

Revised March 23, 2017

RECEIVED:

REVIEWER:

TYPE:

APP NO:

4/26/2018

4/29/2018

CTB

PHAM 18/1456618

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: Hamilton Federal Com #1H & Thunder Bay Federal Com #1H

API: 30-005-64307 & 30-005-64308

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.

Deana Weaver

Print or Type Name

Deana Weaver

Signature

4/24/18

Date

575-748-1288

Phone Number

dweaver@mec.com

e-mail Address

Lands for Thunder Bay Federal CTB

T15S R29E

Sec. 22 W/2 –Hamilton Federal Com 1H, Thunder Bay Fed 1H

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

- (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. ROUND TANK;SAN ANDRES (52770)
(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) 7 day test intervals, using test equipment.

(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.

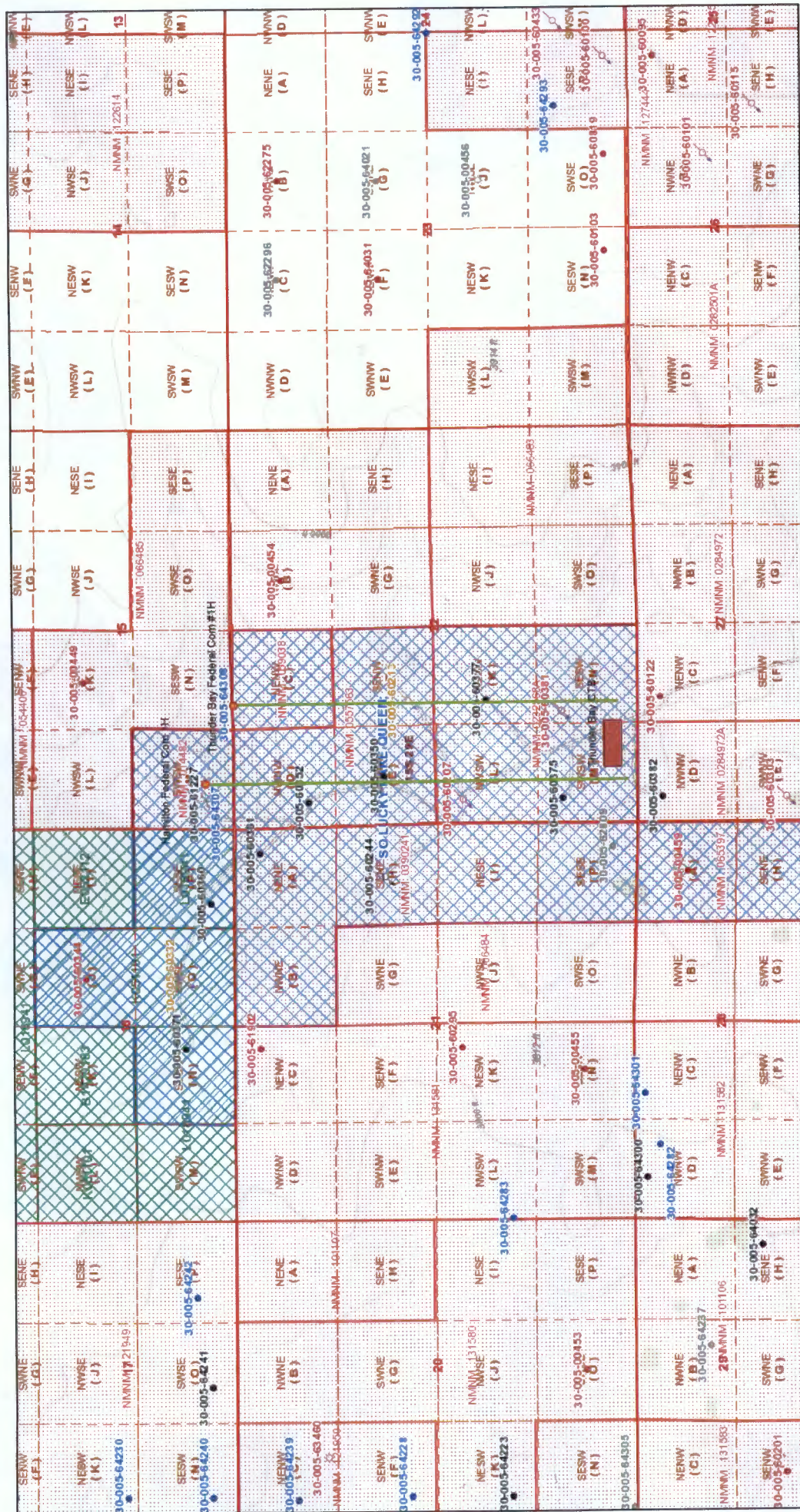
I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: _____ TITLE: PRODUCTION CLERK _____ DATE: _____

