

District I

1625 N. French Drive, Hobbs, NM 88240

District II

811 S. First St., Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-107-B

Revised August 1, 2011

OIL CONSERVATION DIVISION1220 S. St Francis Drive
Santa Fe, New Mexico 87505Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**OPERATOR NAME: MACK ENERGY CORPORATIONOPERATOR ADDRESS: PO BOX 960 ARTESIA, NM 88211-0960

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☒ Off-Lease Storage and Measurement (Only if not Surface Commingled)LEASE TYPE: ☐ Fee ☒ State ☒ FederalIs this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. CTB-904

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No**(A) POOL COMMINGLING**

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

(2) Are any wells producing at top allowables? ☐ Yes ☐ No(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.(4) Measurement type: ☐ Metering ☒ Other (Specify)(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved**(B) LEASE COMMINGLING**

Please attach sheets with the following information

(1) Pool Name and Code.
(2) Is all production from same source of supply? <input type="checkbox"/> Yes <input type="checkbox"/> No
(3) Has all interest owners been notified by certified mail of the proposed commingling? <input type="checkbox"/> Yes <input type="checkbox"/> No
(4) Measurement type: <input type="checkbox"/> Metering <input type="checkbox"/> Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Jerry W. SherrellTITLE: REGULATORY SUPERVISORDATE: 4/6/2022TYPE OR PRINT NAME Jerry W. SherrellTELEPHONE NO.: 575-748-1288E-MAIL ADDRESS: jerrys@mec.com



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

April 13, 2022

Oil Conservation Division
Attn: Dean McClure
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for Off Lease Storage and Measurement. Our Dawson Creek State Com 1H 30-005-64359, located in F-36-15S-28E. The Off Lease site is located A-35-15S-28E. This well will produce from the Round Tank; San Andres pool (52770).

This OLM request is for Oil only. Gas production is governed by CTB-887.

This well will have its own facility, no commingling will be required.

All affected parties have been notified of this application via certified mail.

Should you have any questions please contact me @ 575-748-1288.

Sincerely,

A handwritten signature in blue ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Supervisor
jerrys@mec.com

JWS/

Enclosures

1:18.056

-
- A horizontal number line with two scales. The top scale is labeled in miles (mi) and has major tick marks at 0, 0.17, 0.35, and 0.7. The bottom scale is labeled in kilometers (km) and has major tick marks at 0, 0.3, 0.6, and 1.2. The line is divided into segments by smaller tick marks, with the mile scale having 10 segments between 0 and 0.7, and the kilometer scale having 10 segments between 0 and 1.2.

Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the

NM OCD Oil and Gas Map. <http://nm-emnrd.maps.arcgis.com/apps/webappviewer/index.html?id=4d017f12306164de29fd2fb9f8f35ca75> New Mexico Oil Conservation Division





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

VIA CERTIFIED MAIL 7019 1640 0002 0377 7941

April 13, 2022

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for Off Lease Storage and Measurement. Our Dawson Creek State Com 1H 30-005-64359, located in F-36-15S-28E. The Off Lease site is located A-35-15S-28E. This well will produce from the Round Tank; San Andres pool (52770).

This OLM request is for Oil only. Gas production is governed by CTB-887.

This well will have its own facility, no commingling will be required.

These leases have different working and override interest's ownership. All affected parties have been notified of this application via certified mail.

Should you have any questions please contact me @ 575-748-1288.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jerry W. Sherrell".

Jerry W. Sherrell
Production Supervisor
jerrys@mec.com

JWS/

Enclosures



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

VIA CERTIFIED MAIL 7019 1640 0002 0377 9136

April 13, 2022

Commissioner of Public Lands
PO Box 1148
Santa Fe,, NM 87504-1148

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for Off Lease Storage and Measurement. Our Dawson Creek State Com 1H 30-005-64359, located in F-36-15S-28E. The Off Lease site is located A-35-15S-28E. This well will produce from the Round Tank; San Andres pool (52770).

This OLM request is for Oil only. Gas production is governed by CTB-887.

This well will have its own facility, no commingling will be required.

