

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4619
Order Date: May 31, 2013
Application Reference Number: pPRG1312759656

Mack Energy Corporation
PO Box 960
Artesia, NM 88211-0960

Attention: Deana Weaver

Utah State Well No. 001
API No: 30-025-40652
Unit K, Section 13, Township 18 South, Range 36 East, NMPM
Lea County, New Mexico

Pool	ARKANSAS JUNCTION; SAN ANDRES	Oil	2500
Names:	ARKANSAS JUNCTION; BONE SPRING	Oil	2340

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 that 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.

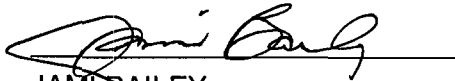
In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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 Arkansas Junction, San Andres Pool production shall be assigned to the Arkansas Junction, Bone Spring Pool.

This approval is conditional upon approval by the New Mexico State Land Office prior to commencement of commingling.

REMARKS: The operator shall notify the Division's district 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Pursuant to 19.15.12.11B NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/prg

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