

05/03/13 DATE IN	SUSPENSE	ENGINEER PG	LOGGED IN 05/07/13	TYPE DHC	APP NO. PPRG/312759656
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



30-025-40652  
Utah State #1  
Mack Energy

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-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]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD
- Check One Only for [B] or [C]
- [B] 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 \_\_\_\_\_
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply
- [A]  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
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION 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 \_\_\_\_\_ 5.1.13 \_\_\_\_\_  
 Print or Type Name Signature Title Date

dweaver@mec.com \_\_\_\_\_  
 e-mail Address

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

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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

Mack Energy Corporation P.O. Box 960, Artesia, NM 88211-0960  
Operator Address  
Utah State #001 GA 1125SX K-13-18S-36E Lea, NM  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 013837 Property Code 39300 API No. 30-025-40652 Lease Type:  Federal  State  Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Arkansas Junction; San Andres	Arkansas Junction; Bone Spring	
Pool Code	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 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? Yes  No   
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? 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 Deana Weaver TITLE Production Clerk DATE 5.1.13  
TYPE OR PRINT NAME Deana Weaver TELEPHONE NO. ( 575 ) 748-1288  
E-MAIL ADDRESS dweaver@mec.com

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# MEMO

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DATE: May 1, 2013

TO: NMOCD

FROM: Travis K. Lanning

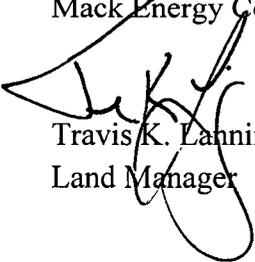
RE: Utah State No. 1  
VB-1421  
T18S, R36E, NMPM  
Section 13: NE4, SW4,  
Lea County, New Mexico

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 Manager

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

<sup>1</sup> API Number 30-025-40652	<sup>2</sup> Pool Code 2340	<sup>3</sup> Pool Name Arkansas Junction; Bone Spring
<sup>4</sup> Property Code 39300	<sup>5</sup> Property Name UTAH STATE	
<sup>7</sup> OGRID No. 13837	<sup>8</sup> Operator Name MACK ENERGY CORPORATION	<sup>6</sup> Well Number 1
<sup>9</sup> Elevation 3769.3		

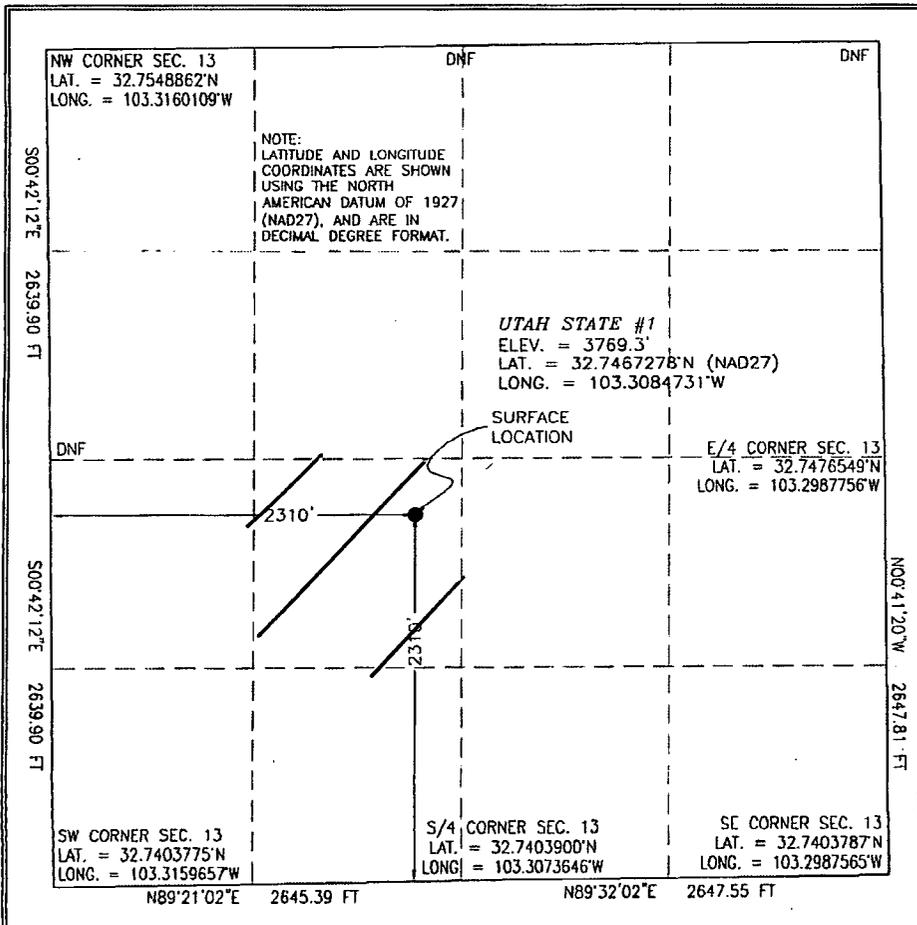
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	13	18 S	36 E		2310	SOUTH	2310	WEST	LEA

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.					

