

RECEIVED: <b>1/15/2019</b>	REVIEWER: <b>M A M</b>	TYPE: <b>CTB</b>	APP NO: <b>PM19016 33182</b>
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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:** Multiple**API:** Multiple**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☐ IFI☐ EOR☐ PPR**CTB-88C****2) NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☒ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ 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

1/10/2019

Date

575-748-1288

Phone Number

jerrys@mec.com

e-mail Address

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. CTB-846  
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 attach 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: PRODUCTION CLERK

DATE: 1/10/2019

TYPE OR PRINT NAME Jerry W. Sherrell

TELEPHONE NO.: 575-748-1288

E-MAIL ADDRESS: jerrys@mec.com



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

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January 10, 2019

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

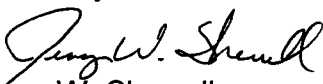
Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

Allocation of production will be measured through well testing of individual wells on 7 day intervals. The CTB will be equipped with a test production train. Oil measured by tank gauging and gas measured using a Total Flow Meter. Water will be measured using a turbine meter.

All interest owners involved have been notified.

Sincerely,

  
Jerry W. Sherrell  
Production Clerk  
[jerrys@mec.com](mailto:jerrys@mec.com)

JWS/

*Enclosures*

District I  
 1625 N. French Dr. Hobbs, NM 88240  
 Phone: (575) 393-6181 Fax: (575) 393-6720  
 District II  
 811 S. Elm St. Artesia, NM 88210  
 Phone: (575) 748-1283 Fax: (575) 748-0720  
 District III  
 1000 Rio Hondo Road, Amar, 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 <b>30-005-64295</b>		2 Pool Code <b>52770</b>		3 Pool Name <b>Round Tank, San Andres</b>	
4 Property Code <b>318348</b>		5 Property Name <b>KLONDIKE STATE COM</b>			6 Well Number <b>1H</b>
7 OGRID No. <b>13837</b>		8 Operator Name <b>MACK ENERGY CORPORATION</b>			9 Elevation <b>3579.5</b>

**\* Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>23</b>	<b>15 S</b>	<b>28 E</b>		<b>700</b>	<b>SOUTH</b>	<b>2285</b>	<b>EAST</b>	<b>CHAVES</b>

**\* 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
<b>G</b>	<b>35</b>	<b>15 S</b>	<b>28 E</b>		<b>2370</b>	<b>NORTH</b>	<b>2285</b>	<b>EAST</b>	<b>CHAVES</b>

10 Dedicated Acres <b>280</b>	11 Joint or Infill	12 Consolidation Code	13 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><b>" OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information provided herein is true and complete to the best of my knowledge and belief, and that this information shall not be used for any purpose other than that for which it was provided, and that the operator shall not be held responsible for any damages or injuries resulting from the use of this information.</p> <p><i>Jerry W. Sherrill</i> 8/8/2017          Signature Date  <b>Jerry W. Sherrill</b>          Printed Name  <b>jerryw@mec.com</b>          E-mail Address</p>		<p><b>"SURVEYOR CERTIFICATION</b></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>MAY 18, 2017          Date of Survey</p> <p><i>[Signature]</i>          Signature and Seal of Surveyor          Certificate Number 191 PATTI E. JARMAN, L.C. 115 12797          SURVEY NO. 5263</p>	
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District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (505) 393-6161 Fax: (505) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 314-6178 Fax: (505) 314-6170  
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

<sup>1</sup> API Number <b>30-005-64303</b>		<sup>2</sup> Pool Code <b>52770</b>		<sup>3</sup> Pool Name <b>Round Tank; San Andres</b>	
<sup>4</sup> Property Code <b>318349</b>		<sup>5</sup> Property Name <b>MEDICINE HAT STATE COM</b>			<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> OGRID No. <b>13837</b>		<sup>8</sup> Operator Name <b>MACK ENERGY CORPORATION</b>			<sup>9</sup> Elevation <b>3577.6</b>

\* Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>35</b>	<b>15 S</b>	<b>28 E</b>		<b>200</b>	<b>SOUTH</b>	<b>900</b>	<b>WEST</b>	<b>CHAVES</b>

