

DATE IN 5/04/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 5/11/2015	TYPE DHC	APP NO. PMA1513130963
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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



## 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  
Print or Type Name

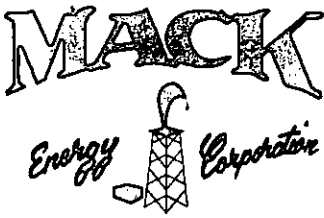
Deana Weaver  
Signature

Production Clerk  
Title

May 6, 2015  
Date

dweaver@mec.com  
e-mail Address

- DHC 4757  
- MACK ENERGY CORPORATION  
13837  
- WEL  
- CARLSBAD #1  
30-015-41627  
Row  
- CASS DOW'S  
BONE SPRINGS  
10380  
- WEL-015 G-06  
5232704H; 4PPEN  
WOLF CAMP  
98125



RECEIVED OCD

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

2015 MAY -8 P 3:10

May 6, 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:  
Carlsbad Fee #1  
Section 35, T22S, 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 Carlsbad Fee #1. Production of both pools will be measured at the TB located in the SE/4 SE/4, Sec. 35 T22S 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

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

DW/  
Enclosures

District I  
1621 N. French Drive, Hobbs, NM 88240

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

District III  
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107A  
Revised June 10, 2003

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

APPLICATION FOR DOWNHOLE COMMINGLING

Mack Energy Corporation

P.O. Box 960, Artesia, NM 88211-0960

Operator

Address

Carlsbad Fee

1

P-35-22S-27E

Eddy

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 013837 Property Code 40092 API No. 30-015-41627 Lease Type: ☐ Federal ☒ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name		Cass Draw; Bone Spring	WC-015 G-06 S232704H; Upper Wolfcamp
Pool Code		10380	98125
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		6814-9124'	9124-9232'
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)		43.4	43.4
Producing, Shut-In or New Zone		Producing	New Zone
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: _____ Rates: _____	Date: 3/1/2015 Rates: 820/8016/5575	Date: 3/1/2015 Rates: 34/334/232
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil _____ Gas _____ % %	Oil _____ Gas _____ 96 % 96 %	Oil _____ Gas _____ 4 % 4 %

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 ☒ No ☐  
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 May 6 2015

TYPE OR PRINT NAME Deana Weaver TELEPHONE NO. ( 575 ) 748-1288

E-MAIL ADDRESS dweaver@mec.com

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
311 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Artec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-1460 Fax: (505) 476-1462

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 30-015-41627		<sup>2</sup> Pool Code 10380		<sup>3</sup> Pool Name Cass Draw; Bone Spring	
<sup>4</sup> Property Code 40092		<sup>5</sup> Property Name CARLSBAD FEE			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 13837		<sup>8</sup> Operator Name MACK ENERGY CORPORATION			<sup>9</sup> Elevation 3085.2

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	22 S	27 E		990	SOUTH	990	EAST	EDDY

" 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.
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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.

<p>S89°47'33"W 2622.10 FT</p> <p>NW CORNER SEC. 35 LAT. = 32°21'22.643"N LONG. = 104°10'07.345"W</p> <p>N/4 CORNER SEC. 35 COMPUTED</p> <p>NE CORNER SEC. 35 LAT. = 32°21'22.747"N LONG. = 104°09'06.219"W</p>		<p>S89°47'33"W 2622.10 FT</p> <p>W/4 CORNER SEC. 35 COMPUTED</p> <p>E/4 CORNER SEC. 35 LAT. = 32°20'56.279"N LONG. = 104°09'08.895"W</p>	
<p>S01°48'04"W 2689.63 FT</p> <p>SW CORNER SEC. 35 LAT. = 32°20'29.452"N LONG. = 104°10'09.412"W</p> <p>S/4 CORNER SEC. 35 LAT. = 32°20'29.631"N LONG. = 104°09'38.491"W</p> <p>SE CORNER SEC. 35 LAT. = 32°20'29.808"N LONG. = 104°09'07.568"W</p> <p>N89°31'09"E 2653.30 FT</p>		<p>N01°08'39"E 2675.94 FT</p> <p>N01°08'22"E 2676.20 FT</p> <p>N89°31'11"E 2653.48 FT</p>	