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.



**<sup>17</sup> OPERATOR CERTIFICATION**

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 working interest or unleased mineral interest in the land including 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 interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Deana Weaver 5.13  
Signature Date

Deana Weaver  
Printed Name

dweaver@mec.com  
E-mail Address

**<sup>18</sup> 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 belief.

JUNE 20, 2012  
Date of Survey

Signature and Seal of Professional Surveyor  
Certificate Number: ELLIOTT F. JARAMILLO, P.E.S. 0797  
SURVEY NO. 1158

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

<sup>1</sup> API Number 30-025-40652	<sup>2</sup> Pool Code 2500	<sup>3</sup> Pool Name Arkansas Junction; San Andres
<sup>4</sup> Property Code 39300	<sup>5</sup> Property Name UTAH STATE	
<sup>7</sup> OGRID No. 13837	<sup>8</sup> Operator Name MACK ENERGY CORPORATION	<sup>6</sup> Well Number 1
<sup>9</sup> Elevation 3769.3		

<sup>10</sup> Surface Location

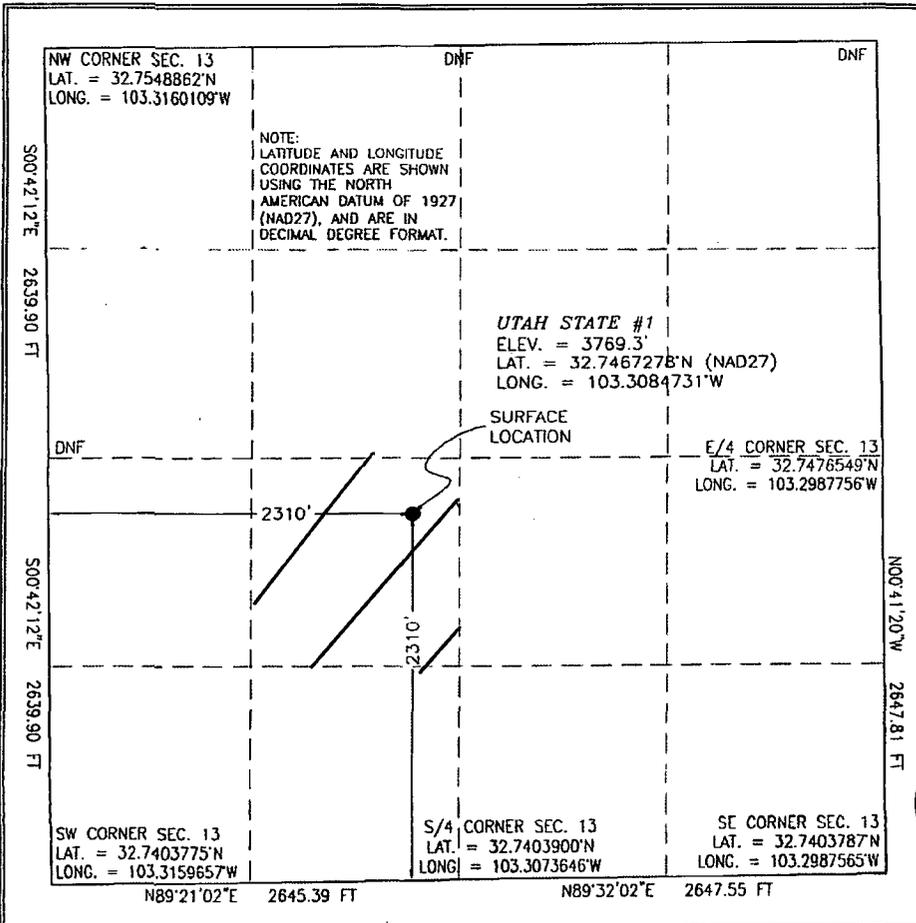
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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Deana Weaver 5.1.13  
Signature Date

Deana Weaver  
Printed Name

dweaver@mec.com  
E-mail Address

**<sup>18</sup> 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 belief.

JUNE 20, 2012  
Date of Survey

Signature and Seal of Professional Surveyor  
Certificate Number FREDERICK F. JARAMILLO, P.E.S. 12797  
REGISTERED LAND SURVEYOR NO. 1158



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,

A handwritten signature in black ink that reads "Deana Weaver".

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

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

Deana Weaver  
Production Clerk  
[dweaver@mec.com](mailto:dweaver@mec.com)

DW/  
Enclosures

RECEIVED OGD  
2013 MAY -3 P 2:24