

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-4694
Order Date: September 2, 2014
Application Reference Number: pMAM1424137369

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

Attention: Deana Weaver

Derrick Fee Well No. 1
API No. 30-015-40817
Unit H, Section 4, Township 23 South, Range 27 East, NMPM
Eddy County, New Mexico

Pool	CASS DRAW; BONE SPRING	Oil	10380
Names:	FOREHAND RANCH; DELAWARE	Oil	24670

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.

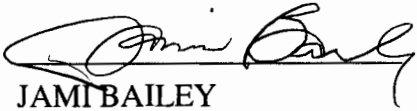
It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle 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.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the subtraction method. The total well production minus the Cass Draw; Bone Spring Pool production shall be assigned to the Forehand Ranch; Delaware Pool .

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

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 NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.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/mam

cc: New Mexico Oil Conservation Division – Hobbs