All affected parties have been notified of this application via certified mail.

Should you have any questions please contact me @ 575-748-1288.

Sincerely,

A handwritten signature in blue ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Supervisor
jerrys@mec.com

JWS/

Enclosures

Re: Mack Energy Corporation is requesting administrative approval from the NMOCD for Off Lease Storage and Measurement. Our Dawson Creek State Com 1H 30-005-64359, located in F-36-15S-28E. The Off Lease site is located A-35-15S-28E. This well will produce from the Round Tank; San Andres pool (52770).

List of Affected Parties

Sendero Energy LLC-Hand Delivered

M Squared Energy LLC-Hand Delivered

Chase Oil Corp-Hand Delivered

RDC Minerals LLC-Hand Delivered

Ventana Minerals LLC-Hand Delivered

DiaKan Minerals LLC-Hand Delivered

Bureau of Land Management-Via Certified Mail 7019 1640 0002 0377

Commissioner of Public Lands- Via Certified Mail 7019 1640 0002 9136



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 748-7374

March 23, 2022

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

RE: Mack Energy Corporation & Chase Affiliates

Dear Mr. McClure:

Mack Energy Corporation is a Chase Family owned entity. The following Chase individuals or companies are all affiliates of Mack Energy Corporation and usually own an interest in wells drilled and/or operated by Mack Energy Corporation.

- Mack C. Chase Trust
- Robert C. Chase or RDC Minerals LLC
- Richard L. Chase or Ventana Minerals LLC
- Gerene Dianne Chase Ferguson or DiaKan Minerals LLC
- Broken Arrow Royalties LLC
- Chase Oil Corporation
- Sendero Energy LLC
- Katz Resources LLC
- M Squared Energy LLC

All of these family members and companies all office in the same building so notifications can be hand delivered; therefore we request that the certified mail process be waived when these parties are involved.

If you have any questions or need additional information please do not hesitate to contact me. Your assistance is greatly appreciated.

Sincerely,
Mack Energy Corporation

A handwritten signature in blue ink that reads "Staci Sanders".

Staci Sanders
Land Manager

/ss

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

¹ API Number 30-005-64359	² Pool Code 52770	³ Pool Name Round Tank: San Andres
⁴ Property Code 322479	⁵ Property Name DAWSON CREEK STATE COM	
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	
		⁶ Well Number 1H
		⁹ Elevation 3588.3

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	36	15 S	28 E		2399	NORTH	1454	WEST	CHAVES

¹¹ 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
F	25	15 S	28 E		1324	NORTH	1650	WEST	CHAVES

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
200			

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>NW CORNER SEC. 25 LAT. = 32.9942570°N LONG. = 104.0938829°W NMSP EAST (FT) N = 725530.56 E = 614752.22</p> <p>W/4 CORNER SEC. 25 LAT. = 32.9869878°N LONG. = 104.0938669°W NMSP EAST (FT) N = 722885.75 E = 614763.15</p> <p>NW CORNER SEC. 36 LAT. = 32.9797168°N LONG. = 104.0938384°W NMSP EAST (FT) N = 720240.47 E = 614777.92</p> <p>W/4 CORNER SEC. 36 LAT. = 32.9725723°N LONG. = 104.0938200°W NMSP EAST (FT) N = 717641.13 E = 614789.47</p> <p>SW CORNER SEC. 36 LAT. = 32.9654174°N LONG. = 104.0937948°W NMSP EAST (FT) N = 715038.00 E = 614803.13</p>		<p>S89°33'59"E 2637.60 FT S89°33'59"E 2637.60 FT</p> <p>DNF</p> <p>BOTTOM OF HOLE LAT. = 32.9905739°N LONG. = 104.0884948°W NMSP EAST (FT) N = 724194.33 E = 616407.34</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1983 (NAD83) LISTED NEW MEXICO STATE PLANE EAST COORDINATES ARE GRID (NAD83). BASIS OF BEARING AND DISTANCES USED ARE NEW MEXICO STATE PLANE EAST COORDINATES MODIFIED TO THE SURFACE. VERTICAL DATUM NAVD83.</p> <p>N/4 CORNER SEC. 36 LAT. = 32.9797325°N LONG. = 104.0852699°W NMSP EAST (FT) N = 720252.26 E = 617405.42</p> <p>NW CORNER SEC. 36 LAT. = 32.9797296°N LONG. = 104.0766964°W NMSP EAST (FT) N = 720257.54 E = 620034.47</p> <p>SE CORNER SEC. 36 LAT. = 32.9653776°N LONG. = 104.0765635°W NMSP EAST (FT) N = 715035.98 E = 620087.96</p>		<p>¹⁷ 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.</p> <p><i>Jerry W. Sherrell</i> 4/12/2022 Signature Date Jerry W. Sherrell Printed Name jerrys@mec.com E-mail Address</p> <p>¹⁸ 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.</p> <p>MARCH 10, 2020 Date of Survey</p> <p><i>William F. Jarman</i> Signature and Seal of Professional Surveyor Certificate Number: 12797 SURVEY NO. 63198</p>	
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COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the date shown in Section 10 hereof by and between the parties subscribing, ratifying, or consenting hereto, such Parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 15 South, Range 28 East, N.M.P.M.
Section 25: E/2SW & SENW
Section 36: E/2NW
Chaves County, New Mexico