\* 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
<b>D</b>	<b>35</b>	<b>15 S</b>	<b>28 E</b>		<b>40</b>	<b>NORTH</b>	<b>965</b>	<b>WEST</b>	<b>CHAVES</b>

<sup>10</sup> Dedicated Acres <b>160</b>	<sup>11</sup> Joint or Infill	<sup>12</sup> Consolidation Code	<sup>13</sup> 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><b>" OPERATOR CERTIFICATION</b></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 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. Sherrill</i> 11/29/2017 Signature Date</p> <p><i>Jerry W. Sherrill</i> Printed Name</p> <p><i>jerrysemec.com</i> Email Address</p>		<p><b>"SURVEYOR CERTIFICATION</b></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>OCTOBER 26, 2017 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number FILLMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 5309</p>	
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District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
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811 S. First St., Artesia, NM 88210  
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State of New Mexico  
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number <b>30-005-64296</b>		2 Pool Code <b>52770</b>		3 Pool Name <b>Round Tank; San Andres</b>	
4 Property Code <b>318349</b>		5 Property Name <b>MEDICINE HAT STATE COM</b>			6 Well Number <b>2H</b>
7 OGRID No. <b>13837</b>		8 Operator Name <b>MACK ENERGY CORPORATION</b>			9 Elevation <b>3577.4</b>

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	35	15 S	28 E		500	NORTH	2285	WEST	CHAVES

" 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
N	35	15 S	28 E		270	SOUTH	2285	WEST	CHAVES

10 Dedicated Acres <b>160</b>	11 Joint or Infill	12 Consolidation Code	13 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>588°35'13"E 2700.96 FT</p> <p>500'</p> <p>2285'</p> <p>500'</p> <p>500'49'07"E 4449.59 FT</p> <p>500'15'16"E 2600.03 FT</p> <p>500'18'03"E 2603.84 FT</p> <p>500'15'16"E 2600.03 FT</p> <p>500'18'03"E 2603.84 FT</p> <p>589°46'29"W 2652.08 FT</p> <p>589°38'01"W 2632.86 FT</p>		<p>N 01 CORNER SEC. 35 LAT. = 32.9796976°N LONG. = 104.1024299°W NWSP EAST (FT) N = 720227.61 E = 612143.37</p> <p>NE CORNER SEC. 35 LAT. = 32.9797168°N LONG. = 104.0938384°W NWSP EAST (FT) N = 720240.47 E = 614777.92</p> <p>MEDICINE HAT STATE COM 2H ELEV. = 3577.4' LAT. = 32.9783533°N (NAD83) LONG. = 104.1037618°W NWSP EAST (FT) N = 719737.61 E = 611736.02</p> <p>W 0 CORNER SEC. 35 LAT. = 32.9726351°N LONG. = 104.1111358°W NWSP EAST (FT) N = 717852.34 E = 609479.13</p> <p>E 0 CORNER SEC. 35 LAT. = 32.9725723°N LONG. = 104.0938200°W NWSP EAST (FT) N = 717841.13 E = 614789.47</p> <p>BOTTOM OF HOLE LAT. = 32.9661274°N LONG. = 104.1035851°W NWSP EAST (FT) N = 715289.63 E = 611799.89</p> <p>SW CORNER SEC. 35 LAT. = 32.9653743°N LONG. = 104.1110220°W NWSP EAST (FT) N = 715010.75 E = 609519.63</p> <p>SE CORNER SEC. 35 LAT. = 32.9654174°N LONG. = 104.0937948°W NWSP EAST (FT) N = 715038.06 E = 614802.13</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>" 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 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> 11/29/2017 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p> <p>jerry@smec.com E-mail Address</p> <p>" 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>JUNE 23, 2017 Date of Survey</p> <p><i>[Signature]</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number FILIMON F. JARAMILLO, PLS 12797</p> <p>SURVEY NO. 5308</p>	
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District I  
1625 N. French Dr., Hobbs, NM 88240  
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**NM OIL CONSERVATION**  
State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis  
Santa Fe, NM 87505

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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number <b>30-005-64191</b>		2 Pool Code <b>52770</b>		3 Pool Name <b>Round Tank; San Andres</b>	
4 Property Code <b>40378 319933</b>		5 Property Name <b>MARKHAM STATE COM</b>			6 Well Number <b>1H</b>
7 OGRID No. <b>13837</b>		8 Operator Name <b>MACK ENERGY CORPORATION</b>			9 Elevation <b>3574.0</b>

