

4/28/2014 DATE IN	SUSPENSE	MAm ENGINEER	8/28/2014 LOGGED IN	DHC TYPE	PMAM1424136015 APP NO.
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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



ADMINISTRATIVE APPLICATION CHECKLIST

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

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 _____

- DHC 4693
 - Mack Energy
 13837

- [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

Well
 - Wind Creek #1
 30-015-40922
 Pool
 - Cassonaw Bone
 Spring
 10380
 - Fouchard Ranch
 Delaware
 24675

- [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.

Deana Weaver

Print or Type Name

Signature

Production Clerk

Title

Date

dweaver@mec.com
 e-mail Address



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

August 25, 2014

Oil Conservation Division
Attn: Phillip R Goetze
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Down Hole Commingling, and measurement of
Hydrocarbon Production for:
Wind Fee #1
Section 4, T23S, R27E
Eddy 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 Brushy Canyon and Bone Spring production in the Wind Fee #1. Production of both pools will be measured at the TB located in the SE/4 NE/4, Sec. 4 T23S R27E. 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 will be done using the subtraction method based on increased production from the Brushy Canyon formation. This well has consistent daily production from the Bone Spring formation.

Should you require any additional information concerning this application, please call Deana Weaver at 575-748-1288. Thank you for your consideration of this request.

Sincerely,

MACK ENERGY CORPORATION

A handwritten signature in cursive script that reads "Deana Weaver".

Deana Weaver
Production Clerk
dweaver@mec.com

DW/
Enclosures

District I
1621 N. French Drive, Hobbs, NM 88240
District 11
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

Mack Energy Corporation P.O. Box 960, Artesia, NM 88211-0960
Operator Address
Wind Fee 1 G-4-23S-27E Eddy
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 013837 Property Code 39600 API No. 30-015-40922 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Brushy Canyon	Cass Draw; Bone Spring	
PoolCode		10380	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5258-5457'	6523-9039'	
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)	32.0	32.00	
Producing, Shut-In or New Zone	New Zone	Producing	
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: 6/1/2014 Rates: 25/99/274	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 % %	Oil Gas % %	Oil Gas % %

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: _____

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 Deana Weaver TITLE Production Clerk DATE 8.25.11
TYPE OR PRINT NAME Deana Weaver TELEPHONE NO. (575) 748-1288
E-MAIL ADDRESS dweaver@mec.com

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40922		² Pool Code 10380	³ Pool Name Cass Draw; Bone Spring
⁴ Property Code 39600	⁵ Property Name WIND FEE		⁶ Well Number 1
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION		⁹ Elevation 3134.4

¹⁰ Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	4	23 S	27 E		1650	NORTH	2310	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ Order No.					

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.

<p>S89°40'16"W 2665.49 FT</p> <p>NW CORNER SEC. 4 LAT. = 32°20'28.861"N LONG. = 104°12'13.295"W</p> <p>N/4 CORNER SEC. 4 LAT. = 32°20'28.980"N LONG. = 104°11'42.232"W</p> <p>NE CORNER SEC. 4 LAT. = 32°20'29.059"N LONG. = 104°11'11.218"W</p> <p>W/4 CORNER SEC. 4 DID NOT FIND</p> <p>SW CORNER SEC. 4 LAT. = 32°19'36.237"N LONG. = 104°12'13.160"W</p> <p>S/4 CORNER SEC. 4 LAT. = 32°19'36.715"N LONG. = 104°11'42.755"W</p> <p>SE CORNER SEC. 4 LAT. = 32°19'37.197"N LONG. = 104°11'12.340"W</p> <p>N88°52'01"E 2609.86 FT</p> <p>N88°51'17"E 2610.66 FT</p>		<p>S89°45'00"W 2661.18 FT</p> <p>WIND FEE #1 ELEV. = 3134.4' LAT. = 32°20'12.664"N (NAD83) LONG. = 104°11'38.498"W</p> <p>2310'</p> <p>1650'</p> <p>SURFACE LOCATION</p> <p>N00°58'30"E 2605.09 FT</p> <p>N00°58'18"E 2637.83 FT</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Deana Weaver BJS H</i> Signature Date</p> <p>Deana Weaver Printed Name</p> <p>dweaver@mec.com E-mail Address</p> <p>¹⁸ 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 13, 2012 Date of Survey</p> <p><i>Samuel J. Bernal</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number F11100X F. JARAMILLO, PLS 12797 SURVEY NO. 1378</p>
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District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-40922	² Pool Code	³ Pool Name Brushy Canyon
⁴ Property Code 39600	⁵ Property Name WIND FEE	
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	
		⁶ Well Number 1
		⁹ Elevation 3134.4