containing 200 acres, and this agreement shall include the San Andres Formation underlying said lands and the crude oil and associated natural gas, hereinafter referred to as "communitized substances," producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes, is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Redwood Operating LLC, P.O. Box 1370, Artesia, NM 88211-1370. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this

agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

All proceeds, 8/8ths, attributed to unleased Federal, State or fee land included within the CA area are to be placed in an interest earning escrow or trust account by the designated operator until the land is leased or ownership is established.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in

conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders rules or regulations.

10. The date of this agreement is April 1, 2022, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator:

Mack Energy Corporation

By: Staci D. Sanders
Staci D. Sanders
Vice President - Land

Date: 3/24/2022

Lessee of Record & Working Interest Owner:

Chase Oil Corporation

By: Staci D. Sanders
Staci D. Sanders
Vice President - Land

Date: 3/24/2022

Working Interest Owners:

RDC Minerals LLC

Robert C. Chase
Robert C. Chase, Manager

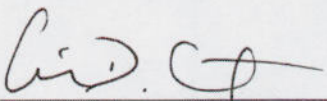
Date: 3/24/2022

Ventana Minerals LLC

By: Staci D. Sanders
Staci D. Sanders, Attorney-in-Fact

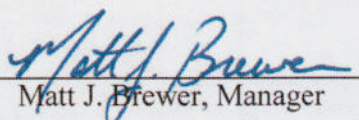
Date: 3/24/2022

DiaKan Minerals LLC

By: 
 Crissa D. Carter, Attorney-in-Fact

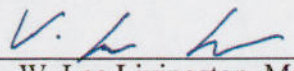
Date: _____

Sendero Energy LLC

By: 
 Matt J. Brewer, Manager

Date: 3/29/2022

M Squared Energy LLC

By: 
 W. Lee Livingston, Manager

Date: 3-29-2022

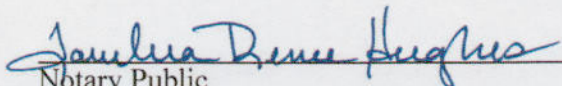
ACKNOWLEDGEMENTS

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 24th day of March, 2022, by Staci D. Sanders, Vice President-Land for **Mack Energy Corporation**, a New Mexico corporation, on behalf of said corporation.

TAMBRA RENEE HUGHES
 NOTARY PUBLIC
 STATE OF NEW MEXICO
 COMMISSION # 1062377
 COMMISSION EXPIRES: 09-19-2023

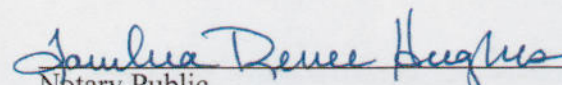

 Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 24th day of March, 2022, by Staci D. Sanders, Vice President-Land for **Chase Oil Corporation**, a New Mexico corporation, on behalf of said corporation.

