

8/2/05

DHC-3592  
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PWTJ0522752907

**District I**  
1621 N. French Drive, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

**District II**  
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

**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

McIntyre DK Federal

7

M-17-17S-30E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 013837 Property Code 6143 API No. 30-015-27476 Lease Type: ☒ Federal ☐ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Grayburg Jackson SR Q G SA		Loco Hills Paddock
PoolCode	28509		96718
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	2750-4200'		4202-4491'
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)	38.1		38.1
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: _____ Rates: _____	Date: <u>5/31/2005</u> Rates: <u>5/23/6</u>
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?  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?

Yes ☒ No ☐  
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 Jerry W. Sherrell TITLE Production Clerk DATE 8/4/2005

TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO. ( 505 ) 748-1288

E-MAIL ADDRESS jerrys@mackenergycorp.com

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>MACK ENERGY CORPORATION</b>			Lease <b>McINTYRE DKFEDERAL</b>		Well No. <b>7</b>
Unit Letter <b>M</b>	Section <b>17</b>	Township <b>17 SOUTH</b>	Range <b>30 EAST</b>	NMPM	County <b>EDDY</b>
Actual Footage Location of Well: <b>330</b> feet from the <b>SOUTH</b> line and <b>330</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>3644.8'</b>	Producing Formation <b>Paddock</b>		Pool <b>Loco Hills</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.

OPERATOR CERTIFICATION

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

Signature *Jerry W. Sherrell*  
Printed Name **Jerry W. Sherrell**  
Position **Production Clerk**  
Company **Mack Energy Corporation**  
Date **8/3/2005**

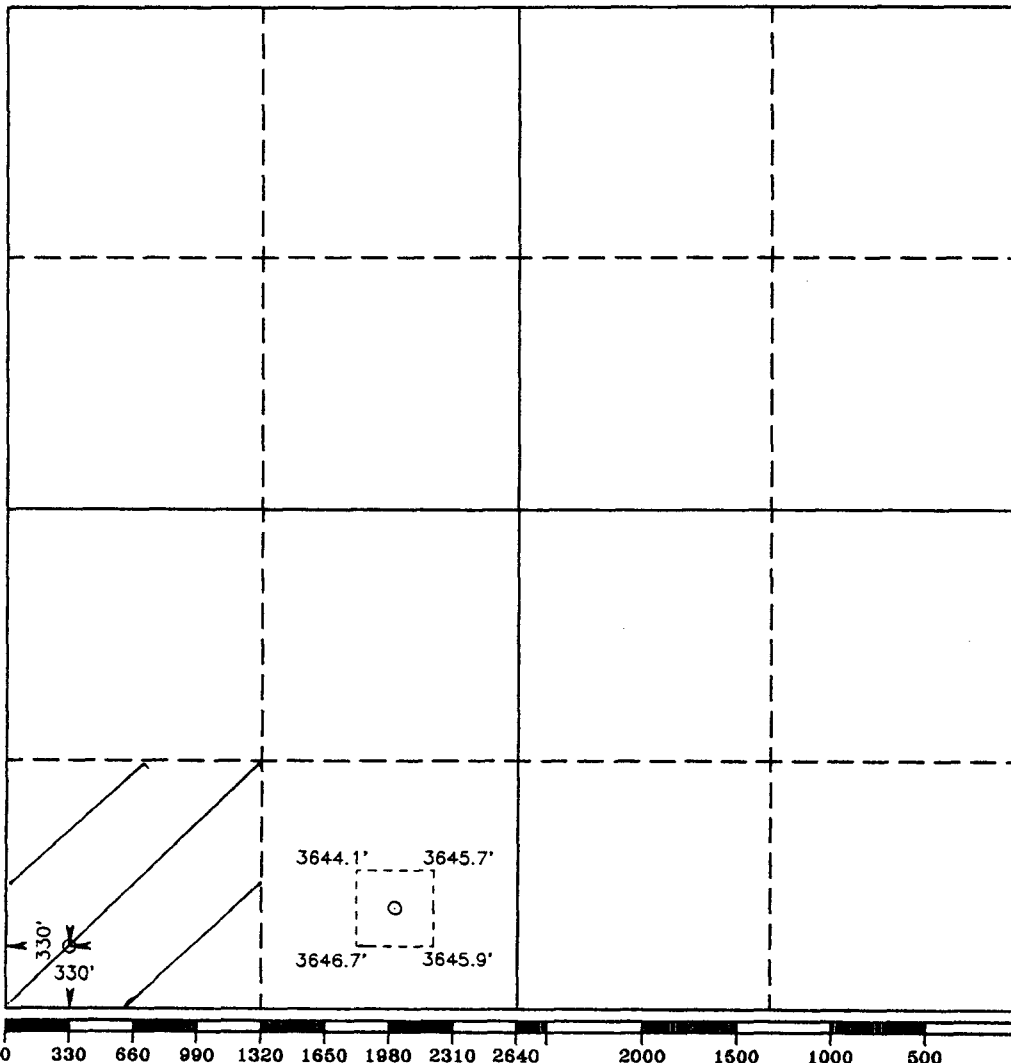
SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed  
**MARCH 1, 1993**