TYPE OR PRINT NAME Deana Weaver _____ TELEPHONE NO.: 575-748-1288 _____

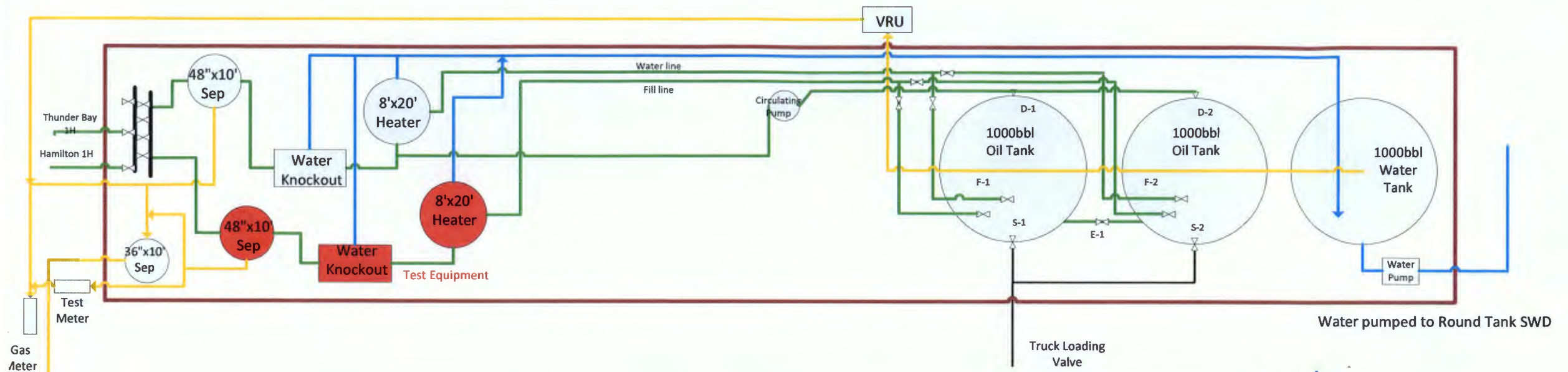
E-MAIL ADDRESS: dweaver@mec.com _____

OCD Well Locations



April 20, 2018

- Override 1
- Cancelled
- Temporarily Abandoned
- Well Locations - Small Scale
- Well Locations - Large Scale
- Active
- New
- Plugged
- CO2 Active



Thunder Bay Federal 1H 30-005-64308
Hamilton Federal 1H 30-005-64307



Production Phase

Tank 1	Tank 2
F-1 Open	F-1 Closed
F-2 Closed	F-2 Open
E-1 Open	E-1 Open
D-1 Open	D-1 Closed
D-2 Closed	D-2 Open
S-1 Closed	S-1 Closed
S-2 Closed	S-2 Closed

Mack Energy Corporation
PO Box 960 Artesia, NM 88211-0960
Thunder Bay Federal CTB
SWSW Sec. 22 T15S R29E

Sales Phase

Tank 1	Tank 2
F-1 Closed	F-1 Open
F-2 Open	F-2 Closed
E-1 Closed	E-1 Closed
D-1 Closed	D-1 Open
D-2 Open	D-2 Closed
S-1 Open	S-1 Closed
S-2 Closed	S-2 Open



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

April 25, 2018

*Oil Conservation Division
Attn: Michael A. McMillan
1220 S. St. Francis Drive
Santa Fe, NM 87505*

Re: Application of Mack Energy Corporation for administrative approval for Central Tank Battery approval to surface commingle (lease commingle) and off lease measurement of oil and gas production at a CTB Facility located in Section 22, Township 15S Range 29E, NMPM, Chaves County, New Mexico.

Dear Sir:

Mack Energy Corporation (OGRID 013837) seeks administrative approval for CTB Facility to surface commingle and off lease measurement of oil and gas production from the Round Tank; San Andres Pool (Pool Code 52770) for the attached list of existing and future wells and leases drilled within the mentioned areas of diverse ownership in Section 22 T15S R29E.

Pursuant to NMAC 19.15.12.7, approved spacing units with diverse ownership are considered separate leases for surface commingling and off-lease measurement purposes. Mack Energy is requesting approval to surface commingle and off-lease measurement of production according to the provisions of NMAC 19.15.12.10.C from all existing and future wells in these separate areas of diverse ownership at the Thunder Bay CTB in Unit M, Sec. 22 T15S R29E. Pursuant to 19.15.12.10(C)(4)(g), Mack Energy requests authority to produce future leases with notice provided to only the interest owners of the future wells on these leases. Each well will be tested through a test production train, located at this facility. Oil and Gas production will be measured using test meters and 7 day test cycles.

The gas production will be measured at this CTB, and then transported by pipeline to the central sales point located off lease in Unit O, Section 4-T16S-R29E, Chaves County.

Oil produced from the Hamilton Federal Com #1H in Unit M Section 15-T15S-R29E and the Thunder Bay Federal Com #1H Unit C Section 22-T15S-R29E is measured and sold from the Thunder Bay CTB located in Unit M, Sec 22 T15S R29E.

Exhibit 1 is a land map showing Mack's current and proposed development in the subject area.

Exhibit 2 is a completed Application for Surface Commingling (Diverse Ownership) and Off-Lease Measurement Form C107B.

Exhibit 3 is a list of all lands associated with this commingling application.

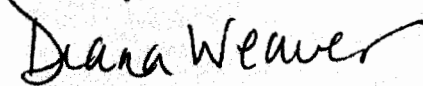
Exhibit 4 is a C-102 for each well both existing and proposed within the project area.

Exhibit 5 is a facility diagram for this CTB.

Exhibit 6 is a list of the interests affected by this request for approval of a CTB Facility. A copy of this application with all attachments has been sent by certified mail to all affected parties advising them that if they have an objection they must file it in writing with the division within 20 of the date the division receives Mack's application.

Your attention to this matter is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Deana Weaver".

Deana Weaver
Production Clerk
dwevaver@mec.com

DW/

[illegible]

District I
1025 N. Francisco Dr. Santa Fe, NM 87504
Phone: (505) 425-1100 Fax: (505) 425-1101
District II
1025 N. Francisco Dr. Santa Fe, NM 87504
Phone: (505) 425-1100 Fax: (505) 425-1101
District III
1025 N. Francisco Dr. Santa Fe, NM 87504
Phone: (505) 425-1100 Fax: (505) 425-1101
District IV
1025 N. Francisco Dr. Santa Fe, NM 87504
Phone: (505) 425-1100 Fax: (505) 425-1101

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 30-005-64308	² Pool Code 52770	³ Pool Name Round Tank; San Andres
⁴ Property Code	⁵ Property Name THUNDER BAY FEDERAL COM	⁶ Well Number 1H
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	⁹ Elevation 3844.9

¹⁰ Surface Location

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East/West line	County
C	22	15 S	29 E		10	NORTH	1650	WEST	CHAVES

¹¹ Bottom Hole Location If Different From Surface

UT or lot no.	Section	Township	Range	Lot Idn	Feet from the	North-South line	Feet from the	East/West line	County
N	22	15 S	29 E		270	SOUTH	1675	WEST	CHAVES

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>16 OPERATOR CERTIFICATION</p> <p>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 undivided 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 owners 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>Signature: <u>Deana Weaver</u> Date: <u>10/20/11</u></p> <p>Printed Name: _____</p> <p>E-mail Address: <u>dweaver@mec.com</u></p>		<p>17 SURVEYOR CERTIFICATION</p> <p>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>SEPTEMBER 8, 2011</p> <p>Date of Survey: _____</p> <p>Signature and Seal of Professional Surveyor: <u>[Signature]</u></p> <p>Certificate Number: <u>ELIMON E. JARAMILLO 118-12907</u></p> <p>SURVEY NO. <u>13837</u></p>	
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Legal Notice

To: Abbie Moody Cliff, Rutter & Wilbanks Corp., Donald E. Cooper and any unknown person who has mineral interests in W/2 Section 22, Township 15 South, Range 29 East.

Application of Mack Energy Corporation seeks administrative approval for CTB Facility to surface commingle oil and gas production from the Round Tank; San Andres Pool (Pool Code 52770) for existing and future wells and leases drilled within the mentioned area of diverse ownership in Section 22 T15S R29E.

Mack Energy is requesting approval to surface commingle production according to the provisions of NMAC 19.15.12.10.C from all existing and future wells. Pursuant to 19.15.12.10(C)(4)(g), Mack Energy requests authority to produce future leases with notice provided to only the interest owners of the future leases. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection has been made within the 20 days period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Deana Weaver, 11344 Lovington Hwy, PO Box 960, Artesia, NM 88211-0960, (575) 748-1288, dweaver@mec.com.

Re: Application of Mack Energy Corporation for administrative approval for Central Tank Battery approval to surface commingle (lease commingle) oil and gas production at a CTB Facility located in Section 22, Township 15S Range 29E, NMPM, Chaves County, New Mexico.

List of Affected Parties

Rodney B. Webb
1580 Highway 24
Weed, NM 88354

Sarah C. Webb
2409 Cerro Road
Artesia, NM 88210

Hanson McBride Petroleum
P.O. Box 1515
Roswell, NM 88202-1515

Lampert Royalty Trust 2008
5646 Milton St. #413
Dallas, TX 75206

Abbie Moody Cliff
Address Unknown

Rutter & Wilbanks Corp.
Address Unknown

Donald E. Cooper
Address Unknown

Chase Oil Corp
Robert C Chase
Ventana Minerals LLC
DiaKan Minerals LLC
Bureau of Land Management



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

April 25, 2018

VIA CERTIFIED MAIL 7015 0640 0006 7031 3861

*Bureau of Land Management
2909 West 2nd Street
Roswell, NM 88202-2909*

Dear Sir:

Mack Energy Corporation (OGRID 013837) seeks administrative approval for CTB Facility to surface commingle and off-lease measurement of oil and gas production from the Round Tank; San Andres Pool (Pool Code 52770) for the attached list of existing and future wells and leases drilled within the mentioned area of diverse ownership in Section 22 T15S R29E.

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The gas production will be measured at Thunder Bay CTB located in Unit M, Sec 22 T15S R29E CTB, then transported by pipeline to the central sales point located off lease in Unit O, Section 4-T16S-R29E, Chaves County.

Oil produced from the Hamilton Federal Com #1H in Unit M Section 15-T15S-R29E and the Thunder Bay Federal Com #1H Unit C Section 22-T15S-R29E is measured and sold from the Thunder Bay CTB located in Unit M, Sec 22 T15S R29E.

Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection has been made within the 20 day period, this application may be approved administratively by the Division.

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

Sincerely,

Deana Weaver
Production Clerk
dweaver@mec.com

DW/



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

April 25, 2018

VIA CERTIFIED MAIL 7015 0640 0006 7031 4028

Abby Moody Cliff
P.O. Box 804
Dexter, NM 88230

Dear Sir:

Mack Energy Corporation (OGRID 013837) seeks administrative approval for CTB Facility to surface commingle and off-lease measurement of oil and gas production from the Round Tank; San Andres Pool (Pool Code 52770) for the attached list of existing and future wells and leases drilled within the mentioned area of diverse ownership in Section 22 T15S R29E.

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Enclosed is a copy of this application which was filed with the New Mexico Oil Conservation Division on this date. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection has been made within the 20 day period, this application may be approved administratively by the Division.

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

Sincerely,

Deana Weaver
Production Clerk
dweaver@mec.com

DW/

Enclosures



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

April 25, 2018

VIA CERTIFIED MAIL 7015 0640 0006 7031 4004

*Rodney B. Webb
1580 Highway 24
Weed, NM 88354*

Dear Sir:

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

Sincerely,

Deana Weaver
Production Clerk
dweaver@mec.com

DW/



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

April 25, 2018

VIA CERTIFIED MAIL 7015 0640 0006 7024 4479

Sarah C. Webb
2409 Cerro Road
Artesia, NM 88210

Dear Sir:

Mack Energy Corporation (OGRID 013837) seeks administrative approval for CTB Facility to surface commingle and off-lease measurement of oil and gas production from the Round Tank; San Andres Pool (Pool Code 52770) for the attached list of existing and future wells and leases drilled within the mentioned area of diverse ownership in Section 22 T15S R29E.

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

Sincerely,

Deana Weaver
Production Clerk
dweaver@mec.com

DW/



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

April 25, 2018

VIA CERTIFIED MAIL 7015 0640 0006 7031 4011

*Lampert Royalty Trust 2008
5646 Milton St. #413
Dallas, TX 75206*

Dear Sir:

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Deana Weaver
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dweaver@mec.com

DW/



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

April 25, 2018

VIA CERTIFIED MAIL 7015 0640 0006 7024 4486

*Hanson McBride Petroleum
P.O. Box 1515
Roswell, NM 88202-1515*

Dear Sir:

Mack Energy Corporation (OGRID 013837) seeks administrative approval for CTB Facility to surface commingle and off-lease measurement of oil and gas production from the Round Tank; San Andres Pool (Pool Code 52770) for the attached list of existing and future wells and leases drilled within the mentioned area of diverse ownership in Section 22 T15S R29E.

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Sincerely,

Deana Weaver
Production Clerk
dweaver@mec.com

DW/



PO Box 100
Alamosa, NM 88411-0100
Office: 505.435.1855
Fax: 505.435.1857

August 1, 2016

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

RE: Mack Energy Corporation & Chase Affiliates

Dear Mr. McMillan:

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
- Richard L. Chase or Ventana Minerals LLC
- Gerene Dianne Chase Ferguson or DiaKan Minerals LLC
- Broken Arrow Royalties LLC
- Chase Oil Corporation

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 cursive script that reads "Staci Sanders".

Staci Sanders
Land Manager

/ss

McMillan, Michael, EMNRD

From: Jerry Sherrell <jerrys@mec.com>
Sent: Monday, April 16, 2018 2:27 PM
To: McMillan, Michael, EMNRD
Subject: RE: Gas CTB Application

yes

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Monday, April 16, 2018 2:27 PM
To: Jerry Sherrell
Subject: RE: Gas CTB Application

Is the Custody Transfer Point located in Unit O, Section 4 Township 16 South, Range 29 East?
Mike

From: Jerry Sherrell <jerrys@mec.com>
Sent: Monday, April 16, 2018 11:26 AM
To: McMillan, Michael, EMNRD <Michael.McMillan@state.nm.us>
Subject: Gas CTB Application

Jerry W. Sherrell
Mack Energy Corporation
PO Box 960
Artesia, NM 88210
Office 575-748-1288
Cell 575-703-7382
jerrys@mec.com

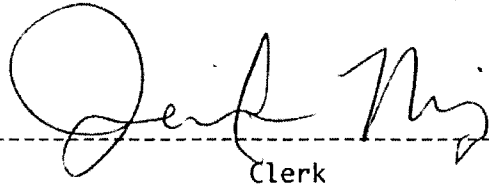
AFFIDAVIT OF PUBLICATION
STATE OF NEW MEXICO

I, Jennifer Martinez
Legals Clerk

Of the Roswell Daily Record, a daily newspaper published at Roswell, New Mexico do solemnly swear that the clipping hereto attached was published in the regular and entire issue of said paper and not in a supplement thereof for a period of:

One time with the issue dated

April 24th, 2018



Clerk

Sworn and subscribed to before me

this 24th day of April, 2018



Notary Public

My Commission expires
June 13th, 2018

Legal Notice...

Publish April 24, 2018

Legal Notice

To: Abbie Moody Cliff, Rutter & Wilbanks Corp., Donald E. Cooper and any unknown person who has mineral interests in W/2 Section 22, Township 15 South, Range 29 East.

Application of Mack Energy Corporation seeks administrative approval for CTB Facility to surface commingle oil and gas production from the Round Tank, San Andres Pool (Pool Code 52770) for existing and future wells and leases drilled within the mentioned area of diverse ownership in Section 22 T15S R29E.

Mack Energy is requesting approval to surface commingle production according to the provisions of NMAG 19.15.12.10.C from all existing and future wells. Pursuant to 19.15.12.10(C)(4)(g), Mack Energy requests authority to produce future leases with notice provided to only the interest owners of the future leases. Any objection to this application must be filed in writing within twenty days from this date at the Division's Santa Fe office located at 1220 South St. Francis Drive, Santa Fe, New Mexico, 87505. If no objection has been made within the 20 days period, this application may be approved administratively by the Division. If you have any questions about this application, please contact Deana Weaver, 11344 Lovington Hwy, PO Box 960, Artesia, NM 88211-0960, (575) 748-1288, dweaver@mec.com.