TAMBRA RENEE HUGHES
 NOTARY PUBLIC
 STATE OF NEW MEXICO
 COMMISSION # 1062377
 COMMISSION EXPIRES: 09-19-2023


 Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 24th day of March, 2022, by Robert C. Chase as Manager of **RDC Minerals LLC**, a New Mexico limited liability company, on behalf of said company.

MORGAN S. BUCKLES
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1029929
COMMISSION EXPIRES: 06-25-2022

Morgan S. Buckles
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 24th day of March, 2022, by Staci D. Sanders as Attorney-in-Fact of **Ventana Minerals LLC**, a New Mexico limited liability company, on behalf of said company.

TAMBRA RENEE HUGHES
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1062377
COMMISSION EXPIRES: 09-19-2023

Tambra Renee Hughes
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 29th day of March, 2022, by Crissa D. Carter as Attorney-in-Fact of **DiaKan Minerals LLC**, a Texas limited liability company, on behalf of said company.

MORGAN S. BUCKLES
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1029929
COMMISSION EXPIRES: 06-25-2022

Morgan S. Buckles
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 29th day of March, 2022, by Matt J. Brewer as Manager of **Sendero Energy LLC**, a New Mexico limited liability company, on behalf of said company.

MORGAN S. BUCKLES
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1029929
COMMISSION EXPIRES: 06-25-2022

Morgan S. Buckles
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 29th day of March, 2020, by W. Lee Livingston as Manager of **M Squared Energy LLC**, a New Mexico limited liability company, on behalf of said company.

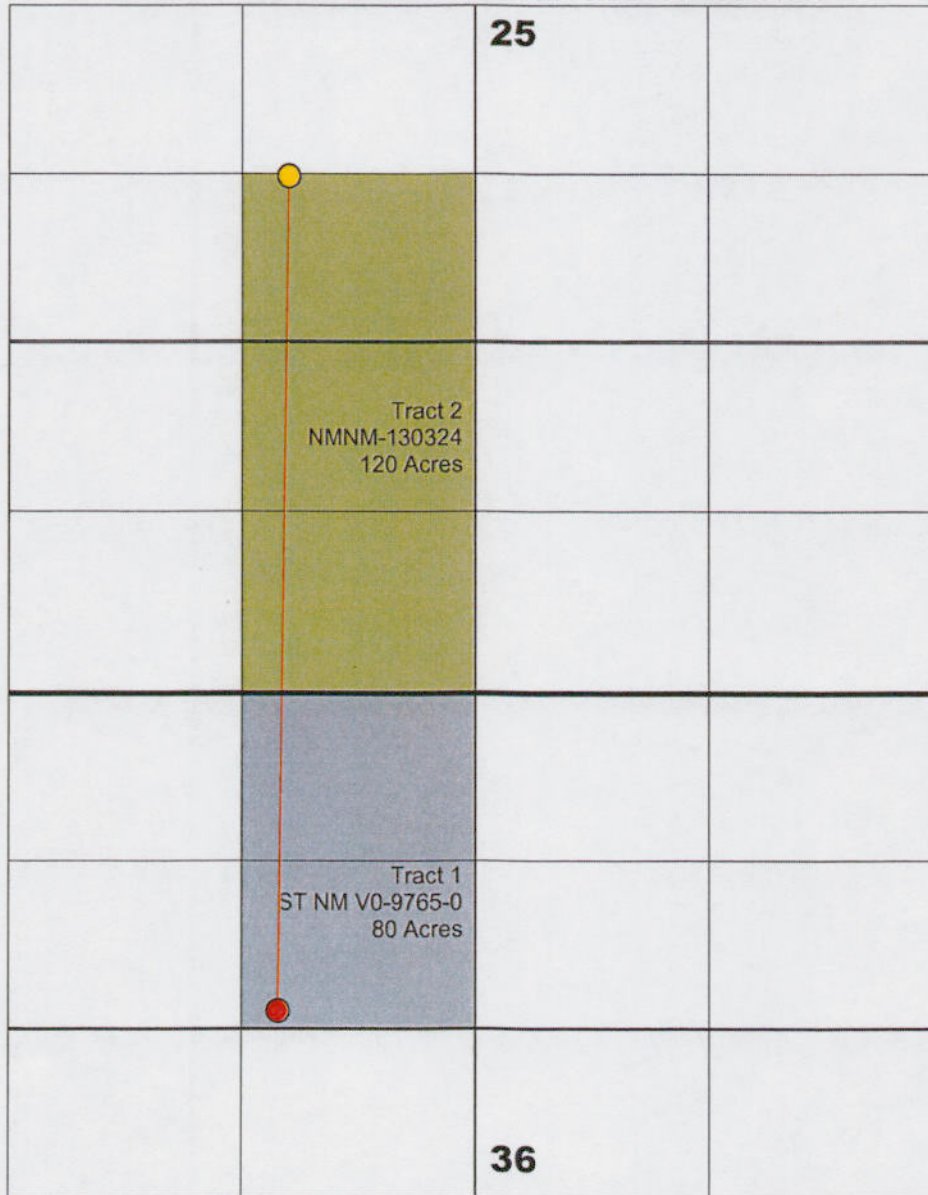
MORGAN S. BUCKLES
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1029929
COMMISSION EXPIRES: 06-25-2022