¹⁰ Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	4	23 S	27 E		1650	NORTH	2310	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

<p>S89°40'16"W 2665.49 FT</p> <p>NW CORNER SEC. 4 LAT. = 32°20'28.861"N LONG. = 104°12'13.295"W</p> <p>N/4 CORNER SEC. 4 LAT. = 32°20'28.980"N LONG. = 104°11'42.232"W</p> <p>NE CORNER SEC. 4 LAT. = 32°20'29.059"N LONG. = 104°11'11.218"W</p> <p>W/4 CORNER SEC. 4 DID NOT FIND</p> <p>SW CORNER SEC. 4 LAT. = 32°19'36.237"N LONG. = 104°12'13.160"W</p> <p>S/4 CORNER SEC. 4 LAT. = 32°19'36.715"N LONG. = 104°11'42.755"W</p> <p>SE CORNER SEC. 4 LAT. = 32°19'37.197"N LONG. = 104°11'12.340"W</p> <p>N88°52'01"E 2609.86 FT</p> <p>N88°51'17"E 2610.66 FT</p>		<p>S89°45'00"W 2661.18 FT</p> <p>E/4 CORNER SEC. 4 LAT. = 32°20'03.290"N LONG. = 104°11'11.777"W</p> <p>N00°58'30"E 2605.09 FT</p> <p>N00°58'18"E 2637.85 FT</p>
<p>1650'</p> <p>2310'</p> <p>WIND FEE #1 ELEV. = 3134.4' LAT. = 32°20'12.664"N (NAD83) LONG. = 104°11'38.498"W</p> <p>SURFACE LOCATION</p>		<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling interest, or to a voluntary pooling agreement entered by the division.</p> <p><i>Deana Weaver</i> B.25.14 Signature Date</p> <p>Deana Weaver Printed Name</p> <p>dweaver@mec.com E-mail Address</p>
<p>¹⁸ SURVEYOR CERTIFICATION 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 13, 2012 Date of Survey</p> <p><i>Samuel J. Pimentel</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number FILMONE J. P. ARAMILLO, PLS 13797 SURVEY NO. 1378</p>		

MEMO

DATE: August 21, 2014

TO: NMOCD

FROM: Travis K. Lanning

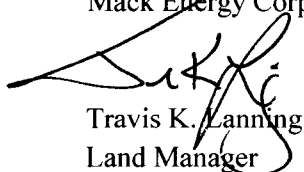
RE: Wind Fee #1
T23S, R27E
Section 4: SW/4NE/4,
Eddy County, New Mexico

Mack Energy Corporation respectfully requests approval to down hole commingle production from the Bone Spring and Brushy Canyon formations in our Wind Fee #1 (G-4-23S-27E, 1650' FNL & 2310' FEL).

All formations have identical working and revenue interests.

Please do not hesitate to contact me should you require any further information.

Sincerely,
Mack Energy Corporation



Travis K. Lanning
Land Manager

DIVISION OF INTEREST

WIND FEE

T23S, R27E, Section 04: Lot 2 & 3, SW/4NE/4, SE/4NW/4
Eddy County, NM

OWNER#	OWNER	WI	NRI	TYP INT	SUSPENSE STATUS
015544	Missouri-New Mexico Land Co. 109 East 5th Street Caruthersville, MO 63830		0.20000000	RI	DIVOR
003791	Madison M. Hinkle and wife, Susan Hinkle P O Box 2292 Roswell, NM 88202-2292		0.02500000	ORRI	DIVOR
003158	Rolla R. Hinkle, III and wife, Rosemary H. Hinkle P O Box 2292 Roswell, NM 88202-2292		0.02500000	ORRI	DIVOR
101	Chase Oil Corporation P. O. Box 1767 Artesia, NM 88211-1767	0.85000000	0.63750000	WI	MIN
110	Robert C. Chase P. O. Box 297 Artesia, NM 88211-0297	0.05000000	0.03750000	WI	MIN
185	Ventana Minerals LLC P. O. Box 359 Artesia, NM 88211-0359	0.05000000	0.03750000	WI	MIN
195	DiaKan Minerals LLC P. O. Box 693 Artesia, NM 88211	0.05000000	0.03750000	WI	MIN
TOTAL		1.00000000	1.00000000		
11-19-2013 /dh					



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

August 25, 2014

Missouri-New Mexico Land Co.
109 East 5th Street
Caruthersville, MO 63830

VIA CERTIFIED MAIL 7014 1200 0001 9123 0979
CERTIFIED RETURN RECEIPT MAIL

Dear Sir:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Brushy Canyon and Bone Spring in the Wind Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.

