	3 3 50	SPENSE ENGINEER PG. LOGGED IN 05/07/13 TYPEDHC APRG1312759656
		ABOVE THIS LINE FOR DIVISION USE ONLY NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau - RF220 Soluth St. Erancis Drive, Santa Fe, NM 87505 Mach Energy
		ADMINISTRATIVE APPLICATION CHECKLIST
	ation Acrony [NSL-Non- [DHC-D [PC	S MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE yms: Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] ownhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] -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] Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF [A]	APPLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD
	Ch [B]	eck One Only for [B] or [C] 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
[21	NOTIFIC	ATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply 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
[31		ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE ICATION 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	Deana Weaver	Production Clerk	51.13
Print or Type Name	Signature	Title	Date
		dweaver@mec.com e-mail Address	

District I

bbs. NM 88240

District 11 1301 W. Grand Avenue, Artesia, NM 88210

1220 S. St Francis Dr., Santa Fe, NM 87505

District III

District IV

Aztec, NM 874 1 0

1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-107A Revised June 10, 2003

Fee

APPLICATION FOR DOWNHOLE COMMINGLING

State of New Mexico

Energy, Minerals and Natural Resources Department

Oil Conservation Division

APPLICATION TYPE X Single Well X Establish Pre-Approved Pools EXISTING WELLBORE Х _ Yes ___No

_Federal X__State __

P.O. Box 960, Artesia, NM 88211-0960 Mack Energy Corporation Operator Address #00 Lea, NM Utah State K-13-18S-36E Unit Letter-Section-Township-Range County Lease

OGRID No. 013837 Property Code 39300

API No. 30-025-40652

Lease Type:

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Arkansas Junction; San Andres	Arkansas Junction; Bone Spring	
PoolCode	2500	2340	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	4987-5250'	6380-8416'	
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)	36.6	36.8	
Producing, Shut-In or New Zone	Producing	Shut-In	
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: 3/11/2013 Rates: 28/62/439	Date: 2/8/2013 Rates: 60/62/295	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other	0il Gas	Oil Gas	0il Gas
than current or put production, supporting data or explanation will be required.)	% %	% %	% 9

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 <u>X</u> Yes	No No
Are all produced fluids from all commingled zones compatible with each other?	Yes <u>X</u>	No
Will commingling decrease the value of production?	Yes	No X
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.
Bottornhole pressure data

I hereby certify that the information above is true and	l complete to the best of my knowledge and be	elief
I hereby certify that the information above is true and SIGNATURE	TITLE Production Clerk	DATE 5.1.13
TYPE OR PRINT NAME Deana Weaver	TELEPHONE NO. (
E-MAIL ADDRESS dweaver@mec.com		

MEMO

DATE:	May 1, 2013	
TO:	NMOCD	
FROM:	Travis K. Lanning	
RE:	Utah State No. 1	:
	VB-1421	
	<u>T18S, R36E, NMPM</u>	
	Section 13: NE4, SW4,	
	Lea County, New Mexico	

Mack Energy Corporation respectfully requests approval to downhole commingle production from the San Andres and Bone Spring formations in our Utah State No. 1.

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 Manage

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										
30-0	,)652	2	³ Pool Code 2340 Arkansas Junction; Bone Spr			Spri	ng			
⁴ Property (Code				⁵ Property	Name			6 ١	Well Number
393	300				UTAH S'	ГАТЕ				1
⁷ OGRID	No.			,	⁸ Operator	Name				⁹ Elevation
13831	7			MACI	K ENERGY C	NERGY CORPORATION 3769.				3769.3
					Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	est line	County
K	13	.18 S	36 E		2310	SOUTH	2310	WE	ST	LEA
			۳E	Bottom H	ole Location	If Different F	rom Surface			
UL or lot no.	Section	Township	Range	Let Idn	Feet from the	North/South line	Feet from the	East/Wo	est line	County
¹² Dedicated Acres 4 0	s ¹³ Joint c	r Infill 14 Co	asolidation	Code ¹⁵ Or	der No.	I				

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.