Morgan S. Buckles
Notary Public

EXHIBIT "A"

Attached to and made a part of that certain Communitization Agreement dated effective April 1, 2022, covering the E/2SW/4 & SE/4NW/4 of Section 25 and the E/2NW/4 of Section 36, Township 15 South, Range 28 East, N.M.P.M., Chaves County, New Mexico.

Plat of Communitized Area
Dawson Creek State Com #1H Well - API #30-005-64359



- SHL: 2399' FNL & 1454' FWL, Sec. 36-T15S-R28E
- FTP: 1829' FNL & 1650' FWL, Sec. 36-T15S-R28E
- LTP: 1420' FNL & 1650' FWL, Sec. 25-T15S-R28E
- BHL: 1324' FNL & 1650' FWL, Sec. 25-T15S-R28E

EXHIBIT "B"

Attached to and made a part of that certain Communitization Agreement dated effective April 1, 2022, covering the E/2SW/4 & SE/4NW/4 of Section 25 and the E/2NW/4 of Section 36, Township 15 South, Range 28 East, N.M.P.M., Chaves County, New Mexico.

Dawson Creek State Com #1H Well – API #30-005-64359

Operator of Communitized Area: Mack Energy Corporation

Description of Leases Committed**Tract #1**

Serial No.: ST NM V0-9765-0
 Lease Date: August 1, 2013
 Lease Term: 5 years
 Lessor: State of New Mexico
 Original Lessee: Chase Oil Corporation
 Number of Acres: 80 acres
 Royalty Rate: 16.666667%
 Description of Lands Committed: T15S, R28E, NMPM
 Section 36: E/2NW/4

Present Lessee:

Chase Oil Corporation	100.0000000	%
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Name and Percent of WI Owners:

Chase Oil Corporation	83.0000000	%
RDC Minerals LLC	5.0000000	%
Ventana Minerals LLC	5.0000000	%
DiaKan Minerals LLC	5.0000000	%
Sendero Energy LLC	1.0000000	%
M Squared Energy LLC	1.0000000	%

Tract #2

Serial No.: NMNM-130324
 Lease Date: August 1, 2013
 Lease Term: 10 years
 Lessor: United States of America
 Original Lessee: Chase Oil Corporation
 Number of Acres: 120 acres
 Royalty Rate: 12.5%
 Description of Lands Committed: T15S, R28E, NMPM
 Section 25: E/2SW/4, SE/4NW/4

Present Lessee:

Chase Oil Corporation 100.0000000 %

Name and Percent of WI Owners:

Chase Oil Corporation 85.0000000 %
 RDC Minerals LLC 5.0000000 %
 Ventana Minerals LLC 5.0000000 %
 DiaKan Minerals LLC 5.0000000 %