Signature & Seal of  
Professional Surveyor

*Gary L. Jones*  
Certificate No. **JOHN W. WEST, 676**  
**RONALD J. EDISON, 3239**  
**GARY L. JONES, 7977**  
**93-11-0317**



## OIL CONSERVATION DIVISION

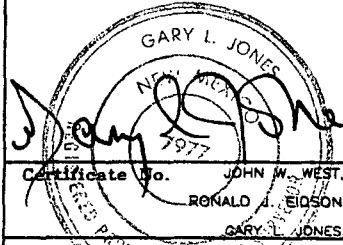
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>MACK ENERGY CORPORATION</b>			Lease <b>McINTYRE OF FEDERAL</b>		Well No. <b>7</b>	
Unit Letter <b>M</b>	Section <b>17</b>	Township <b>17 SOUTH</b>	Range <b>30 EAST</b>		County <b>EDDY</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>SOUTH</b> line and <b>330</b> feet from the <b>WEST</b> line						
Ground Level Elev. <b>3644.8'</b>	Producing Formation <b>San Andres</b>		Pool <b>Grayburg Jackson</b>		Dedicated Acreage: <b>40</b> Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes      <input type="checkbox"/> No      If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary.)</p> <p>No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>						
			<b>OPERATOR CERTIFICATION</b>			
			<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature <u><i>Jerry W. Sherrell</i></u></p> <p>Printed Name <u>Jerry W. Sherrell</u></p> <p>Position <u>Production Clerk</u></p> <p>Company <u>Mack Energy Corporation</u></p> <p>Date <u>8/3/2005</u></p>			
			<b>SURVEYOR CERTIFICATION</b>			
			<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 knowledge and belief.</p> <p>Date Surveyed <u>MARCH 1, 1993</u></p> <p>Signature &amp; Seal of Professional Surveyor <u><i>Gary L. Jones</i></u></p> <p></p> <p>Certificate No. <u>JOHN W. WEST, 676</u> <u>RONALD J. EIDSON, 3238</u> <u>GARY L. JONES, 7977</u></p> <p><b>93-11-0317</b></p>			



P.O. Box 960  
Artesia, NM 88211-0960  
Office (505) 748-1288  
Fax (505) 746-9539

August 4, 2005

Oil Conservation Division  
Attn: David Catanach  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Re: Downhole Commingling, and measurement of  
Hydrocarbon Production for:  
McIntyre DK #1,3,7,8,9,10,11,12Y,13  
Section 17, T17S, R30E  
Eddy County, New Mexico

Mack Energy Corporation as operator of the aforementioned (9) wells respectfully requests administrative approval for down hole commingling and measurement of production.

Mack Energy proposes to commingle Grayburg Jackson;SR-Q-G-SA(28509) and Loco Hills Paddock(96718) production in the above mentioned McIntyre DK wells(Lease NMNM-86025). Production of both pools will be measured at the McIntyre DK Tank Battery located in the SE/4 SW/4 Sec. 17 T17S R30E. 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. Testing will be conducted and allocation percentages will be sent to OCD after completion of these wells.

Should you require any additional information concerning this application, please call Jerry W. Sherrell at the above number. Thank you for your consideration of this request.

Sincerely,

MACK ENERGY CORPORATION

Jerry W. Sherrell  
Production Clerk  
[jerrys@mackenergycorp.com](mailto:jerrys@mackenergycorp.com)

JWS/

Enclosures