Should you have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the DHC application if no objection has been made within the 20 days after the application has been received.

Sincerely,

A handwritten signature in black ink that reads "Deana Weaver".

Deana Weaver
Production Clerk
dweaver@mec.com

DW/

Enclosures



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

August 25, 2014

Madison M. Hinkle
Susan Hinkle
P.O. Box 2292
Roswell, NM 88202-2292

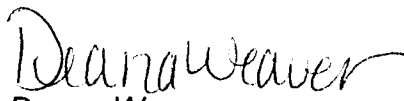
VIA CERTIFIED MAIL 7014 1200 0001 9123 0986
CERTIFIED RETURN RECEIPT MAIL

Dear Sir:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Brushy Canyon and Bone Spring in the Wind Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.

Should you have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the DHC application if no objection has been made within the 20 days after the application has been received.

Sincerely,


Deana Weaver
Production Clerk
dweaver@mec.com

DW/

Enclosures



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

August 25, 2014

Rolla R. Hinkle III
Rosemary H. Hinkle
P.O. Box 2292
Roswell, NM 88202-2292

VIA CERTIFIED MAIL 7014 1200 0001 9123 0993
CERTIFIED RETURN RECEIPT MAIL

Dear Sir:

This letter will serve as a notice that Mack Energy Corporation has requested administrative approval from the NMOCD to Down Hole Commingle production from the Brushy Canyon and Bone Spring in the Wind Fee #1 located in Sec. 4 T23S R27E, 1675 FNL & 700 FEL, Eddy County, New Mexico.

Should you have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the DHC application if no objection has been made within the 20 days after the application has been received.

Sincerely,

A handwritten signature in black ink that reads "Deana Weaver".

Deana Weaver
Production Clerk
dweaver@mec.com

DW/

Enclosures

McMillan, Michael, EMNRD

From: Deana Weaver <dweaver@mec.com>
Sent: Friday, August 29, 2014 10:42 AM
To: McMillan, Michael, EMNRD
Subject: RE: Wind Fee #1 DHC application

The Wind Fee #1 is only producing from the Cass Draw; Bone Spring pool.

Thank you

Deana Weaver
Mack Energy Corp.

From: McMillan, Michael, EMNRD [<mailto:Michael.McMillan@state.nm.us>]
Sent: Friday, August 29, 2014 10:19 AM
To: Deana Weaver
Subject: Wind Fee #1 DHC application

Ms. Weaver:

I received your application yesterday for the Wind Fee #1 DHC.

Can you verify what pool(s) that this well is producing from? Your application states that it is producing for the Cass Draw; Bone Spring pool. However; our production shows that it is producing from Cass Draw; Bone Spring and Wildcat; Wolfcamp Oil. So in this case you would be commingling the three pools. If so, then how is the production allocated between the Bone Spring and Wolfcamp pools?

Next, can you clarify that the Delaware pool is the Forehand Ranch; Delaware Pool?

Thank You

Call me if you have any questions.

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462

Well_Name: WIND FEE # 00: API: 3001540922
Location: G-4-23.0S-27E 1650 FNL 2310 FEL
Operator Name: MACK ENERGY (County: Eddy
Land Type: Private Well Type: Oil
Spud Date: 9/15/2013 Plug Date:
Elevation GL: 3134 Depth TVD: 9165

Year: 2013

Pool Name: CASS DRAW;BONE SPRING

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
October	546	2547	6468	7
November	3283	14898	20988	28
December	2196	11095	4826	31

Year: 2014

Pool Name: CASS DRAW;BONE SPRING

Month	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days Produced
January	1720	8212	5081	31
February	1242	3109	4340	28
March	1223	7287	4204	31
April	1035	6707	3411	30
May	826	4472	2311	22
June	738	2984	8212	30
	1059	5215	12599	31

CUM 13868 66526