RECAPITULATION

<u>Tract No.</u>	<u>No. of Acres Committed</u>	<u>Percentage of Interest In Communitized Area</u>
1	80.00	40.00%
2	120.00	60.00%
	200.00	100.00%

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: Mack Energy Corporation **OGRID Number:** 013837
Well Name: Dawson Creek State Com 1H **API:** 30-005-64359
Pool: Round Tank; San Andres **Pool Code:** 52770

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) TYPE OF APPLICATION: Check those which apply for [A]**A. Location - Spacing Unit - Simultaneous Dedication**

☐ NSL ☐ NSP(PROJECT AREA) ☐ NSP(PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]**[I] Commingling - Storage - Measurement**

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☒ OLM

[II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) NOTIFICATION REQUIRED TO: Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

☐ Notice Complete
☐ Application
 Content
 Complete

3) 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. Sherrell

 Print or Type Name

 Signature

4/13/22

 Date

575-748-1288

 Phone Number

jerrys@mec.com

 e-mail Address

From: [Engineer, OCD, EMNRD](#)
To: [Jerry Sherrell](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Glover, James](#); [Paradis, Kyle Q](#); [Walls, Christopher](#); [Dawson, Scott](#)
Subject: Approved Administrative Order OLM-256
Date: Monday, May 9, 2022 4:22:20 PM
Attachments: [OLM256 Order.pdf](#)

NMOCD has issued Administrative Order OLM-256 which authorizes Mack Energy Corporation (13837) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-005-64359	Dawson Creek State Com #1H	F K N C F	25-15S-28E 36-15S-28E	52770

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

From: [Jerry Sherrell](#)
To: [McClure, Dean, EMNRD](#)
Cc: [Deana Weaver](#); [Delilah Flores](#)
Subject: [EXTERNAL] RE: off lease measurement application OLM-256
Date: Monday, May 2, 2022 9:07:19 AM
Attachments: [05212022162133001.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good Morning Dean,

Please see the attached requested list.

From: McClure, Dean, EMNRD <Dean.McClure@state.nm.us>
Sent: Friday, April 29, 2022 4:18 PM
To: Jerry Sherrell <jerrys@mec.com>
Subject: off lease measurement application OLM-256

EXTERNAL EMAIL - Verify the sender and use caution before opening attachments or clicking links

Mr. Sherrell,

I am reviewing off lease measurement application OLM-256 which involves the Dawson Creek State Com #1H and is operated by Mack Energy Corporation (13837).

Looking at the com agreement, I am speculating that the working interest owners are all associated based off past submittals. However, please submit a list of working interest owners including that the notice was hand delivered if that is the case.

Dean McClure
Petroleum Engineer, Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Department
(505) 469-8211

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR OFF-LEASE MEASUREMENT
SUBMITTED BY MACK ENERGY CORPORATION**

ORDER NO. OLM-256

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Mack Energy Corporation ("Applicant") submitted a complete application to off-lease measure the oil production ("Application") from the wells, pool, and lease identified in Exhibit A.
2. Applicant provided notice of the Application to all persons owning a working interest in the oil production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
2. The oil production from the wells identified in Exhibit A shall be physically separated from the oil production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.

4. Applicant shall calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10(C)(2) NMAC.
5. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE E. SANDOVAL
DIRECTOR**

DATE: 5/09/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-256
Operator: Mack Energy Corporation (13837)
Central Tank Battery: Dawson Creek State Com 1H Battery
Central Tank Battery Location: UL A, Section 35, Township 15 South, Range 28 East
Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
ROUND TANK; SAN ANDRES	52770

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
CA San Andres BLM	F K N	25-15S-28E
	C F	36-15S-28E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-005-64359	Dawson Creek State Com #1H	F K N	25-15S-28E	52770
		C F	36-15S-28E	

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 96321

CONDITIONS

Operator: MACK ENERGY CORP P.O. Box 960 Artesia, NM 882110960	OGRID: 13837
	Action Number: 96321
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	5/9/2022