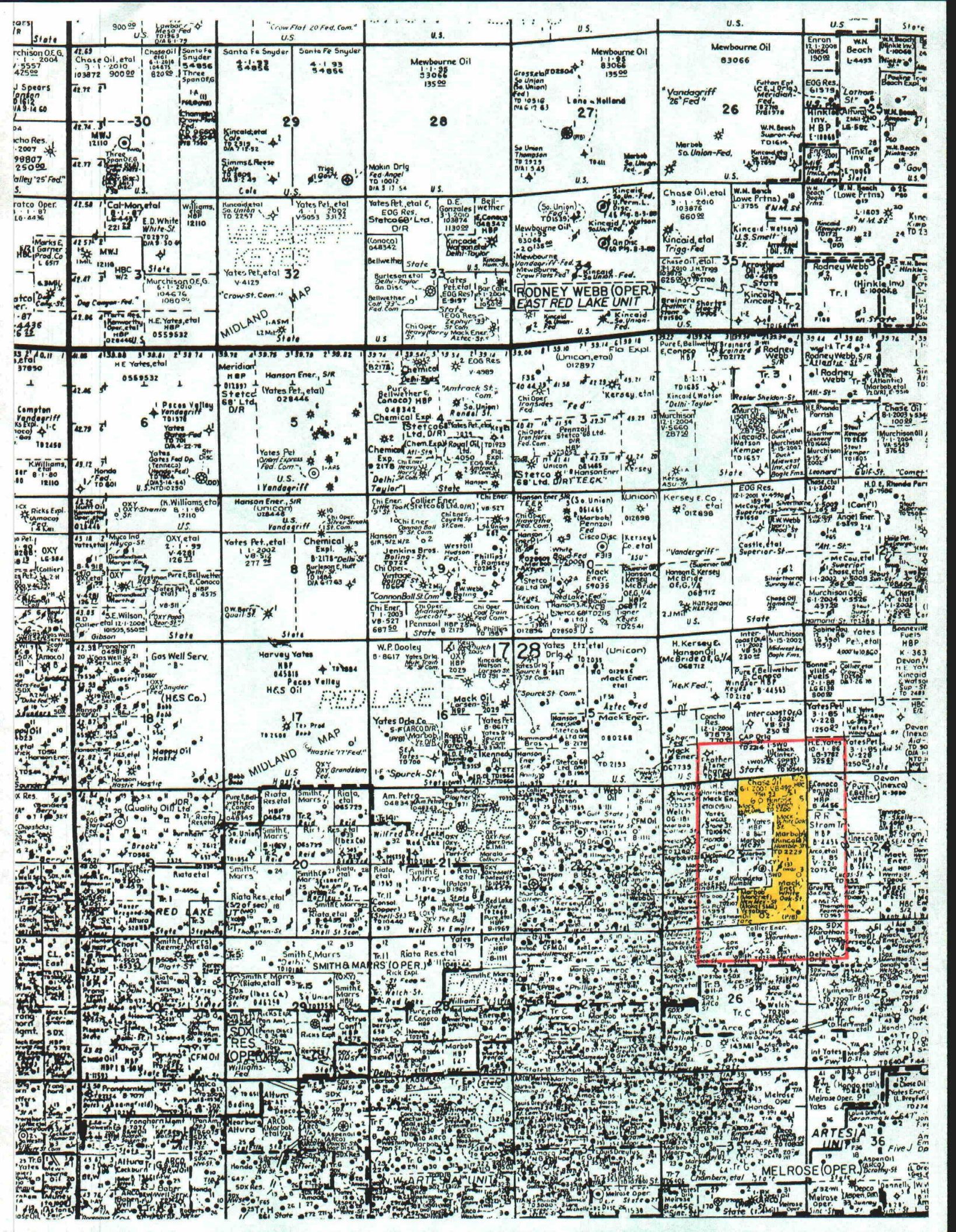


This Lease is subject to the site Security plan for southeast New Mexico operations.

The Plan is Located at :
Mack Energy Corporation
P.O. Box 960
Artesia NM 88211-0960

Mack Energy Corporation
White Oak State Tank Battery
SE/4 SE/4
Section 23 T17S R28E

White Oak State Lease
Test Facility



Insert
Color Page/Photo
Here

Insert

Color Page/Photo

Here

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-9539

April 5, 2001

VIA CERTIFIED MAIL 7099 3220 0005 0939 2442
RETURN RECEIPT REQUESTED

FI-RO Corporation
P.O. Box 8148
Roswell, New Mexico 88202

Re: Surface Commingling, Off Lease Storage and Measurement of
Hydrocarbon Production for:
White Oak State
Section 23, T17S, R28E
Eddy County, New Mexico

Please consider this letter as official notification of Mack Energy Corporation's intent to surface commingle the Empire Yeso and the Red Lake QN GB SA production from the White Oak State (State of NM Lease VB-492) at a central battery located in the SE/4 SE/4 of Sec. 23, T17S, R28E. We will complete the #5, & #6 in the Empire Yeso as soon as surface commingling has been approved. Well tests will be conducted for proper allocation of production.

If you have any objections to this intent, please notify the Oil Conservation Division within twenty (20) days of receiving this notification.

Sincerely,

MACK ENERGY CORPORATION



Crissa D. Carter
Production Supervisor

CDC/jws

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(505) 748-1288 / FAX (505) 746-9539

April 5, 2001

VIA CERTIFIED MAIL 7099 3220 0005 0939 2459
RETURN RECEIPT REQUESTED

Marbob Energy Corporation
P.O. Box 227
Artesia, New Mexico 88211

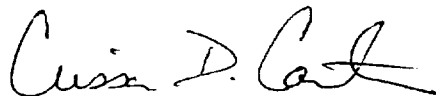
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April 5, 2001

VIA CERTIFIED MAIL 7099 3220 0005 0939 2466
RETURN RECEIPT REQUESTED

SDX Resources, Inc.
511 W. Ohio, Ste. 601
Midland, Texas 79701

Re: Surface Commingling, Off Lease Storage and Measurement of
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Section 23, T17S, R28E
Eddy County, New Mexico

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April 5, 2001

VIA CERTIFIED MAIL 7099 3220 0005 0939 2473
RETURN RECEIPT REQUESTED

Webb Oil Company
P.O. Box 1124
Artesia, New Mexico 88211

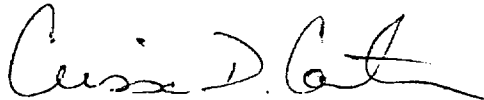
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April 5, 2001

VIA CERTIFIED MAIL 7099 3220 0005 0939 2480
RETURN RECEIPT REQUESTED

Gruy Petroleum Management Co.
P.O. Box 140907
Irving, Texas 75014

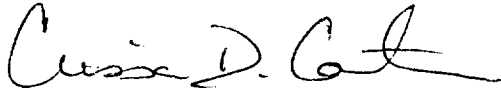
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