CARLSBAD FEE #1  
ELEV. = 3085.2'  
LAT. = 32°20'39.538"N (NAD83)  
LONG. = 104°09'18.862"W

990'  
SURFACE LOCATION

**" 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* 5.6.15  
Signature Date

Deana Weaver  
Printed Name

dweaver@mec.com  
E-mail Address

**" 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.

NOVEMBER 21, 2012  
Date of Survey

*[Signature]*  
Signature and Seal of Professional Surveyor

Certificate Number: F. J. JARA LLO, PLS 12797  
SURVEY NO. 1399

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) 748-1253 Fax: (575) 748-9720  
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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) 476-1462

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 30-015-41627	<sup>2</sup> Pool Code 98125	<sup>3</sup> Pool Name W WC-015 G-06 S232704H; Upper Wolfcamp
<sup>4</sup> Property Code 40092	<sup>5</sup> Property Name CARLSBAD FEE	
<sup>7</sup> OGRID No. 13837	<sup>6</sup> Operator Name MACK ENERGY CORPORATION	<sup>8</sup> Well Number 1
		<sup>9</sup> Elevation 3085.2

**" Surface Location**

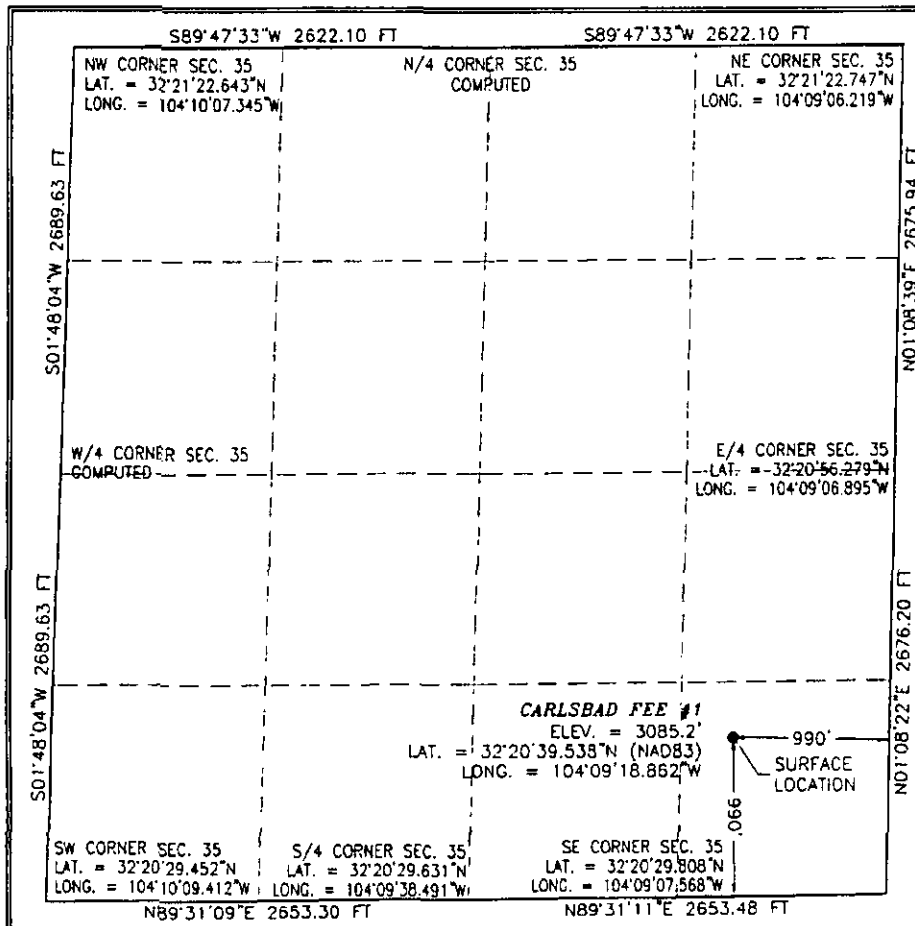
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	35	22 S	27 E		990	SOUTH	990	EAST	EDDY

**" 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.



**" 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 S. 615*  
Signature Date

Deana Weaver  
Printed Name

dweaver@mec.com  
E-mail Address

**" 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.

NOVEMBER 21, 2012

Date of Survey

*[Signature]*  
Signature and Seal of Professional Surveyor

Certificate Number: 11001 F. J. S. A. M. L. O. PLS (2797)  
SURVEY NO. 1399

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# MEMO

---

DATE: April 2, 2015

TO: NMOCD

FROM: Travis K. Lanning

RE: Carlsbad Fee #1  
T22S, R27E, NMPM  
Section 35: SE/4SE/4,  
Eddy County, New Mexico

