



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3109

Mack Energy Corporation
PO Box 960
Artesia, New Mexico 88211

Attention: Mr. Jerry Sherrell

*Sapphire State Well No. 1
API No. 30-025-35979
Unit L, Section 11, Township 23 South, Range 36 East, NMPM,
Lea County, New Mexico
Wildcat-Blinbry (Oil), and
Wildcat-Abo (Oil)*

Dear Mr. Sherrell:

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., 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 and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

The applicant shall consult with the supervisor of the Hobbs District Office of the Division upon completion and testing of the well in order to determine a fixed allocation of production from each of the commingled zones. Upon approval by the Division's Hobbs District Office, the applicant shall submit the allocation formula to the Santa Fe Office of the Division.

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the

Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 17th day of February 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery (wvss)
LORI WROTENBERY
Division Director

LW/wvjj

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