

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4654

Order Date: March 21, 2014

Application Reference Number: pPRG1403842402

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960

Attention: Deana Weaver

Colorado State No. 1
API No. 30-025-40881
Unit B, Section 24, Township 18 South, Range 36 East, NMPM
Lea County, New Mexico

Pool	ARKANSAS JUNCTION; SAN ANDRES	Oil	2500
Names:	WC-025 G-01 S183624; GRAYBURG	Oil	98059

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC 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 19.15.12.11A. NMAC, and since 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 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover.

REMARKS: The operator shall notify the Division's district I office upon implementation of commingling operations.

The operator is required to either amend or request cancellation of Administrative Order PLC-369, approved March 26, 2013, with the issuance of this down-hole commingling order. Order PLC-369 authorized the surface commingling of production from the Arkansas Junction; San Andres pool from the Utah State Well No. 1 (API No. 30-025-40652) on Lease VB-1421 and production from both the Arkansas Junction; San Andres and the Arkansas Junction; Bone Spring pools from the Colorado State Well No. 1 (the well referenced in this Order) on Lease V-8272. The Colorado State Well No. 1 was not completed in the Arkansas Junction; Bone Spring pool; therefore, Order PLC-369 is not valid with the approved completed pools of this order.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.


JAMI BAILEY
Director

JB/prg

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