

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-886

February 5, 2019

Mack Energy Corporation
Attention: Mr. Jerry Sherrell

Mack Energy Corporation (OGRID 13837) is hereby authorized to surface commingle oil and gas production from the Round Tank; San Andres Pool (Pool code 52770) from the following diversely owned state leases in the form of state communization agreements located in Township 15 South, Range 28 East, Chaves County, New Mexico:

Lease:	Klondike State Com Well No. 1H	Communitization Agreement
Description:	SW/4 SE/4 of Section 23, W/2 E/2 of Section 26, and NW/4 NE/4 of Section 35	
Well:	Klondike State Com Well No. 1H	API 30-005-64295

Lease:	Medicine Hat State Com Well No. 1H	Communitization Agreement
Description:	W/2 of Section 35	
Wells:	Medicine Hat State Com Well No. 1H	API 30-005-64303
	Medicine Hat State Com Well No. 2H	API 30-005-64296

Lease:	Proposed Markham State Com Well No. 1H	Communitization Agreement
Description:	SE/4 SE/4 of Section 23, E/2 E/2 of Section 26 and E/2 NE/4 of Section 35	
Well:	Markham State Com Well No. 1H	API 30-005-64191

Lease:	Proposed Duncan State Com Well No. 1H	Communitization Agreement
Description:	SW/4 SW/4 of Section 24, W/2 W/2 of Section 25, and NW/4 NW/4 of Section 36	
Well:	Duncan State Com Well No. 1H	API 30-005-64316

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Klondike State Central Tank Battery (CTB), located in Unit H of Section 26, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico.

Your application has been duly filed under the provisions of Division Rules 19.15.12.10.C NMAC and 19.15.4.12.A (8) NMAC.

It is also understood that you have given due notice of this application to all owners in the mineral interest estate ("affected parties") as defined in Rule 19.15.12.10.C (4) NMAC.

Production from the subject wells shall be determined as follows:

The oil and gas production from each of the diversely-owned leases shall be measured with a combination of metering and well testing. Each of the wells shall be tested a minimum of seven days per cycle.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

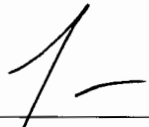
Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This administrative order is subject to like approval from the New Mexico State Land Office.

This administrative order supersedes Administrative Order CTB-846, issued on February 9, 2018. This administrative order adds the Duncan State Com Well No. 1H, and the dedicated acreage.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.



Gabriel Wade
Acting Director

GW/mam

cc: Oil Conservation Division – Artesia
New Mexico State Land Office - Oil, Gas, and Minerals