				" OPERATOR CERTIFICATION
	NW CORNER SEC. 13 LAT. = 32.7548862'N LONG. = 103.3160109'W	DNF	DNF	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 warking interest or unleased mineral interest in the land including
S00'42'		NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH		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
2"12"E		AMERICAN DATUM OF 1927 (NAD27), AND ARE IN 1 DECIMAL DEGREE FORMAT.		interest, or to a voluntary pooling agreement or a compulsory pooling packer heretafore entered by the division.
2639				Deanaweaver 5.1.13
<u>39.90</u> FT		UTAH STATE # ELEV. = 3769.3 LAT. = 32.7467	278'N (NAD27)	Deana Weaver
	DNF	LONG. = 103.30	E/4 CORNER SEC. 13	dweaver@mec.com E-mail Address
		2310'	LAT. = 32.7476549'N LONG. = 103.2987756'W	"SURVEYOR CERTIFICATION I hereby certify that the well location shown on this
S00'42'			NOO	plat was plotted from field notes of actual surveys
42'12"E			NOC 41'20 W	mude by me or under my supervision, and that the same is true and correct to the best of my belief.
2639.90 FT				JUNE 20, 2012
	SW CORNER SEC. 13 LAT. = 32.7403775'N	S/4 CORNER SEC. 13 LAT. = 32.7403900'N	SE CORNER SEC. 13 LAT. = 32.7403787N LONG. = 103.2987565'W	Signature and Search Professional Surveyor Certificate Number Phylor P. JARAMILLO Phylor 1977
	LONG. = 103.3159657W N89'21'02"E	LONG = 103.3073646'W 2645.39 FT N89'32'02		1430 LAND EDIGINE NO. 113

District I

 1625 N. French Dr., Hobbs, NM 88240

 Phone: (575) 393-6161

 Phone: (575) 393-6161

 Phone: (575) 783-782

 Phone: (575) 748-1283

 Phone: (505) 334-6178

 Phone: (505) 3476-3462

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 ² Pool Code 30-025-40652 2500						Arkansas	Junction		Andr	es
⁴ Property (Code				⁵ Property	Name			6 V	Vell Number
393	300				UTAH S'	ГАТЕ			- 1	
⁷ OGRID	No.				⁸ Operator	Name			5	Elevation
13837	7			MAC	ACK ENERGY CORPORATION				3769.3	
					Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County
К	13	18 S	36 E		2310	SOUTH	2310	WE	ST	LEA
	_		۳E	Bottom H	lole Location	If Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County
12 Dedicated Acres	5 ¹³ Joint o	r Infill 🔤 💾 C	onsolidation	Code 15 O	rder No.	· · · · · · · · · · · · · · · ·				
40										

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.

