PHL

PhyAm/5133293/4

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

		ADMINIOTRATIVE ALL EIGATION OFFICIALIST
TH	IIS CHECKLIST IS MA	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
A p p lic	[DHC-Dow [PC-Po	ndard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication] nhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] ol Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] lified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]
[1]	TYPE OF AP [A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD
	Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM 30-015-41522
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI EOR PPR - CA-55 Durani, Bone
	[D]	Other: Specify
[21	NOTIFICAT [A]	ON REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply Working, Royalty or Overriding Royalty Interest Owners S2327044; □ Offset Operators, Leaseholders or Surface Owner
	[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		CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE TION INDICATED ABOVE.
	val is <mark>accurate</mark> a	FION: I hereby certify that the information submitted with this application for administrative nd complete to the best of my knowledge. I also understand that no action will be taken on this quired information and notifications are submitted to the Division.
	Note:	Statement must be completed by an individual with managerial and/or supervisory capacity.
	Weaver	Signature Production Clerk May 7 30/5 Title Date
erint 0	or Type Name	dweaver@mec.com e-mail Address
		e mun riodiess



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

May 7, 2015

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:

Marvel Fee #1

Section 1, 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 Bone Spring and Upper Wolfcamp production in the Marvel Fee #1. Production of both pools will be measured at the TB located in the SE/4 NW/4, Sec. 1 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 fixed allocation percentage.

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

eana Weaver

Deana Weaver Production Clerk

dweaver@mec.com

DW/

District I 1621 N French Dri

State of New Mexico

Form C-107A Revised June 10, 2003

District 11

District III
1000 Rio Brazos Road, Aztec, NM 874 1 0

District IV

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

E-MAIL ADDRESS dweaver@mec.com

Energy, Minerals and Natural Resources Department

Oil Conservation Division

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

X Single Well

X Establish Pre-Approved Pools

EXISTING WELLBORE X Yes ___No

APPLICATION FOR DOWNHOLE COMMINGLING

Mack Energy Corporation		I	P.O. Box 960), Artesia, NM	1 8821	1-0960			
Operator		Ac	dress						
Marvel Fee	1	F-1-23					E	ddy	
Lease	Well No.	Unit Letter	r-Section-Towns	hip-Range			Cou	nty	
OGRID No. 013837 Property Co	de 40312	API No. 30-01	15-41922	Lease Ty	/pe:	Federal	St	ate <u>X</u>	Fee
DATA ELEMENT	UPP	ER ZONE	INTER	MEDIATE ZO	ONE	L	OWER	ZONE	
Pool Name			Cass Draw	; Bone Spring	<u>;</u>	WC-015 G-0 Wolfcamp)6 S232704	H; Upper	
PoolCode			10380			98125			
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			6774-9183	1		9183-92	56'		
Method of Production (Flowing or Artificial Lift)			Artificial I	ift		Artificia	l 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)									
Producing, Shut-In or New Zone			New Zone			New Zoi	 ne		
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:		Date:			Date:			_
Fixed Allocation Percentage	oil	Gas	Oil	Gas		oil		Gas	
(Note: If allocation is based upon something other than current or put production, supporting data or explanation will be required.)		% %	96	% 96	%	4	%	4	%
		ADDITIC	NAL DATA			<u> </u>			
Are all working, royalty and overriding If not, have all working, royalty and over		sts identical in all co	ommingled zor	nes?			Yes X Yes X	No_ No_	
Are all produced fluids from all commi	ngled zones co	ompatible with each	other?				YesX	No_	
Will commingling decrease the value of	f production?						Yes	No	<u> </u>
If this well is on, or communitized with or the United States Bureau of Land Ma					ands		Yes	No	Χ
NMOCD Reference Case No. applicable	e 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 Pa	re-Approved Pools.	the following	additional inforn	nation wi	ill be requir	ed:		
List of other orders approving downhol List of all operators within the proposed Proof that all operators within the propo Bottornhole pressure data.	d Pre-Approve	d Pools			n.				
I hereby certify that the information	, , .	e and complete to			and bel	ief DATE_\	5	7.16	<u> </u>
TYPE OR PRINT NAME Deana W				ELEPHONE 1	NO. (748-128	8	

District IV. 1220 S. I. Francis Dr., Santa Fe, NM 8740 Phone: (375) 393-6161 Fax: (575) 393-9720 District II 811 S. First St., Artesia, NM 88210 Phone: (375) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (305) 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

