

9/23/03 DATE IN	NA - SUSPENSE	WVJ ENGINEER	9/23/03 LOGGED IN	DHC TYPE 3195	APP NO PWVJ 032657800
--------------------	------------------	-----------------	----------------------	---------------------	-----------------------

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.

Jerry W. Shenell
 Print or Type Name

Jerry W. Shenell
 Signature

Production Clerk
 Title

9/23/2003
 Date

jerry@mackenergycorp.com
 e-mail Address

District I
1642 N. Pecos Drive, Hobbs, NM 88240

District II
1201 W. Grand Avenue, Artesia, NM 88210

District III
1006 Rio Pecos Road, Arroyo, NM 87710

District IV
1220 S. D. Pecos Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

Operator Mack Energy Corporation Address PO Box 960 Artesia, NM 88211-0960
 Lease Coyote State Well No. 3y Unit Lease-Section-Township-Range J-36-17S-31E County Eddy
 OGRID No. 013837 Property Code 30476 API No. 30-015-32583 Lease Type: Federal XX State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	<u>Maliamar GB-SA</u>	<u>Tamano Delaware</u>	
Pool Code	<u>43329</u>	<u>97270</u>	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	<u>4406-4517.5'</u>	<u>4601-4641'</u>	
Method of Production (Flowing or Artificial Lift)	<u>Artificial Lift</u>	<u>Artificial Lift</u>	
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)	<u>N/A</u>	<u>N/A</u>	
Oil Gravity or Gas BTU (Degree API or Gas BTU)	<u>39</u>	<u>39</u>	
Producing, Shut-In or New Zone	<u>Producing</u>	<u>New Zone</u>	
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: <u>9/21/2003</u> Rates: <u>19/34/160</u>	Date: <u>N/A</u> Rates: <u>N/A</u>	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil <u>Submitted</u> Gas <u>100%</u> <u>100%</u>	Oil <u>100%</u> Gas <u>100%</u>	Oil % Gas %

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 XX No
Yes No

Are all produced fluids from all commingled zones compatible with each other?

Yes XX No

Will commingling decrease the value of production?

Yes No XX

If this well is on, or communized 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 XX No

NMOC Reference Case No. applicable to this well: PC-1091

Attachments:

- C-102 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 Jerry W. Sherrell TITLE Production Clerk DATE 9/23/2003
 TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO. (505) 748-1288
 E-MAIL ADDRESS jerry@mackenergycorp.com



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

September 23, 2003

Oil Conservation Division
Attn: Will Jones
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Downhole Commingling, and measurement of
Hydrocarbon Production for:
Coyote State #3Y
Section 36, T17S, R31E
Eddy County, New Mexico

Mack Energy Corporation as operator of the aforementioned well respectfully requests administrative approval for downhole commingling and measurement of production.

Mack Energy proposes to commingle Maljamar, Grayburg-San Andres and Tamano Delaware production in the Coyote State #3Y, API 30-015-32583 (State of NM Lease V-6248). Production of both pools will be measured at the Coyote State Tank Battery, under surface commingling order PC-1091. We will conduct well tests to determine production. This lease has common interest in both pools.

Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Attached, as part of this application is a copy of the sundry notice to the OCD Artesia office.

Mack Energy Corporation is respectfully requesting administrative approval of this application to downhole commingle. Should you require any additional information concerning this application, please call Jerry W. Sherrell at the above number. Thank you for your consideration of this request.

Sincerely,

MACK ENERGY CORPORATION

Jerry W. Sherrell
Production Clerk
jerryis@mackenergycorp.com

JWS/

Enclosures



P.O. Box 960
Artesia, NM 88211-0960
Office (505) 748-1288
Fax (505) 746-9539

September 23, 2003

Mr. Pete Martinez
State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Application for Coyote State #3Y Downhole Commingling

Dear Mr. Martinez:

Enclosed is a copy of our application and our check #7984 in the amount of \$30.00. Mack Energy Corp. is requesting approval to Downhole Commingle the Tamano San Andres and the Maljamar; Grayburg-San Andres pool in Coyote State #3Y, Lease V-6248, Sec. 36 T17S R31E Eddy County.

Please process the application at your earliest convenience. Should you have any questions, please call me at the above number.

Sincerely,

MACK ENERGY CORPORATION

Jerry W. Sherrell
Production Clerk
jerryw@mackenergycorp.com

JWS/

Enclosures

State of New Mexico

STRICTLY
F. O. Box 1000, Bldg. NW 00241-1000

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1984

Submit to Appropriate District Office

State Leans = 4 Entries

Fee Letter - 3 Copies

DISTRICT II
F. O. Dwyer DD, Azules, NM 06311-0710

OIL CONSERVATION DIVISION

P.O. Box 2068

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Elg Bronza Rd., Aztec, NM 87410

DISTRICT IV
P.O. BOX 2058, SANTA FE, N.M. 87501-2058

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 43329	Pool Name Maljamar GB SA
Property Code 30476	Property Name COYOTE STATE	Well Number 3 Y
NCRD No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3834'