Image: Sec. 13 DMF IM. CORNER SEC. 13 SE CORNER SEC. 13 IM. CORNER SEC. 13<					"OPERATOR CERTIFICATION
ONC. = 103.3160109W NOTE: CONSINUES AND LONGTUDE CONSINUES AND LONGT			DNF	DNF	
Signalure Signalure Signalure Signalure Signalure Signalure Signalure Signalure Signalure Signalure <td< td=""><td></td><td></td><td>1</td><td></td><td></td></td<>			1		
I LATTUDE I LONGTUDE I COORDINATES ARE SHOWN I LONGTUDE I SURVEY AND ARE IN I LONGTUDE I COORDINATES I LONGTUDE I LONGTUDE I LONGTUDE		LONG 103.3100109 W	1		
Image: Standard Discrete FORMAT. Image	s l			1	the proposed bottom hole location or has a right to drill this well at this
Image: Standard Discrete FORMAT. Image	8		COORDINATES ARE SHOWN		location pursuant to a contract with an owner of such a mineral or working
Image: Standard Discrete FORMAT. Image	12'1		AMERICAN DATUM OF 1927		interest, or to a voluntary pooling agreement or a compulsory pooling
Bigging UTAH STATE #1 ELEV. = 3769.3'. LAT. = 32.746727E'N (NAD27) LONG. = 103.3084731'W Deana Weaver DNF Suprace DNF Suprace 2310' E44 CORNER SEC. 13 LOCATION E44 CORNER SEC. 13 LOCATION E44 CORNER SEC. 13 LOCATION E44 CORNER SEC. 13 LONC. = 103.2987756W UNC. = 103.2987756W V Suprave Suprave Suprave Suprave Suprave LAT. = 32.7407576W UNC. = 103.2987756W SW CORNER SEC. 13 Strue and corbet to the basi of mp belief. JUNE 20, 2012.** Suprave SW CORNER SEC. 13 SC CORNER SEC. 13 LAT. = 32.7403775W LONG. = 103.3096756W SW CORNER SEC. 13 SC CORNER SEC. 13 LAT. = 32.7403775W LONG. = 103.3073766W LONG. = 103.307575W LONG. = 103.3078765W					rorder heretofure entered by the division.
Superative Date Image: Superative and Service Section Superative and Service Section DNF Superative Image: Superative and Service Section Superative and Service Section Image: Superative and Service Section Superative Section Image: Superative Sectin	1			······································	11 Dame Wewer 5.1.13
P ELEV. = 3769.3' LAT. = 32.7467278'N (NAD27) LONG. = 103.3084731'W SURFACE LOCATION LONC. = 103.2987756'W 2310' 2310' LONC. = 103.2987756'W LONC. = 103.2987756'W LONC. = 103.2987756'W SW CORNER SEC. 13 LAT. = 32.7403775'N LAT. = 32.7403775'N LAT. = 32.7403765'W SW CORNER SEC. 13 LAT. = 32.7403775'N LAT. = 32.7403765'W LONG. = 103.3056657W	263				
ELEV. = 3769.3' LAT. = 32.7467278'N (NAD27) LONG. = 103.3084731'W SURFACE LOCATION LAT. = 32.7476549'N LONG. = 103.2987756'W 2310' SURFACE LONG. = 103.2987756'W LONG. = 103.2987756'W SOURCE LONG. = 103.2987756'W LONG. = 103.2987756'W SOURCE SOURCE LONG. = 103.2987756'W LONG. = 103.2987756'W SOURCE SOURCE SOURCE LONG. = 103.2987756'W LONG. = 103.307846'W LONG. = 103.3073645'W	9.9		UTAH STATE	411	
LAT. = 32.7467278'N (NAD27) LONG. = 103.3084731 W DNF SURFACE LOCATION LOCATION LONG. = 103.2987756W Noncomposition LONG. = 103.2987756W SW CORNER SEC. 13 SW CORNER SEC. 13 LAT. = 32.7403900'N LAT. = 32.740375'N LONG. = 103.398655'W LONG. = 103.3987565W			ELEV. = 3769	3'	
SURFACE LOCATION					Printed Name
DNF 2310' LOCATION LAI. = 32.74765497N LONG. = 103.2987756W 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 less of my belief. JUNE 20, 2012 AMME SW CORNER SEC. 13 LAT. = 32.74039775 N LONG. = 103.3159657W LONG. = 103.3073646W LONG. = 103.2987565W			1	0084751 #	dweaver@mec.com
DNF 1 E24 docket site: 512,747656497 LONG. = 103,2987756W ISURVEYOR CERTIFICATION 2310 Isual site: 52,747656497 2310 Isual site: 52,747656497 LONG. = 103,2987756W Isual site: 54,4 CORNER sec. 13 SW CORNER SEC. 13 SF CORNER SEC. 13 LAT. = 32,74037075N LAT. = 32,7403707N LAT. = 32,7403707N LAT. = 32,7403707N LONG. = 103,3159657W LONG. = 103,2987555W					E-mail Address
LONG. = 103.2987756W 2310' LONG. = 103.2987756W LONG. = 103.2987565W	ļ	DNF		$- \frac{1}{100} = \frac{E/4}{100} \frac{CORNER}{200} \frac{SEC. 13}{200}$	
2310' 2310' 1 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 carried to the best of my belief. JUNE 20, 2012 SW CORNER SEC. 13 LAT. = 32.7403775'N LAT. = 32.7403775'N LONG. = 103.3159657W LONG. = 103.3159657W	1				SURVEYOR CERTIFICATION
S000000000000000000000000000000000000			2310'		
001 0					
SW CORNER SEC. 13 S/4 CORNER SEC. 13 SE CORNER SEC. 13 LAT. = 32.7403775'N LAT. = 32.740390'N LAT. = 32.7403787'N LONG. = 103.3159657'W LONG = 103.3073646'W LONC. = 103.2987565'W	So			NOO	
SW CORNER SEC. 13 S/4 CORNER SEC. 13 SE CORNER SEC. 13 LAT. = 32.7403775'N LAT. = 32.740390'N LAT. = 32.7403787'N LONG. = 103.3159657'W LONG = 103.3073646'W LONC. = 103.2987565'W	742			<u>11</u>	made by me or under my supervision, and that the
SW CORNER SEC. 13 S/4 CORNER SEC. 13 SE CORNER SEC. 13 LAT. = 32.7403775'N LAT. = 32.740390'N LAT. = 32.7403787'N LONG. = 103.3159657'W LONG = 103.3073646'W LONC. = 103.2987565'W				20"	same is true and correct to the hest of my belief.
SW CORNER SEC. 13 S/4 CORNER SEC. 13 SE CORNER SEC. 13 LAT. = 32.7403775'N LAT. = 32.740390'N LAT. = 32.7403787'N LONG. = 103.3159657W LONG = 103.3073646'W LONC. = 103.2987565'W	m			^{\$}	
Image: Signature and Scale (Processingle Signature and Scale (Proces)))	26			28	A RIG
Image: Signature and Scale (Processingle Signature and Scale (Proces)))	39.			47.	Date of Survey.
SW CORNER SEC. 13 S/4 CORNER SEC. 13 SE CORNER SEC. 13 Signature and Search Processing Surveyor Signature and Search Processing Surveyor LAT. = 32.7403775'N LAT. = 32.7403900'N LAT. = 32.7403787'N LAT. = 32.7403787'N LONG. = 103.3159657'W LONG = 103.3073646'W LONG. = 103.2987565'W Contificate Number Filteron Filteron Processing Surveyor					Honora Dia
SW CORNER SEC. 13 S/4 CORNER SEC. 13 SE CORNER SEC. 13 Contificate Number Filtheon F. Jaramiil Lor ptx 12797 LAT. = 32.7403775'N LAT. = 32.740390'N LAT. = 32.7403787N LAT. = 32.7403787N LONG. = 103.3159657W LONG = 103.3073646'W LONG = 103.2987565'W Contificate Number Filtheon F. Jaramiil Lor ptx 12797	1 1			¹	XMA PARMULO
LAT. = 32.7403775'N LONG. = 103.3159657W LONG = 103.3073646'W LONG. = 103.2987565'W					
LAT. = 32.7403775'N LONG. = 103.3159657W LONG = 103.3073646'W LONG. = 103.2987565'W		SW CORNER SEC. 13			Certificate Number FILMON F. JARAMILLO PS 19797
		LAT. = 32.7403775'N			
			Land and the second	2°E 2647.55 FT	CAND BUILT

