

DATE <u>10/20/13</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>10/20/13</u>	TYPE <u>PC</u>	PRG <u>1330155380</u>
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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



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**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]

*Mack*

- [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 \_\_\_\_\_

*Dolphin State #1*  
*30-025-37331*  
*Dolphin State #2*  
*30-025-31114*  
*-16-165-33E*

- [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. Sherrell  
Print or Type Name

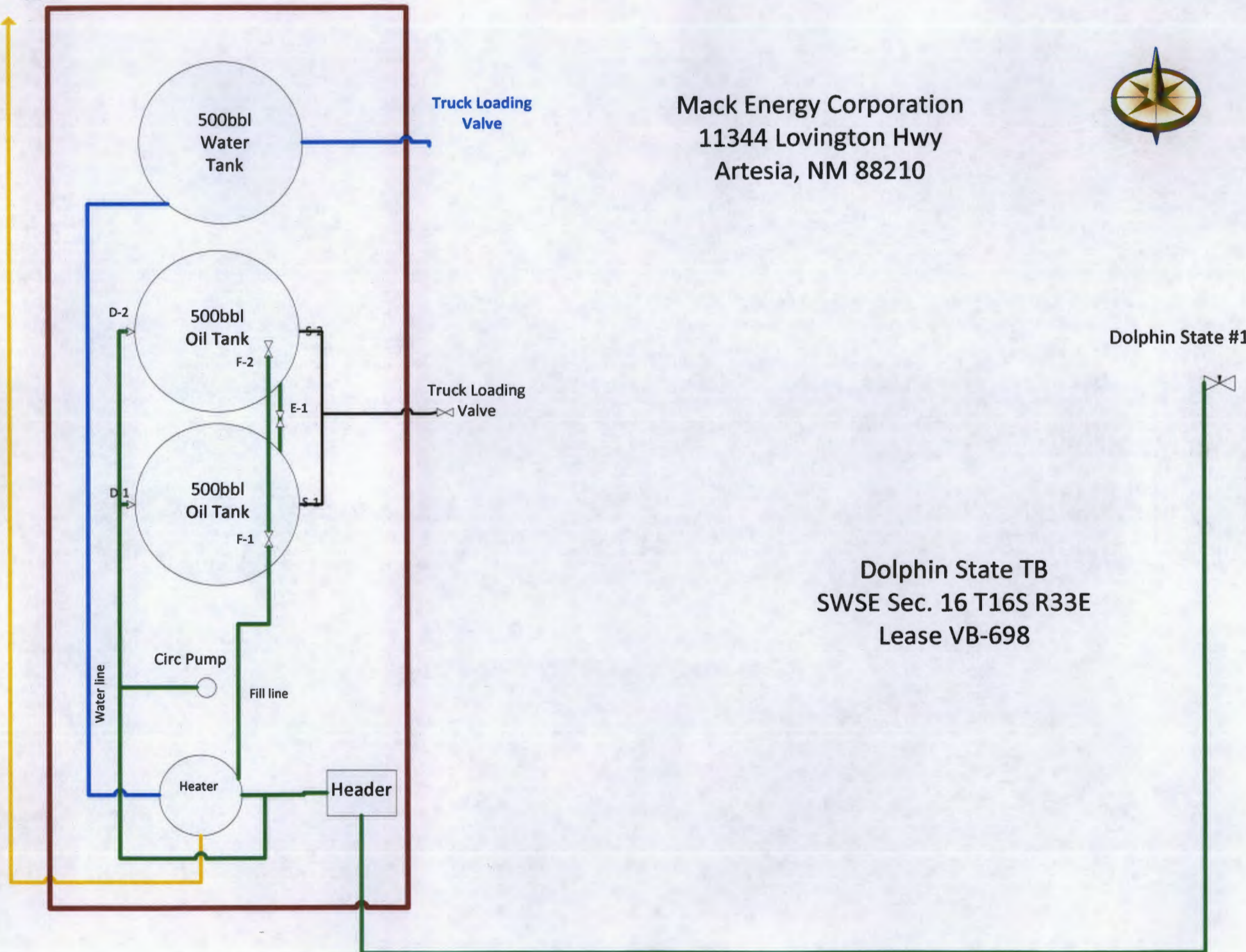
*Jerry W. Sherrell*  
Signature

Production Clerk  
Title

10-21-2013  
Date

jerrys@mec.com  
e-mail Address

Gas line



Mack Energy Corporation  
11344 Lovington Hwy  
Artesia, NM 88210



Dolphin State #1

Dolphin State TB  
SWSE Sec. 16 T16S R33E  
Lease VB-698



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

October 21, 2013

**VIA CERTIFIED MAIL 7013 0600 0001 7892 0282**

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 approval to Pool Commingle the Hume; Queen, West and Wildcat; San Andres production from the Dolphin State wells. Production will be commingled at a tank battery located in the SW/4 SE/4 Sec. 16 T16S R33E. The Dolphin State #1 is currently producing from the Queen formation and the Dolphin State #2 will produce from the San Andres.*

*Ownership is common between all pools on the Dolphin State Lease.*

*Allocation for oil and gas will be done using the subtraction method. The Dolphin State #1 has been producing for years and production is steady. Each well will be tested periodically to insure accuracy  
Should you have any questions please contact me @ 575-748-1288.*

Sincerely,

Jerry W. Sherrell  
Production Clerk  
jerrys@mec.com

JWS/

Enclosures

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## M E M O

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DATE: October 10, 2013  
TO: NMOCD  
FROM: STACI SANDERS  
MACK ENERGY CORPORATION  
RE: DOLPHIN STATE LEASE  
ST NM VB-0698-1  
T16S, R33E  
SECTION 16: S/2  
LEA COUNTY, NEW MEXICO

Mack Energy Corporation respectfully requests approval to surface commingle production from our Dolphin State Lease. The Dolphin State #1 produces from the Queen formation and the Dolphin State #2 will produce from the San Andres formation and we would like to commingle the production at the Tank Battery. Allocation for the oil and gas will be done using periodic well tests at the Tank Battery.

*Both wells going into the Tank Battery have identical working and revenue interests.*

Please do not hesitate to contact me should you require any further information.

Sincerely,

Mack Energy Corporation

A handwritten signature in black ink that reads "Staci Sanders". The signature is fluid and cursive, with the first name "Staci" and last name "Sanders" clearly legible.

Staci Sanders  
Land Department