API Number Pool Code Pool Name										
30-015-	41922		103	80	c	ass Draw; B	one Spring	3		
⁴ Property Code					§ Property	Name			Well Number	
40312					MARVEI	L FEE			1	
⁷ OGRID	No.				* Operator	Name			* Elevation	
1383	7			MACE	K ENERGY C	ORPORATION		ŀ	3061.7	
					" Surface	Location		· · ·		
UL or lot no.	Section	Township	Range	Lot fdp	Feet from the	North/South line	Feet from the	East/West	line	County
F	1	23 S	27 E	l į	1650	NORTH	1650	WES	r	EDDY
			" E	Bottom Ho	ole Location	If Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West	line	County
Dedicated Acre	s 13 Joint o	r Infill 14 Co	ensolidation	Code 15 Ore	der No.	1]			<u> </u>

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.

		· ; ;=-·				HODED ATOD CERTIFICATION
l	N89'18'36"E	2658.06 FT	NB9117130 E	2671.98 FT		"OPERATOR CERTIFICATION
1	NW CORNER SEC. 1	N/4 CORNER SEC. 1	-	NE CORNER SEC. 1		I hereby certify that the information contained herein is true and complete
1	LAT. = 32.3416132'N	LAT. = 32/3416885'N		LAT. = 32.3417660'N LONG. = 104.1348484'W	1	to the best of my knowledge and belief, and that this organization either
İ	LONG. = 104.1521021'W NMSP EAST (FT)	LONG. = 104.1434978'W		NMSP EAST (FT)		owns a working interest or unleased mineral interest in the land including
	N = 488058.22	N = 488090.22		N = 488123.24		the proposed bottom hole location or has a right to drill this well at this
∥	E = 597307.76	£ = 599965.02		E = 602636.1B	18	location pursuant to a contract with an owner of such a mineral or working
S	107.4		07.6	1	20'31	interest, or to a voluntary pooling agreement or a compulsory pooling
N00'31'24'E 2633.10		1 99 cor 3	et 2 - — —	<u> </u>	w 2655	order verensfore cruered by the dission Land Weller 5.7.1 Signature Date
6	1030 =	SURFACE			6	Deana Weaver
=		LOCATION !			ĮΞ	Printed Name
		MARVEL ELEV. =				dweaver@mec.com
1	ļ	¹ LAT. ≒ 3	2.3371247'N			E-mail Address
ľ	500	LONG. = NMSP EA	104.146817	9'W DNF		E-mail Address
1	DNF		428.14			
] E = 598				"SURVEYOR CERTIFICATION
ŀ		i i	i			I hereby certify that the well location shown on this
		i i	j			plat was plotted from field notes of actual surveys
z		i i	i		ဗ	
N00'31'24'E		NOTE:	i		500'20'31	made by me or under my supervision, and that the
7.		LATITUDE AND LONGITUDE COORDINATES	,		<u> </u>	same is true and correct to the best of my belief.
7		ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983:(NAD83).	!		≰	DECEMBER 27, 2013
		LISTED NEW MEXICO STATE PLANE EAST	· 	—		. 10
263		COORDINATES ARE GRID (NAD83), BASIS OF BEARING AND DISTANCES USED ARE			2655.	Date of Survey (12797)
2633.10	i	NEW MEXICO STATE PLANE EAST	!		5.4	
ဌ	i	COORDINATES MODIFIED TO THE SURFACE.	i	DE 000HED DED 1	בו בו	The state of the s
-	SW CORNER SEC. 1 LAT. = 32,3271414'N	(SE CORNER SEC. 1 LAT. ≈ 32.3271712'N	7	SILVEN THE TOTAL OF THE STATE O
	LONG. = 104.1522867'W	1	1	LONG. = 104.1349829'W		Signature and Seal of Professional Surveyor
1 1	NMSP EAST (FT)	ŧ	į	NMSP EAST (FT)	/	Certificate Number FILMON JARAMILLO, PLS 12797
1 1	N = 482793.44		!	N = 482813.76 P E = 602604.49	_	SURVEY NO. 2517
	E = 597259.67 \$89'46'56"\W	2673.05 FT	S89'46'56"W	2673.05 FT		