. .

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

May 1, 2013

Commissioner of Public Lands PO Box 1148 Santa Fe, NM 87504-1148

VIA CERTIFIED MAIL 7012 1010 0002 5887 4352 RETURN RECEIPT REQUESTED

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 Arkansas Junction; San Andres and Arkansas Junction; Bone Spring in the Utah State #1 located in Sec. 13 T18S R36E, 2310 FSL & 2310 FWL, Lea 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,

ΠΛΛ

Deana Weaver Production Clerk <u>dweaver@mec.com</u>

DW/

Enclosures

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

May 1, 2013

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: Utah State #1 Section 13, T18S, R36E Lea 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 Arkansas Junction; San Andres and Arkansas Junction; Bone Spring production in the Utah State #1(State of NM Lease VB-1421). Production of both pools will be measured at the TB located in the NE/4 SW/4, Sec. 13 T18S R36E. This lease has common interest in both pools. Mack Energy Corporation owns all interest in this lease. The oil purchaser has been notified of the intent to commingle. Allocation will be done using the subtraction method based on increased production from the Bone Springs formation. This well has consistent daily production from the Arkansas Junction; San Andres 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

eanaWeaver

Deana Weaver Production Clerk <u>dweaver@mec.com</u>

DW/ Enclosures RECEIVED OCD