

CTB

8/20/97

MACK ENERGY CORPORATION

Post Office Box 960
Artesia, New Mexico 88211-0960
(505) 748-1288 / FAX (505) 746-2362

July 30, 1997

Oil Conservation Division
State Land Office Building
P.O. Box 2088
Santa Fe, NM 87504-2088

Re: Surface Commingling, Off lease storage and measurement of
Hydrocarbon Production for:
Federal X #1,3,4,5,7
Section 21, T17S, R30E
Federal S #1,2,3,4,6
Section 28, T17S, R30E
Eddy County, New Mexico

28509

Mack Energy Corporation as operator of the aforementioned leases respectfully requests administrative approval for surface commingling, off lease storage and measurement of production.

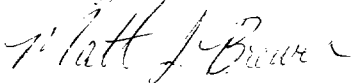
It is requested that surface commingling of Grayburg Jackson SR QN GB SA production be approved for the Federal X #1,3,4,5,7 in the S 2 SW 4 Section 21, T17S, R30E (State of NM Lease NMLC029342), Federal S #1,3 in the NE 4 NW 4 Section 28, T17S, R30E (State of NM Lease NMLC028936), Federal S #2,4 in the SE 4 NW 4 Section 28, T17S, R30E (State of NM Lease NMLC028936), and the Federal S #6 in the NE 4 SW 4 Section 28, T17S, R30E (State of NM Lease NMLC028936).

Mack Energy proposes to surface commingle Grayburg Jackson SR QN GB SA production at a central battery. We will conduct monthly well tests to determine production. The attached site facility diagram illustrates the typical separation equipment and the proposed production battery.

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

Mack Energy Corporation is respectfully requesting administrative approval of this application for surface commingling. Should you require any additional information concerning this application, please call Matt J. Brewer at the above number. Thank you for your consideration of this request.

Sincerely,



Matt J. Brewer
Engineer

MJB:cc

Enclosures

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1 Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2 Name of Operator

Mack Energy Corporation

3 Address and Telephone No.

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

4 Location of Well (Footage, Sec., T. R., M. or Survey Description)

NE/4 NW/4 Section 28, T17S, R30E

5. Lease Designation and Serial No.

LC-029342 & LC-028936

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Fed. X 1,3,4,5,7 & Fed. S 1,2,3,4,6

9. API Well No.

10. Field and Pool, or Exploratory Area

Grayburg Jackson-SR-QN-GB-SA

11. County or Parish, State

Eddy, NM

12 CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Surface Commingling
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Mack Energy Corporation requests approval for Surface Commingling, Off Lease Storage and Measure Approval for the following:
Federal S #1 being the common battery for Wells, (Federal X #1,3,4,5,7, LC-029342), and (Federal S #2,3,4,6, LC-028936). Mack Energy Corporation has permission from all working interest owners of the two leases. A map is attached showing lease numbers and locations of all leases and wells that will contribute production to the proposed common storage facility. Also, a site diagram of the proposed storage facility is attached.

14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Engineer Date 07/30/97

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
(Conditions of approval, if any)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

•See Instruction on Reverse Side

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Mack Energy Corporation (O perators Name) is requesting approval for
surface commingling and off-lease storage and measurement of
hydrocarbon production from the following formations) and well(s)
on Federal Lease No. LC-029342 ; Lease Name: Federal X

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
<u>1</u>	<u>K</u>	<u>21</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u>3</u>	<u>N</u>	<u>21</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u>4</u>	<u>M</u>	<u>21</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

with hydrocarbon production from the following formation(s) and
well(s) on Federal lease No. LC-028936 ; Lease Name: Federal S

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>C</u>	<u>28</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u>2</u>	<u>F</u>	<u>28</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u>3</u>	<u>C</u>	<u>28</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Federal S #1</u>	<u>3</u>	<u>35 @ 60 degrees</u>	<u>6</u>
<u>Federal S #2</u>	<u>1</u>	<u>35 @ 60 degrees</u>	<u>2</u>
<u>Federal S #3</u>	<u>4</u>	<u>35 @ 60 degrees</u>	<u>10</u>
<u>Federal X #1</u>	<u>1</u>	<u>35 @ 60 degrees</u>	<u>6</u>
<u>Federal X #3</u>	<u>0.5</u>	<u>35 @ 60 degrees</u>	<u>5</u>
<u>Federal X #4</u>	<u>1</u>	<u>35 @ 60 degrees</u>	<u>7</u>

Continued ...

CRA BLM FORMAT

APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
P. O. Box 1778
Carlsbad, New Mexico 88221-1778

Mack Energy Corporation (Operators Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. LC-029342 ; Lease Name: Federal X

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
<u>5</u>	<u>N</u>	<u>21</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u>7</u>	<u>M</u>	<u>21</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. LC-028936 ; Lease Name: Federal S

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>4</u>	<u>F</u>	<u>28</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u>6</u>	<u>K</u>	<u>28</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Federal S #4</u>	<u>2</u>	<u>35 @ 60 degrees</u>	<u>6</u>
<u>Federal S #6</u>	<u>2</u>	<u>35 @ 60 degrees</u>	<u>4</u>
<u>Federal X #5</u>	<u>0.5</u>	<u>35 @ 60 degrees</u>	<u>4</u>
<u>Federal X #7</u>	<u>1</u>	<u>35 @ 60 degrees</u>	<u>8</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

Continued ...