Surface Location

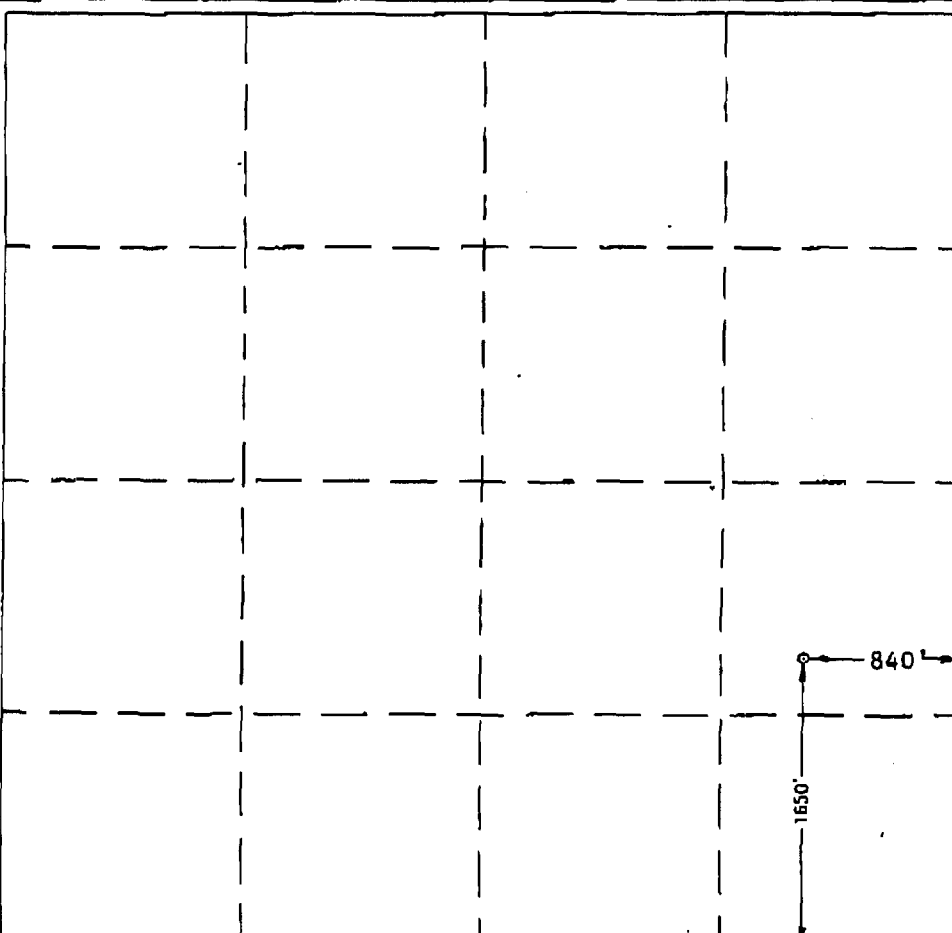
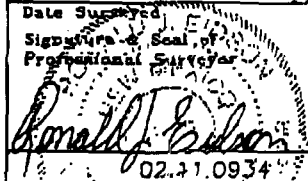
UL or lot No.	Section	Township	Range	Lot 1st	Feet from the	North/South line	Feet from the	East/West line	County
1	36	17-S	31-E		1650	SOUTH	840	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No	Section	Township	Range	Lot 100	Feet from the	North/South line	Feet from the	East/West line	County
--------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p align="center"><u><i>Crissa D. Carter</i></u></p> <hr/> <p>Signature</p> <p><u>Crissa D. Carter</u></p> <hr/> <p>Printed Name</p> <p><u>Production Analyst</u></p> <hr/> <p>Title</p> <p><u>1/14/2003</u></p> <hr/> <p>Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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</i></p> <p align="center">DECEMBER 6, 2002</p> <hr/> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;">  </div> <p align="right">LA</p> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Certificate No. RONALD J. EIDSON 3230 GARY EIDSON 12841</p> </div>
--	---

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1984

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer 50, Azusa, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. Box 2000, Santa Fe, N.M. 87504-2000

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number		Pool Code	Pool Name
		97270	Tamano Delaware
Property Code	Property Name		Well Number
30476	COYOTE STATE		3Y
OCRIQ No.	Operator Name		Elevation
013837	MACK ENERGY CORPORATION		3834'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	17-S	31-E		1650	SOUTH	840	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

Dedicated Acres	Joint or Indiv	Consolidation Code	Order 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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Crissa D. Carter Printed Name Production Analyst Title 1/14/2003 Date	
	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. DECEMBER 6, 2002 Date Surveyed Signature Seal of Professional Surveyor 02-11-0934 Certificate No. RONALD J. EDSON 3238 GARY EDSON 12641	

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs NM 88240

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

WELL API NO. 30-015-32583
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-6248
7. Lease Name or Unit Agreement Name Coyote State
8. Well No. 3Y
9. Pool name or Wildcat Maljamar GB SA/Tamano Delaware

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS).	
1. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator Mack Energy Corporation	
3. Address of Operator P.O. Box 960, Artesia, NM 88211-0960	
4. Well Location Unit Letter <u>I</u> : <u>1650</u> Feet From The <u>South</u> Line and <u>840</u> Feet From The <u>East</u> Line Section <u>36</u> Township <u>17S</u> Range <u>31E</u> NMPM <u>Eddy</u> County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3834' GR	

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> OTHER: Downhole Commingle <input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER <input type="checkbox"/>

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent data, including estimated date of starting any proposed work) SEE RULE 1103.

Mack Energy Corporation as operator respectfully requests administrative approval for downhole commingling and measurement of production. It is requested that downhole commingling of Maljamar GB SA and Tamano Delaware pools be approved for the following well:
Coyote State #3Y, Sec. 36, T17S, R31E State of NM Lease V-6248

A central tank battery will be located in the SE/4 NW/4, Sec. 36 T17S R31E. Proper allocation for production will be measured at the battery, approval to surface commingle has been granted by Commingling Order PC-1091. Mack Energy Corporation has made notification to all parties owning an interest in these leases, including the oil purchaser, of the intent to commingle. The interests in both pools on this lease are common.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Jerry W. Sherrill TITLE Production Clerk DATE 9/23/2003
 TYPE OR PRINT NAME Jerry W. Sherrill TELEPHONE NO. (505)748-1288

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY: