

# MACK ENERGY CORPORATION

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

~~APPROVED~~ N/R  
PLC 9/4/98

August 28, 1998

Ben Stone  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, NM 87505

AUG 31 1998

Re: Surface Commingling, Off lease storage and measurement of  
Hydrocarbon Production for:  
McIntyre A Lease LC-054280 & LC-057634  
Section 20, T17S, R30E  
Eddy County, New Mexico

Mack Energy Corporation as operator of the aforementioned leases respectfully requests an amendment to Commingling Orders PC-964 and PC-968 for an administrative approval for a PLC permit for pool/lease surface commingling, off lease storage and measurement of production.

It is requested that surface commingling be approved for the Loco Hills Paddock and the Grayburg Jackson Queen Grayburg San Andres Pools from the McIntyre A Leases; Sec. 20-T17S-R30E, E/2 SE/4 (Lease No. LC-054280) and W/2 SE/4 (Lease No. LC-057634).

The McIntyre A #1 (LC-054280) and the #3 & #9 (LC-057634) from the Loco Hills Paddock pool will go to our Northwest Central Storage Facility, located at SE/4 SW/4, Sec. 17-T17S-R30E. The McIntyre A #2 from the Grayburg, San Andres and the #11 & #12 (LC-054280) and the #6 & #13 (LC-057634) from the Loco Hills Paddock pool will go to the Southwest Central Storage Facility, located at SE/4 SW/4, Sec. 20-T17S-R30E. The reason for the two separate storage facilities is due to wells being located on either side of US Hwy 82.

Attached, as part of this application includes a Surface Owner Map, a Site Diagram of each facility and a copy of the sundry notice to the BLM. Meters will be installed to determine proper allocation. The proposed application will not result in reduced royalty or improper measurement of production.

Mack Energy has made notification to all parties owning an interest in these leases, including the oil purchaser, of the intent to commingle.

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*August 28, 1998*

*Ben Stone/Oil Conservation Division*

*Mack Energy Corporation is respectfully requesting administrative approval of this application for surface commingling. Should you require any additional information concerning this application, please feel free to call. Thank you for your consideration of this request.*

*Sincerely,*

A handwritten signature in cursive script, appearing to read "Crissa D. Carter".

*Crissa D. Carter*  
*Production Clerk*

*/CC*

*Enclosures*

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)

E/2 SE/4, W/2 SE/4 Sec. 20-T17S-R30E

5. Lease Designation and Serial No.

LC-054280 & LC-057634

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

McIntyre A

9. API Well No.

10. Field and Pool, or Exploratory Area

GB Jksn SR QN GB SA & Loco Hills Paddock

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 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 proposes Surface Commingling and off lease storage and measurement of hydrocarbons from the Loco Hills Paddock and the Grayburg Jackson Queen Grayburg San Andres Pools of the McIntyre A Leases Sec. 20-T17S-R30E, E/2 SE/4 (Lease No. LC-054280) and W/2 SE/4 (Lease No. LC-057634). The McIntyre A #1 (LC-054280) and the #3 & #9 (LC-057634) from the Loco Hills Paddock pool will go to the Northwest Central Storage Facility, located at SE/4 SW/4, Sec. 17-T17S-R30E, which is our McIntyre DK Lease. The McIntyre A #2 from the Grayburg, San Andres and the #11 & #12 (LC-054280) and the #6 & #13 (LC-057634) from the Loco Hills Paddock pool will go to the Southwest Central Storage Facility, located at SE/4 SW/4, Sec. 20-T17S-R30E, which is our WD McIntyre E Lease. The reason for the two separate storage facilities is due to wells being located on either side of US Hwy 82.

List of Attachments includes a Surface Owner Map and a Site Diagram of each Facility. We have submitted applications for right of ways from the BLM's Realty Section. The proposed application will not result in reduced royalty or improper measurement of production.

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

Signed Curtis D. Carter Title Production Clerk Date 8/27/98

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

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-054280 ; Lease Name: McIntyre A

<u>Well</u>						
<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>	<u>Tank Battery</u>
<u>1</u>	<u>I</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>	<u>NW Central</u>
<u>2</u>	<u>P</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Grayburg, San Andres</u>	<u>SW Central</u>
<u>11</u>	<u>P</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>	<u>SW Central</u>
<u>12</u>	<u>I</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>	<u>SW Central</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>	<u> </u>	<u> </u>

with hydrocarbon production from the following formation(s) and  
well(s) on Federal lease No. LC-057634 ; Lease Name: McIntyre A

<u>Well</u>						
<u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>	<u>Tank Battery</u>
<u>3</u>	<u>J</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>	<u>NW Central</u>
<u>6</u>	<u>O</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>	<u>SW Central</u>
<u>9</u>	<u>J</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>	<u>NW Central</u>
<u>13</u>	<u>J</u>	<u>20</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>	<u>SW Central</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>	<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>McIntyre A Federal #1</u>	<u>25</u>	<u>37.7 @ 60 Degrees</u>	<u>31</u>
<u>McIntyre A Federal #2</u>	<u>2</u>	<u>34.9 @ 60 Degrees</u>	<u>14</u>
<u>McIntyre A Federal #3</u>	<u>52</u>	<u>37.7 @ 60 Degrees</u>	<u>55</u>
<u>McIntyre A Federal #6</u>	<u>**</u>	<u>**</u>	<u>**</u>
<u>McIntyre A Federal #9</u>	<u>**</u>	<u>**</u>	<u>**</u>
<u>McIntyre A Federal #11</u>	<u>**</u>	<u>**</u>	<u>**</u>
<u>McIntyre A Federal #12</u>	<u>80</u>	<u>35 @ 60 Degrees</u>	<u>60</u>
<u>McIntyre A Federal #13</u>	<u>80</u>	<u>35 @ 60 Degrees</u>	<u>60</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
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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 facilities are located in Eddy County, NM. Sec. 20-T17S-R30E SE/4 SW/4 on lease No. NM-0467932 (Southwest Central Tank Battery) and Sec. 17-T17S-R30E SE/4 SW/4 on lease No. NM-86025 (Northwest Central Tank Battery).**

**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 has added a test facility with meters to conduct proper allocation

**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.**

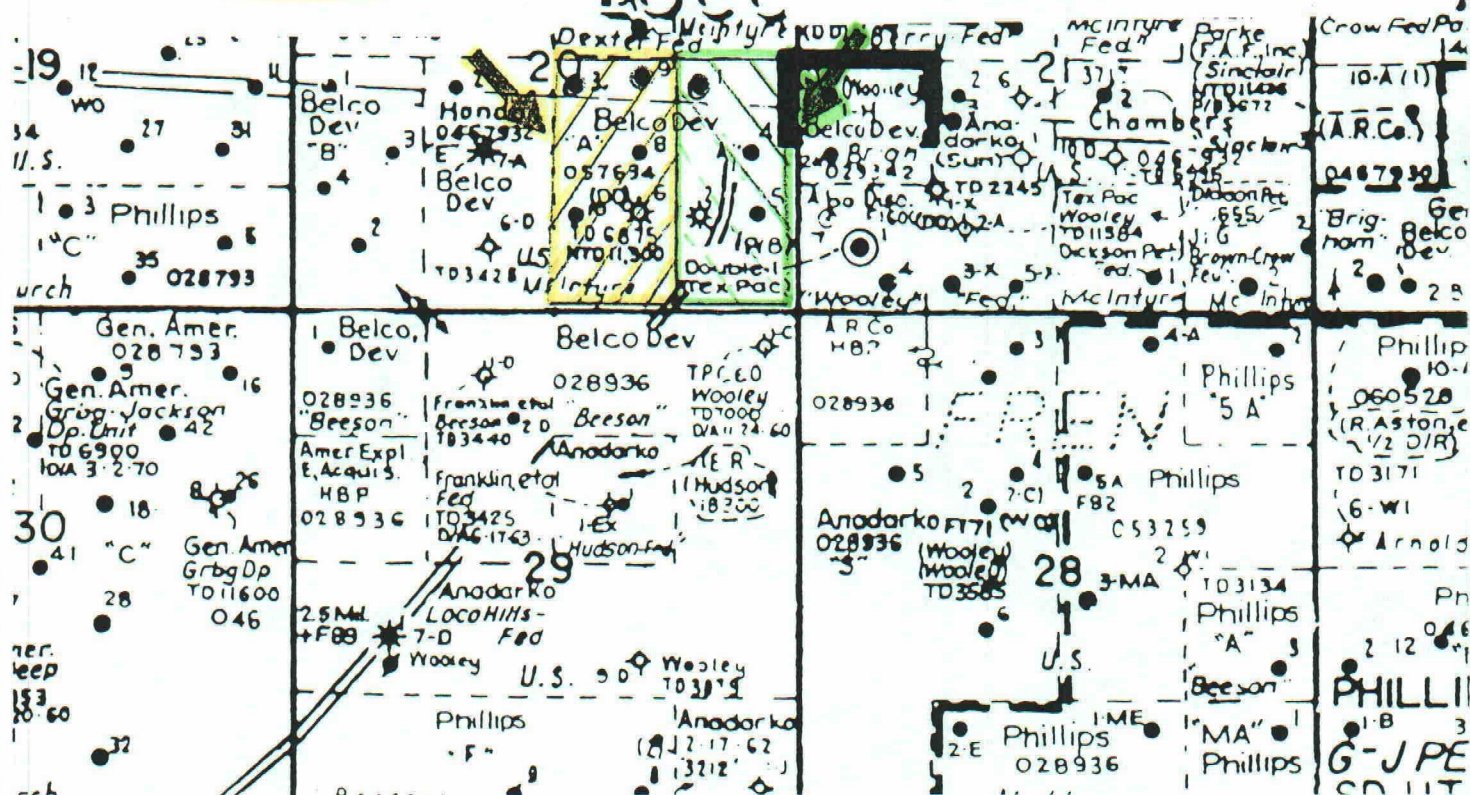
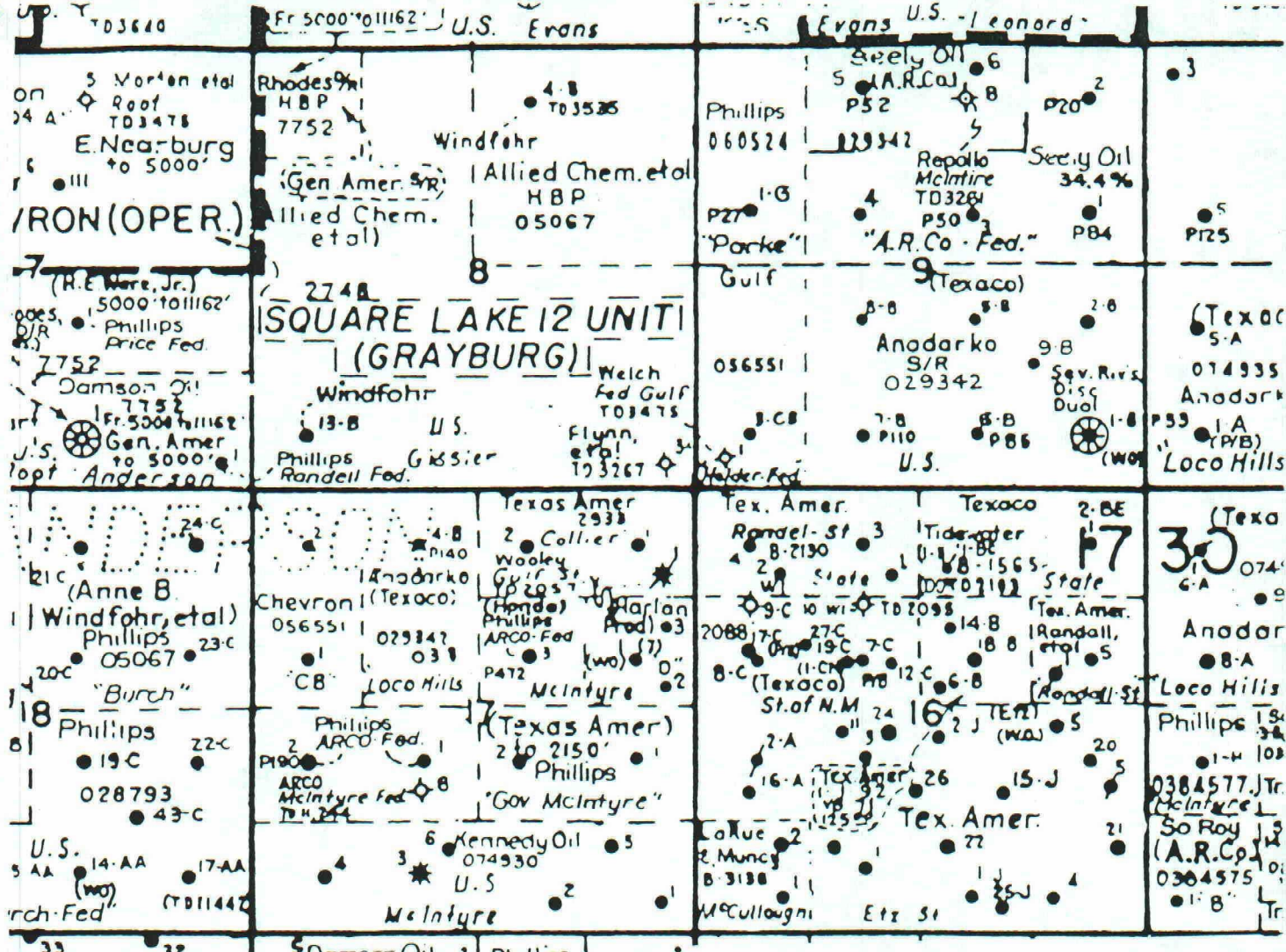
**Signature:** Crissa D. Carter

