

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 IV
1220 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 DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit 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 CORPORATION
OPERATOR 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 Federal

Is this an Amendment to existing Order? Yes No If "Yes", please include the appropriate Order No. _____
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
Vacuum Bone Spring 97930	1.3372				

(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) Periodic Well Testing
(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. Vacuum Bone Spring 97930
(2) Is all production from same source of supply? Yes No
(3) Has all interest owners been notified by certified mail of the proposed commingling? Yes No
(4) Measurement type: Metering Other (Specify) Periodic Well Testing.

(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? Yes 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. Sherrell TITLE: REGULATORY SUPERVISOR DATE: 6/24/2023
TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO.: 575-748-1288
E-MAIL ADDRESS: jerrys@mec.com

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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: Hustle State #1 **API:** 30-025-53096
Pool: Vacuum;Bone Spring **Pool Code:** 97930

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
<input type="checkbox"/> Notice Complete
<input type="checkbox"/> 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

6/25/2024

 Date

Jerry W. Sherrell

 Signature

575-748-1288

 Phone Number

jerrys@mec.com

 e-mail Address



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

June 24, 2024

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

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of CTB and Commingling of production of our Hustle State #1, Unit N, Sec. 17 T18S R35E VC06390000, CTB-689 is located at our Black Jack State #1, Unit I, Sec. 18 T18S R35E VB13130000. The oil and gas production from the Hustle State #1 will be measured, stored and sold from CTB-689 location.

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

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Sincerely,

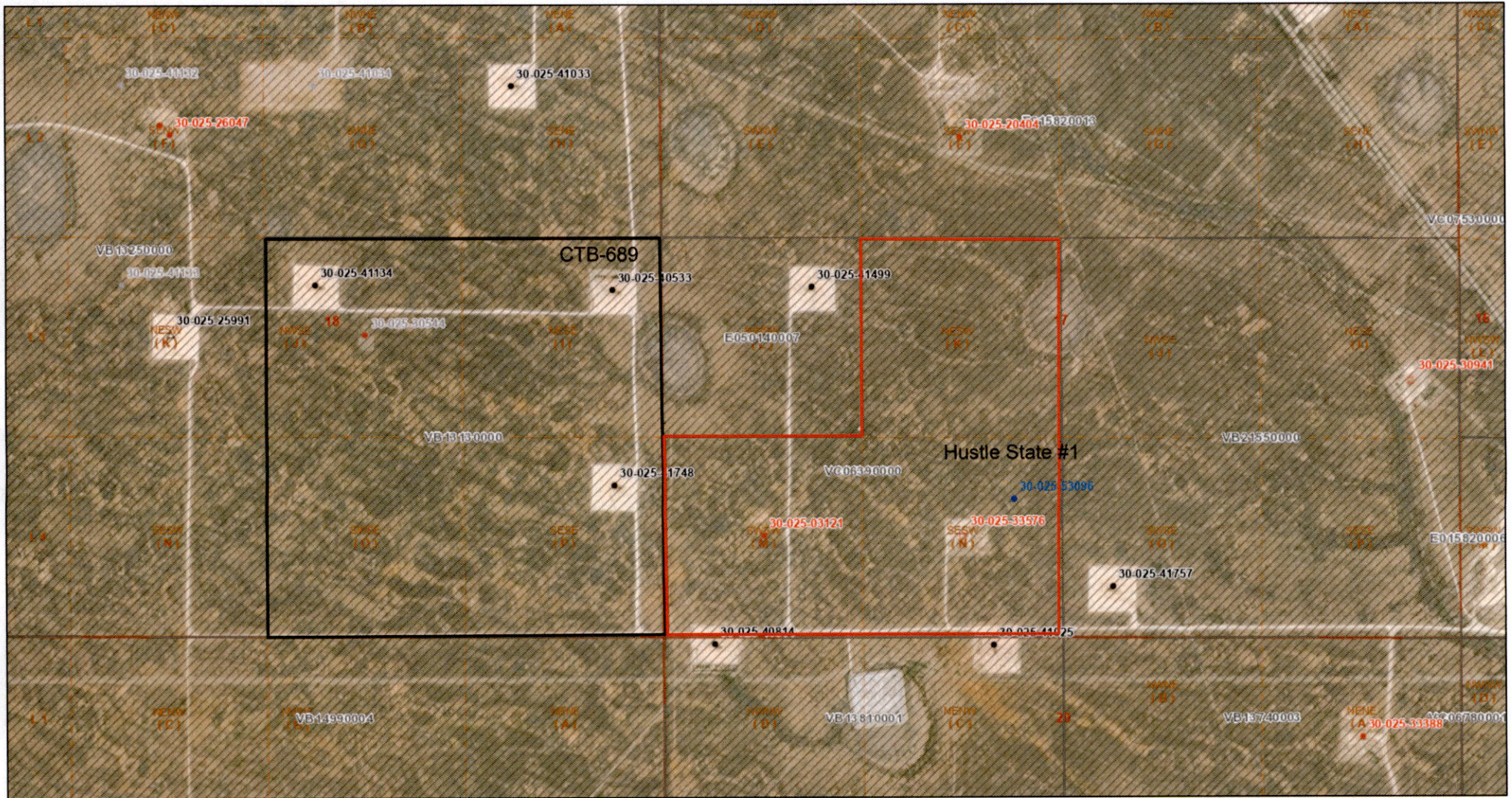
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Jerry W. Sherrell
Regulatory Supervisor
jerrys@mec.com

JWS/

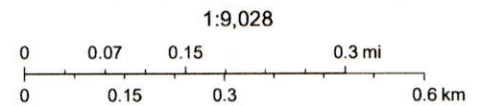
Enclosures

OCD Well Locations

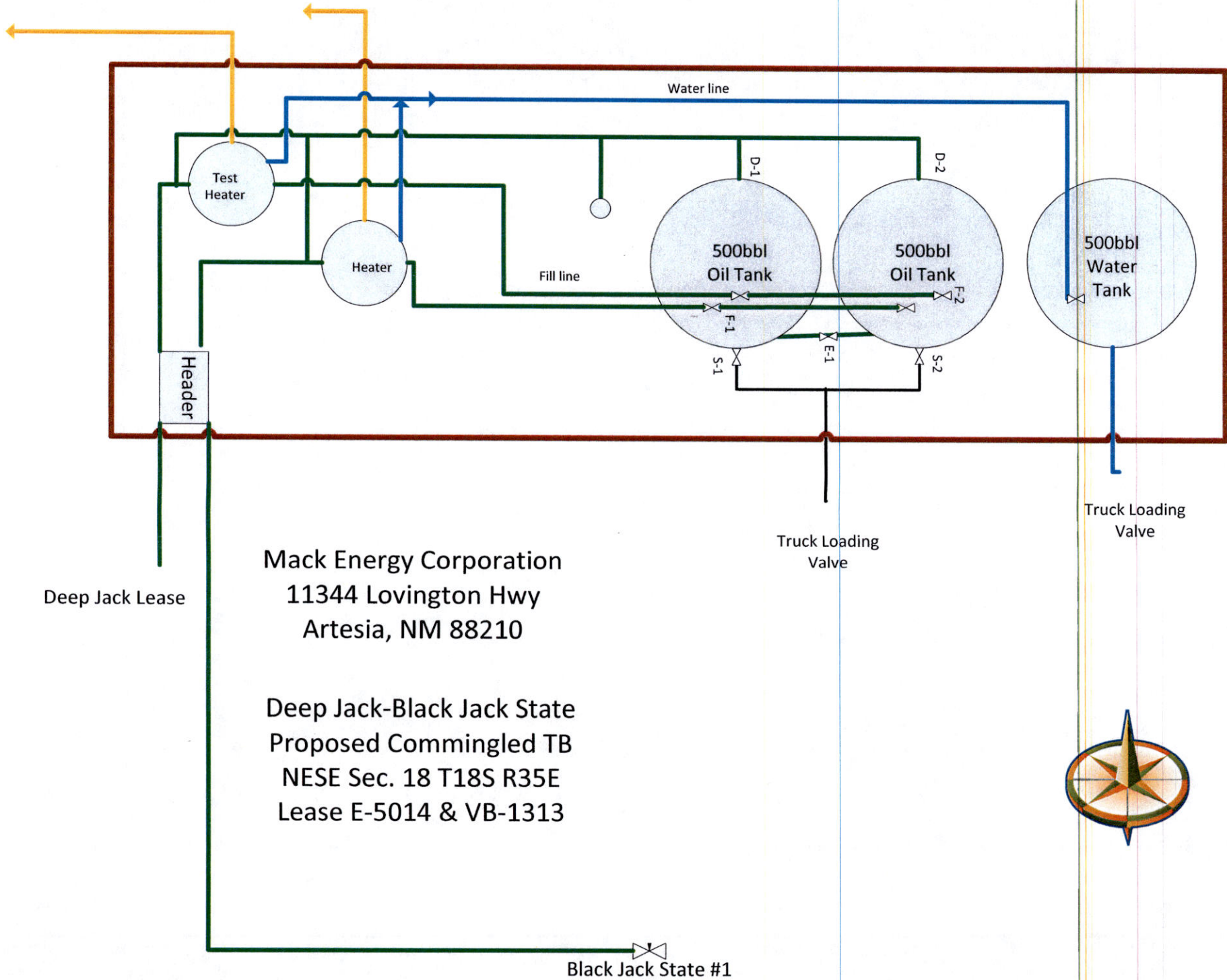


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- | | | |
|---------------------|--------------------------------|----------------------------------|
| Lines | • Oil, Active | Oil and Gas Leasing Restrictions |
| Override 1 | • Oil, Cancelled | Oil and Gas Leases |
| Override 2 | • Oil, New | PLSS Second Division |
| Wells - Large Scale | • Oil, Plugged | PLSS First Division |
| Gas, Plugged | • Salt Water Injection, Active | |



Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., OCD, Esri, HERE, Garmin, IPC, Maxar, BLM



Mack Energy Corporation
 11344 Lovington Hwy
 Artesia, NM 88210

Deep Jack-Black Jack State
 Proposed Commingled TB
 NESE Sec. 18 T18S R35E
 Lease E-5014 & VB-1313

Deep Jack Lease

Black Jack State #1





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

VIA CERTIFIED MAIL 9589 0710 5270 0177 3512 85

June 24, 2024

Plains Production, Inc.
1313 Campbell Rd. Bldg. D
Houston, TX 77055

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Jerry W. Sherrell
Regulatory Supervisor
jerrys@mec.com

JWS/

Enclosures



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Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9539

VIA CERTIFIED MAIL 9589 0710 5270 0177 3512 78

June 24, 2024

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

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jerrys@mec.com

JWS/

Enclosures

<u>Affected Parties</u>	<u>Interest Type</u>	<u>Certified Mail Number</u>
Commissioner of Public Lands PO Box 1148 Santa Fe, NM 87504-1148	RI	<u>9589 0710 5270 0177 3512 78</u>
Chase Oil Corporation P.O. Box 1767 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>
RDC Minerals LLC(Formerly Robert C. Chase) P.O. Box 297 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>
Ventana Minerals LLC(Formerly Richard L. Chase) P.O. Box 359 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>
DiaKan Minerals LLC(Formerly Gerene Dianne Chase Ferguson) P.O. Box 693 Artesia, NM 88211	WI	<u>HAND DELIVERED</u>
Broken Arrow Royalties LLC P.O. Box 960 Artesia, NM 88211	ORRI	<u>HAND DELIVERED</u>
Plains Production, Inc. 1313 Campbell Rd. Bldg. D Houston, TX 77055	ORRI	<u>9589 0710 5270 0177 3512 85</u>

Black Jack State Lease

ST of NM Lease VB-1313-0: SE/4 of Sec. 18, T18S-R35E

Interest Owners:

Commissioner of Public Lands RI
P.O. Box 25627
Denver, CO 80225-0627

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P.O. Box 960
Artesia, NM 88211-0960

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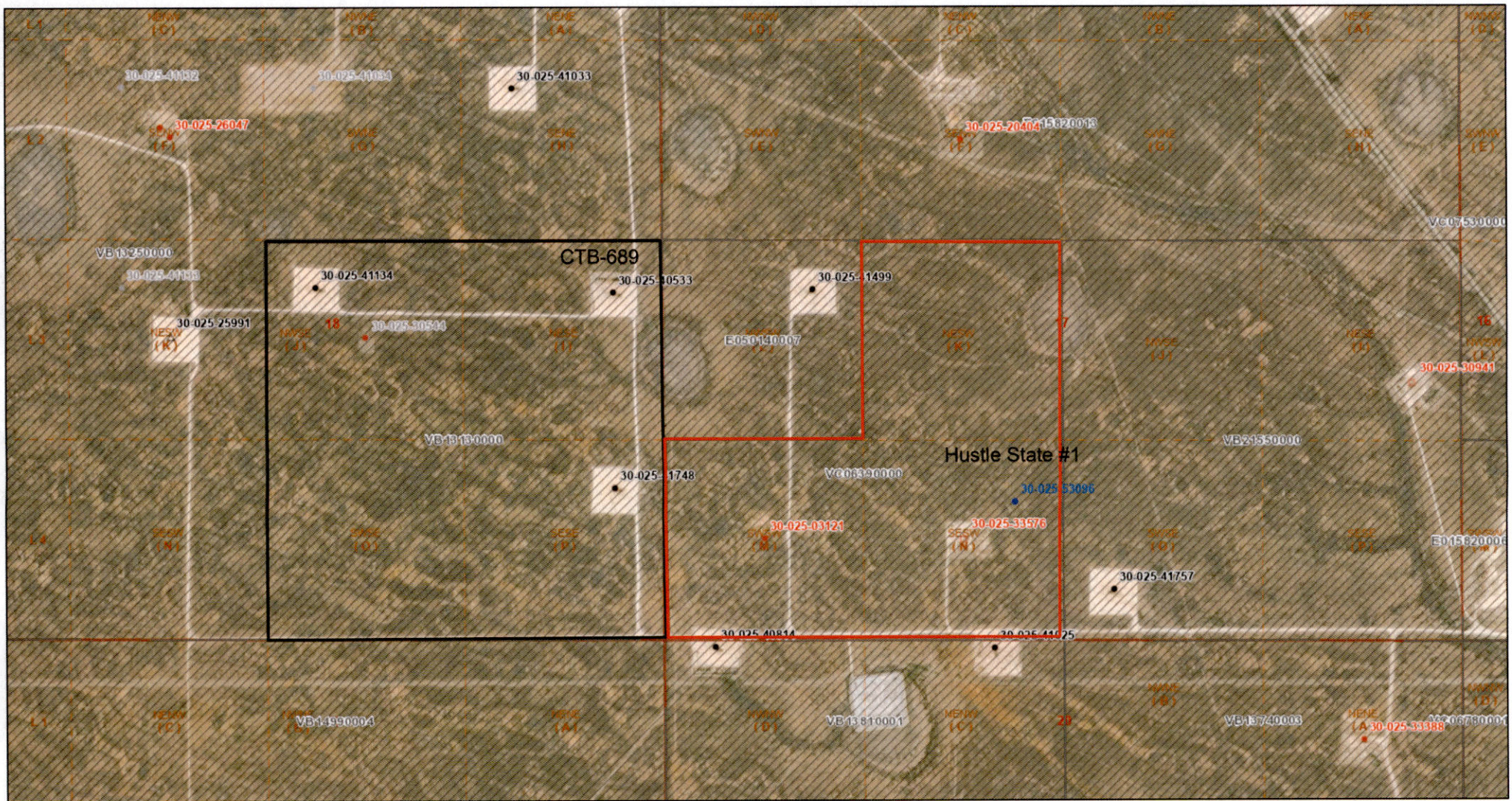
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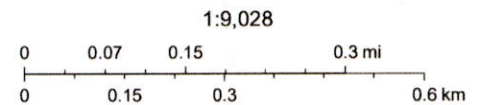
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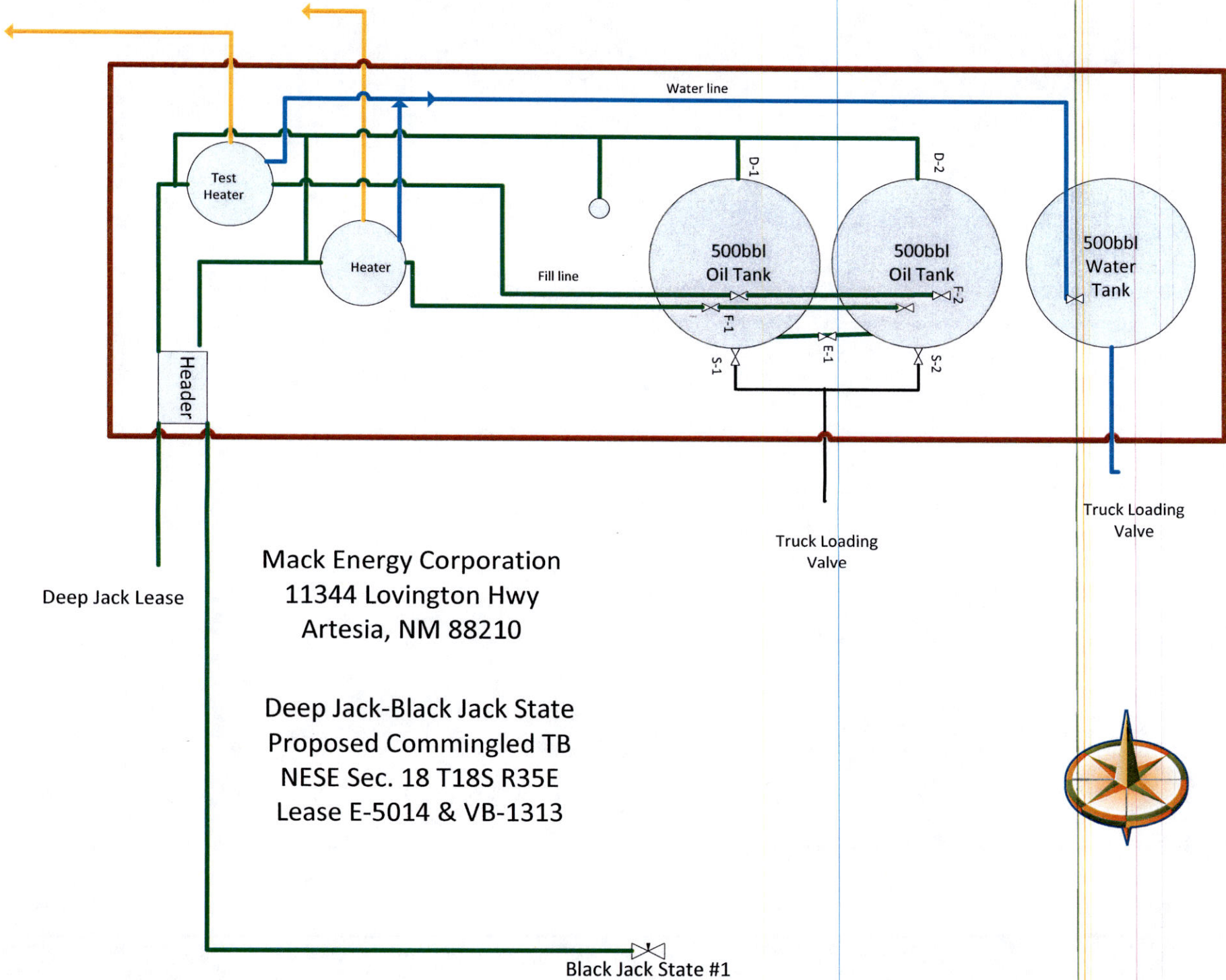


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Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., OCD, Esri, HERE, Garmin, IPC, Maxar, BLM



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Revised March 23, 2017

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FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

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Jerry W. Sherrell
 Print or Type Name

 Signature

6/25/2024
 Date
575-748-1288
 Phone Number
jerrys@mec.com
 e-mail Address

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

**APPLICATION FOR SURFACE COMMINGLING
SUBMITTED BY MACK ENERGY CORPORATION**

ORDER NO. CTB-689-A

ORDER

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

FINDINGS OF FACT

1. Mack Energy Corporation (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools and leases described in Exhibit A (“Application”).
2. Applicant included a complete list of the wells currently dedicated to each pool and lease.
3. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
4. Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.

CONCLUSIONS OF LAW

6. 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, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
7. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10(A)(2) NMAC, 19.15.12.10(C)(4)(c) NMAC, and 19.15.12.10(C)(4)(e) NMAC, as applicable.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC and 19.15.23.9(A)(6) NMAC, as applicable.
9. Applicant’s proposed method of allocation, as modified herein, complies with 19.15.12.10(B)(1) NMAC or 19.15.12.10(C)(1) NMAC, as applicable.

10. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10(B)(3) NMAC and 19.15.12.10(C)(4)(h) NMAC.
11. 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 surface commingle oil and gas production from the pools and leases as described in Exhibit A.

Applicant is authorized to surface commingle oil and gas production from the wells included in Exhibit A, provided that they produce from a pool and lease described in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease, as applicable, from the pools and leases as described in Exhibit A at a central tank battery or gas title transfer meter described in Exhibit A.

2. This Order supersedes Order CTB-689.
3. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods:

- a. The initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first production.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

- b. The plateau period shall be measured from the end of the initial production period to the peak decline rate.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

- c. The decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows:

- i. a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month;
- ii. a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and
- iii. a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either:

- a. a minimum of twenty-four (24) consecutive hours; or
- b. a combination of nonconsecutive periods that meet the following conditions:
 - i. Each period shall be a minimum of six (6) hours.
 - ii. The total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.
 - iii. A vessel shall be allowed to reach equilibrium and a sufficient liquid retention time for accurate measurement achieved prior to beginning the well test.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

4. If Applicant recovers oil or gas production from produced water prior to Applicant injecting it or transferring custody of it, then that production shall be allocated to each well in the proportion that it contributed to the total produced water.
5. If Applicant recovers gas production using a vapor recovery unit (VRU), then that gas production shall be allocated to each well in the proportion that it contributed to the total oil production.
6. 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.
7. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.

8. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
9. Applicant shall install and utilize vessels that are appropriately designed to ensure sufficient separation of the fluids and to accurately measure oil and gas production.
10. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
11. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
12. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
13. 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**



Gerasimos Razatos for Albert Chang

**ALBERT C. S. CHANG
DIRECTOR**

DATE: 2/24/2026

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-689-A
Operator: Mack Energy Corporation (13837)
Central Tank Battery: Black Jack State Central Tank Battery
Central Tank Battery Location: UL I, Section 18, Township 18 South, Range 35 East
Gas Title Transfer Meter Location: UL I, Section 18, Township 18 South, Range 35 East

Pools

Pool Name	Pool Code
WC-025 G-06 S183518A;BONE SPRING	97930

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
SLO Lease VB-1313-0000	SE4	18-18S-35E
	NWNE	35-18S-34E
SLO Lease E0-5014-0007	NWSW	17-18S-35E
	N2SW, S2SE	21-18S-35E
	N2N2	31-18S-35E
SLO Lease VC-0639-0000	NESW, S2SW	17-18S-35E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-40533	BLACK JACK STATE #001	NESE	18-18S-35E	97930
30-025-41499	DEEP JACK #001	NWSW	17-18S-35E	97930
30-025-53096	HUSTLE STATE #001	SESW	17-18S-35E	97930

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 357042

CONDITIONS

Operator: MACK ENERGY CORP P.O. Box 960 Artesia, NM 882110960	OGRID: 13837
	Action Number: 357042
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
sarah.clelland	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 email us at OCD.Engineer@emnrd.nm.gov .	2/25/2026