District 1
1625 N. French Dr., Hobbs, NM 88240
Phone: (\$75) 393-6164 Fax: (\$75) 393-0720
District, II
\$11.5. Trist St., Artesia, NM 88210
Phone: (\$75) 748-1283 Fax: (\$75) 748-9720
District, III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (\$05) 334-6178 Fax: (\$05) 334-6170
District, IX
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 Numbe	r		² Pool Code	ol Code Poot Name					
30-01	2	981	98125 WC-015 G-06 S232704H; Upper						fcamp	
⁴ Property	Code				5 Property			1	Well Number	
40312					MARVEI	. FEE			1	
7 OGRID	No.				8 Operator	Name			* Elevation	
1383	7 .			MAC	ACK ENERGY CORPORATION				3061.7	
	-			-	" Surface	Location		•		
UL or lot no.	Section	Township	Range	abl to.1	Feet from the	North/South line	Feet from the	East/Wes	t line	Совиту
F	1	23 S	27 E		1650	NORTH	1650	WES	ST	EDDY
			" E	Bottom H	ole Location	If Different Fro	om Surface			
UL, ar lat no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/Wes	t line	County
² Dedicated Acre	s ¹³ Joint a	r Infill PC	onsolidation	Code 15 Or	rder No.					
40				Ī						

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
	N89'18'36"E			I hereby cerufy that the information contained herein is true and complete
1	NW CORNER SEC. 1	N/4 CORNER SEC. 1	NE CORNER SEC. 1	
1	LAT. = 32.3416132 N	LAT. = 32 3416885'N LONG. = 104.1434978'W	LONG. = 104,1348484'W	to the best of my knowledge and belief, and that this organization either
ľ	LONG. = 104.1521021'W NMSP EAST (FT)	NMSP EAST (FT)	NMSP EAST (FT)	owns a working interest or sudeased mineral interest in the land including
1	N = 488058.22	N = 488090.22	N = 488123.24	the proposed bottom hole location or has a right to drill this well at this
∦ ₹	E = 597307.76	E = 599965.02	N = 488123.24 E = 602636.18	location pursuant to a contract with an owner of such a nuneral or working
ူ ္			20	interest, or to a voluntary pooling agreement or a compulsory pooling
N00'31'24"E	LOT 4	0 rol 3 rol 5	(O) 1	ofter heresofore entered by the division.
°E 2633	1650'-		2655	Sunaweaver 5. 7.15
5	1030	SUPERCE	. t	Deana Weaver
]]		SURFACE LOCATION]	Printed Name
		MARVEL FEE #1		
		ELEV. = 3061.7' LAT. = 32.3371247'	N (NAD83)	dweaver@mec.com
l .		LONG. = 104.14681	719°W	E-mail Address
	DNF	+ + NMSP EAST (FI)	DNF	
		E = 598942.55	i l	*SURVEYOR CERTIFICATION
		1	1	I hereby certify that the well location shown on this
		; ; !	1	l
, .		j t a s	ي ا	plat was plotted from field notes of actual surveys
ND0'31		! !	S00'20'31'W	made by me or under my supervision, and that the
3		NOTE: ! LATITUDE AND LONGITUDE COORDINATES	[9].	same is true and correct to the best of my belief.
.24.E		ARE SHOWN USING THE NORTH	ļ	DECEMBER 27, 2013
∥ ∤		: AMERICAN DATUM OF 1983 (NADB3) ! USTED NEW MEXICO STATE PLANE EAST	+	
2633.10		COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE	2655	Date of Survey (273/)
[2]		NEW MEXICO STATE PLANE EAST	! 15	
∥ -⊷ ŀ	מש ממחובט מבט י	COORDINATES MODIFIED TO THE SURFACE.	SE CORNER SEC. 1 3	THE STATE OF THE
и т	SW CORNER SEC. 1 LAT. = 32.3271414'N		LAT. = 32.3271712'N	THE THE WINDER
1 1	LONG. = 104.1522867'W	·	LONG. = 104.1349829'W	Signature and Seat of Processors Surveyore
	NMSP EAST (FT) 1 N = 482793.44	, ! ,	NMSP EAST (FT) / N = 482813.76 -	Certificate Number FILMOND JARAMILLO. PLS 12797
	E = 597259.67	DNF	E = 602604,49	SURVEY NO. 2517
₿	S89'46'56"W	2673.05 FT S89'46'56"W	2673.05 FT	
_				

MEMO

DATE:

April 2, 2015

TO:

NMOCD

FROM:

Travis K. Lanning

RE:

Marvel Fee #1

T23S, R27E, NMPM Section 1: SE/4NW/4,

Eddy County, New Mexico

Mack Energy Corporation respectfully requests approval to downhole commingle production from the Bone Spring and Wolfcamp formations in our Marvel Fee 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 Manager