Mack Energy Corporation respectfully requests approval to downhole commingle production from the Bone Spring and Wolfcamp formations in our Carlsbad 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 Order Attachment

Owner Code	Owner Name	Addr Sub #	Net Revenue Interest	Interest Type	Susp Code	Tax Id
Deck: 15775 Description: CARLSBAD FEE - REV DISTR Inactive: No						
Property: 3511 Carlsbad Fee						
County, State: Eddy County, NM						
Map Reference: Township: 022-S Range: 027-E Section: 35 Qtr/Qtr: S/2SE/4						
Effective Date: 01/01/2014 Payor: Mack Energy Corporation						
016112	B&G Royalties	00001	0.01250000	ORRI	MIN	85-0418113
	P O Box 376					
	Artesia, NM 88211-0376	US	575-746-1706			
016114	Xplor Resources, LLC	00001	0.01250000	ORRI	MIN	45-2633139
	1104 North Shore Drive	Mike Hyden				
	Carlsbad, NM 88220	US	575-302-6678			
016764	Panhandle Properties, LLC	00001	0.02500000	ORRI	MIN	45-3530132
	P O Box 647					
	Artesia, NM 88211-0647	US	575-613-2544			
016799	Estate of Elisa Munoz, deceased	00001	0.20000000	RI	MIN	46-7068898
	Patricia H. Munoz, Personal Representative					
	P O Box 1954					
	Carlsbad, NM 88221-1954	US	575-499-9278			
101	Chase Oil Corporation	00001	0.63750000	WI	MIN	85-0403681
	P.O. Box 1767					
	Artesia, NM 88211-1767	US	(575) 746-9853			
110	Robert C. Chase	00001	0.03750000	WI	MIN	585-80-7468
	P.O. Box 297					
	Artesia, NM 88211-0297	US	505-748-1288			
185	Ventana Minerals LLC	00001	0.03750000	WI	MIN	27-1251162
	P. O. Box 359					
	Artesia, NM 88211	US				
195	DiaKan Minerals LLC	00001	0.03750000	WI	MIN	27-1243802
	P. O. Box 693					
	Artesia, NM 88211-0693	US				

8

1.00000000



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

May 6, 2015

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

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1524**  
**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 Carlsbad Fee #1 located in Sec. 35 T22S R27E, 990 FSL & 990 FEL, 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,

A handwritten signature in cursive script 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 6, 2015

Xplor Resources, LLC  
1104 North Shore Drive  
Carlsbad, NM 88220

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1531**  
**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 Carlsbad Fee #1 located in Sec. 35 T22S R27E, 990 FSL & 990 FEL, Eddy County, New Mexico.*

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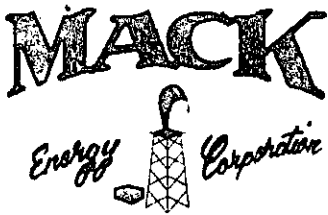
Sincerely,

A handwritten signature in cursive script 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 6, 2015

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

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1548**  
**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 Carlsbad Fee #1 located in Sec. 35 T22S R27E, 990 FSL & 990 FEL, Eddy County, New Mexico.*

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Sincerely,

A handwritten signature in cursive script 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 6, 2015

Estate of Elisa Munoz  
c/o Patricia H. Munoz  
P.O. Box 1954  
Carlsbad, NM 88221-1954

**VIA CERTIFIED MAIL 7014 1820 0001 6619 1555**  
**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 Carlsbad Fee #1 located in Sec. 35 T22S R27E, 990 FSL & 990 FEL, Eddy County, New Mexico.*

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Sincerely,

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

DW/

Enclosures

## McMillan, Michael, EMNRD

---

**From:** Deana Weaver <dweaver@mec.com>  
**Sent:** Monday, May 11, 2015 10:13 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Jerry Sherrell  
**Subject:** FW: Derrick Fee #1 Bone Spring/Wolfcamp Split Data  
**Attachments:** Den Spoon Water (2).pdf

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 perms, 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
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	159	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