Continued:

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at NE/NW-1/4, Sec. 28 T 17 S, R 30 E, on lease No. LC-028936 EDDY County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

Mack Energy will conduct well tests to make sure allocation is correct

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

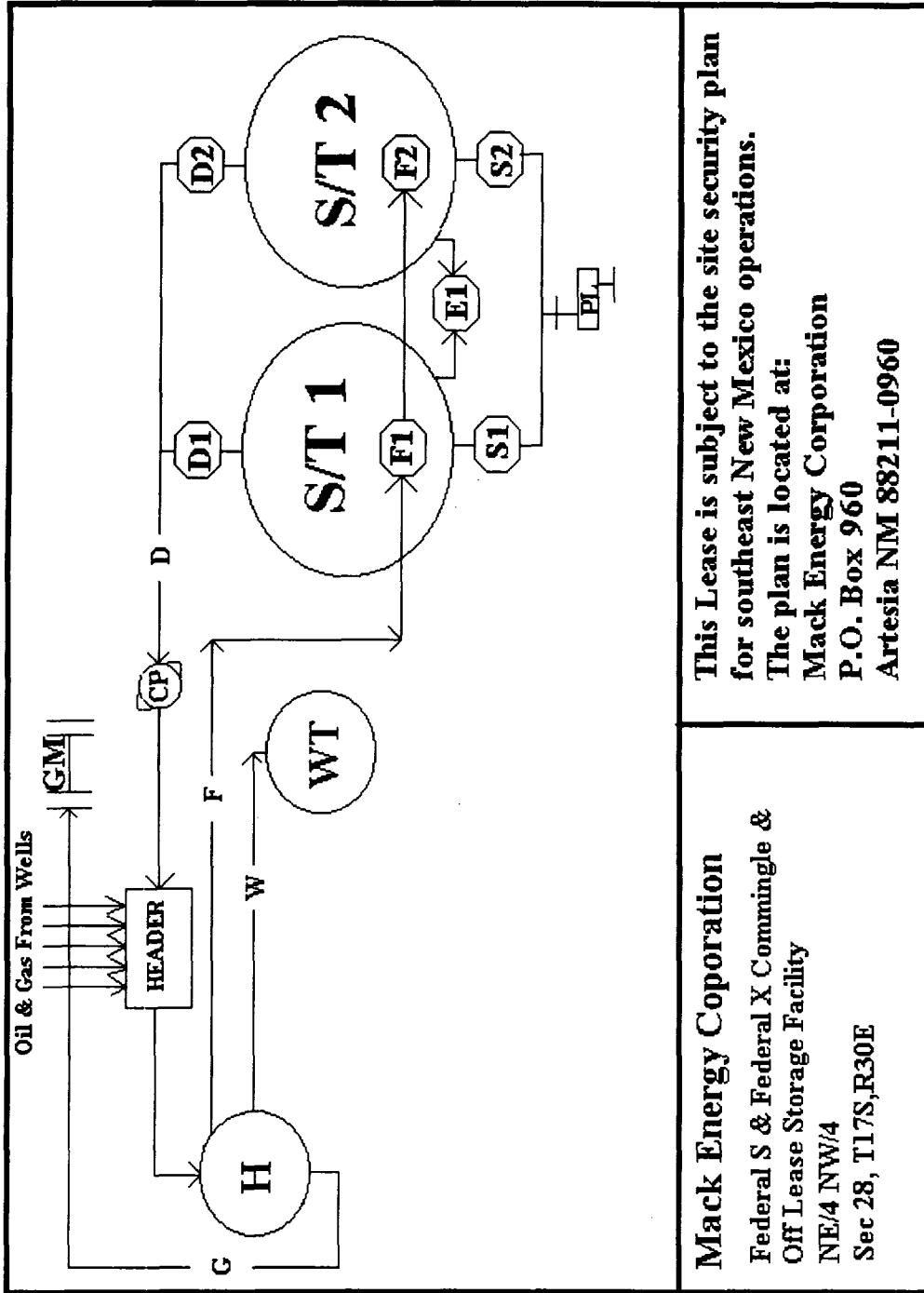
Additional wells require additional commingling approvals.

Signature: 

Name: Matt J. Brewer

Title: Engineer

Date: 7/30/97



Mack Energy Coporation
Federal S & Federal X Commingle &
Off Lease Storage Facility
NE/4 NW/4
Sec 28, T17S, R30E

This Lease is subject to the site security plan
for southeast New Mexico operations.
The plan is located at:
Mack Energy Corporation
P.O. Box 960
Artesia NM 88211-0960