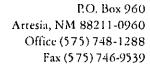
DIVISION OF INTEREST

Marvel Fee #1

Fee Lease

T23S, 275E, Eddy County, NM Section 01: SE/4NW/4

OWNER#	OWNER	T WI	NRI	TYP INT	SUS STA
015824	B & G Royalties		0.01250000	ORRI	DIVOR
	P O Box 376				
	Artesia, NM 88211-0376				
016114	XPLOR Resources, LLC		0.01250000	ORRI	DIVOR
	1104 N. Shore Drive				
	Carlsbad, NM 88220				
016764	Panhandle Properties, LLC		0.02500000	ORRI	DIVOR
	P. O. Box 647				
	Artesia, NM 88211-0647				
017798	Helen L. Walker, a widow, sole		0.20000000	RI	TITLE
	and separate property			 ·	
	P O Drawer E				
	Carlsbad, NM 88221				
101	Chase Oil Corporation	0.85000000	0.63750000	WI	MIN
	P. O. Box 1767				
	Artesia, NM 88211-1767				
110	Robert C. Chase	0.05000000	0.03750000	WI	MIN
	P. O. Box 297				
	Artesia, NM 88211-0297				
185	Ventana Minerals LLC	0.05000000	0.03750000	WI	MIN
	P. O. Box 359				
•	Artesia, NM 88211-0359		·		
195	DiaKan Minerals LLC	0.05000000	0.03750000	WI	MIN
	P. O. Box 693				
	Artesia, NM 88211				
	TOTAL	1.00000000	1.00000000		
				5.	20-2014 /





B&G Royalties P.O. Box 376 Artesia, NM 88211-0376

VIA CERTIFIED MAIL 7014 1820 0001 6619 2149 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 Bone Spring and Upper Wolfcamp in the Marvel Fee #1 located in Sec. 1 T23S R27E, 1650 FNL & 1650 FWL, 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.

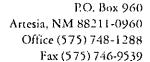
Sincerely,

Deana Weaver
Production Clerk

anaWeaver

dweaver@mec.com

DW/





Panhandle Properties, LLC P.O. Box 647 Artesia, NM 88211-0647

VIA CERTIFIED MAIL 7014 1820 0001 6619 2156 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 Bone Spring and Upper Wolfcamp in the Marvel Fee #1 located in Sec. 1 T23S R27E, 1650 FNL & 1650 FWL, 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.

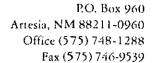
Sincerely,

Deana Weaver Production Clerk

dweaver@mec.com

Dianaweaver

DW/





Xplor Resources LLC 1104 N. Shore Drive Carlsbad, NM 88220

VIA CERTIFIED MAIL 7014 1820 0001 6619 2163 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 Bone Spring and Upper Wolfcamp in the Marvel Fee #1 located in Sec. 1 T23S R27E, 1650 FNL & 1650 FWL, 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.

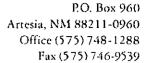
Sincerely,

Deana Weaver Production Clerk

dweaver@mec.com

ana Weaver

DW/





Helen L. Walker P.O. Drawer E Carlsbad, NM 88221

VIA CERTIFIED MAIL 7014 1820 0001 6619 2170 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 Bone Spring and Upper Wolfcamp in the Marvel Fee #1 located in Sec. 1 T23S R27E, 1650 FNL & 1650 FWL, 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

eanaweavers

DW/

Michael,

Mack Energy has perforated and produced some of our wells in the Carlsbad area. It was discovered that the bottom section of perforations were actually in the Wolfcamp formation. After meeting with Paul Kautz and Randy Dade to discuss this issue, we agreed to test one of the wells(Derrick Fee #1) and use this data for all wells within this area.

The water analysis for the Den SWD #1 and Spoon SWD #1 is attached.

Isolated Wolfcamp perfs, Bone Spring Production Only

Date:	Oil	Gas	Water
3/22/2015	22	154	87
3/23/2015	25	,152	127
3/24/2015	25	. 152	117
3/25/2015	22 - ,	161	119
3/26/2015	25	134	111
3/27/2015	22 +	140	141 4
3/28/2015	25	152	85: 😽

Commingled Wolfcamp and Bone Spring

Date:	Oil	Gas	Water
4/30/2015	28	153	146
5/1/2015	22	. 153	162
5/2/2015	, 25	161	236
5/3/2015	25		150 ,

Commingled Bone Spring and Wolfcamp Avg:

Avg: 25 Oil, 157 MCF, 173 Water

Bone Spring Only Avg:

Avg: 24 Oil, 149 MCF, 112 Water

Avg: 96% Oil

Wolfcamp Only Avg:

Avg: 1 Oil, 8 MCF, 61 Water

Avg: 4% Oil