**Name:** Crissa D. Carter

**Title:** Production Clerk

**Date:** 8/27/98









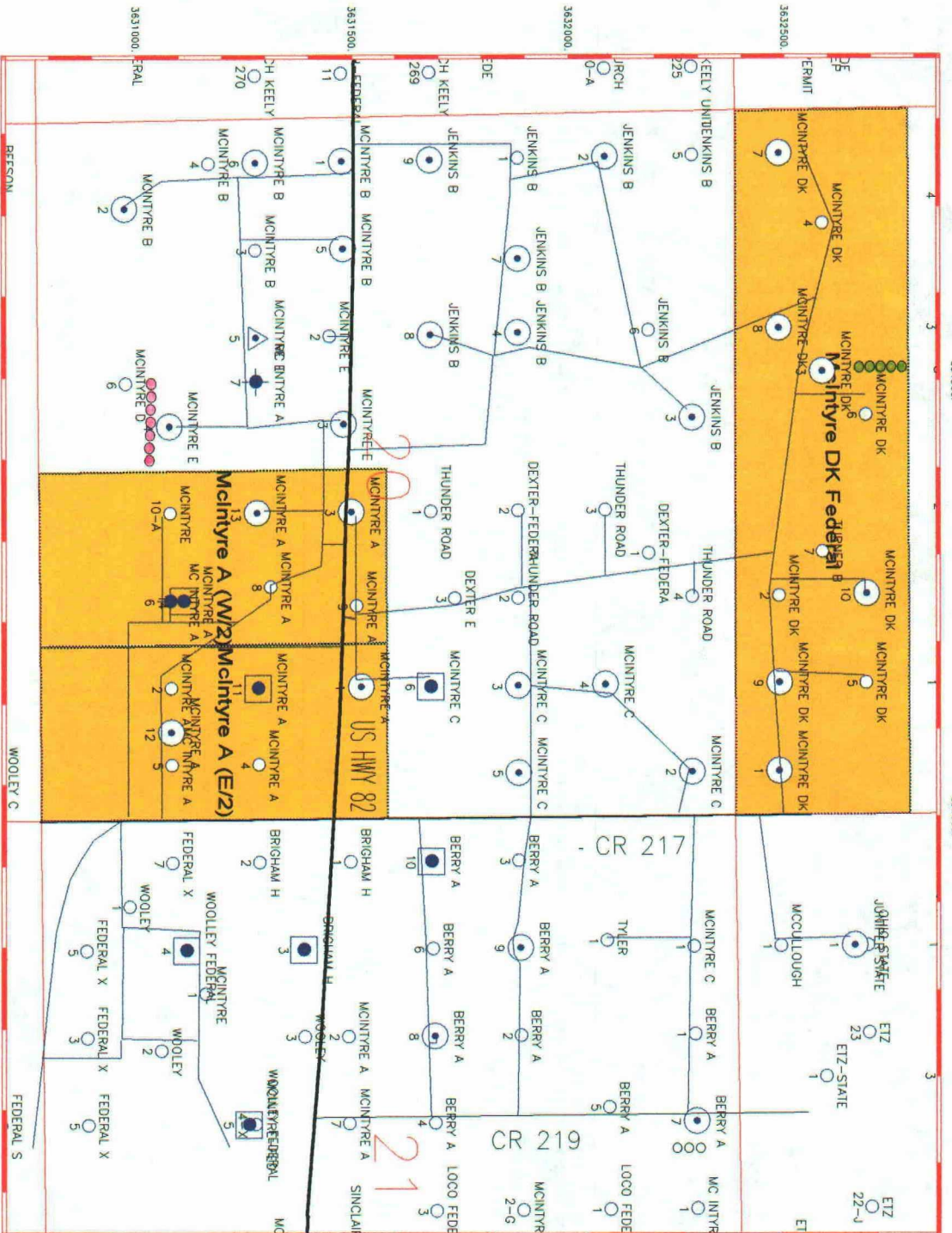
Modak Energy Corporation  
SW Central Tank Battery  
SE/4 SW/4  
Section 20 T17S R30E

Moontyre D Federal Lease  
Moontyre E Federal Lease  
Moontyre A Federal Lease  
Test Facility  
Moontyre A #4/D Federal Lease



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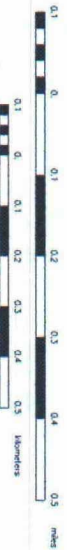
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# LEGEND

- Northwest Central Tank Battery
- Southwest Central Tank Battery
- Existing Roads

Scale 1:15000.



Mock Energy Corp.		
Mcintyre A Leases		
Map Sheet	Scale 1:5000	8/27/1988