\* Surface Location

UT. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>P</b>	<b>23</b>	<b>15 S</b>	<b>28 E</b>		<b>330</b>	<b>SOUTH</b>	<b>990</b>	<b>EAST</b>	<b>CHAVES</b>

" 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
<b>H</b>	<b>35</b>	<b>15 S</b>	<b>28 E</b>		<b>2370</b>	<b>NORTH</b>	<b>965</b>	<b>EAST</b>	<b>CHAVES</b>

10 Dedicated Acres <b>240 200</b>	11 Joint or Infill	12 Consolidation Code	13 Order No.
--------------------------------------	--------------------	-----------------------	--------------

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 align="center"><b>" OPERATOR CERTIFICATION</b></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 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 align="center"><i>Deana Weaver</i> 11/6/17 Signature Date</p> <p align="center"><b>Deana Weaver</b></p> <p>Printed Name</p> <p align="center"><b>dweaver@mec.com</b></p> <p>Email Address</p>
	<p align="center"><b>"SURVEYOR CERTIFICATION</b></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>11/16/22, 2017 Date of Survey</p> <p align="center"><i>F. Jaramillo</i> Signature and Seal of Professional Surveyor</p> <p align="center">Certificate Number FJ10001100, PL112797 SURVEY NO. 2061A</p>



ESKIMO CENTRAL GAS LINE - addition of Duncan State Com #1H

1/9/2019

WELL: Duncan State Com #1H

PU: SWSW Sec 24; W/2W/2 Sec 25; NWNW Sec 36-T15S-R28E

Chase Oil Corp

Robert C Chase

Ventana Minerals LLC

Diakan Minerals LLC

Broken Arrow Royalties LLC

025075 White Rock Royalty Partners No. 1

025114 The H & S Drilling Company

025122 Lean Dog, LP

025271 Headington Royalty, Inc.

427 Boston Avenue, Ste. 711

320 S. Boston Avenue, Ste. 1910

P O Box 25203

1700 N. Redbud Blvd, Ste. 400

Tulsa

Tulsa

Dallas

McKinney

OK 74103

OK 74103

TX 75225

TX 75069

LEASES:

LFN: NM2442

Sec 24: SW/4SW/4

LFN: NM2443

Sec 25: SW/4NW/4, W/2SW/4

LFN: NM2444

Sec 36: E/2NE/4, NW/4

LFN: NM2742

Sec 25: NW/4NW/4

**SIGNATURE PAGE**

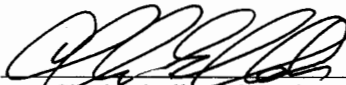
The undersigned approves of Mack Energy Corporation's request to add the Duncan State Com 1H SHL Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E, to our Klondike CTB (CTB-846 issued February 9, 2018).

**SENDERO ENERGY LLC**

By:   
Matt Brewer, Managing Member


Date: 1/10/19

**KATZ RESOURCES LLC**

By:   
Charles Sadler, Managing Member

Date: 1/10/19

**M SQUARED ENERGY LLC**

By:   
W. Lee Livingston, Managing Member

Date: 1/10/19



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

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:

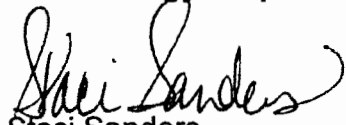
Mack Energy Corporation is a Chase Family owned entity. The following Chase individuals or companies are all affiliates of Mack Energy Corporation and usually own an interest in wells drilled and/or operated by Mack Energy Corporation.

- 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**

  
Staci Sanders  
Land Manager

/ss



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

January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 2933**

*Bogle Ltd. Company  
PO Box 460  
Dexter, NM 88230*

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

Allocation of production will be measured through well testing of individual wells on 7 day intervals. The CTB will be equipped with a test production train. Oil measured by tank gauging and gas measured using a Total Flow Meter. Water will be measured using a turbine meter.

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

Sincerely,

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

Jerry W. Sherrell  
Production Clerk  
[jerrys@mec.com](mailto:jerrys@mec.com)

JWS/

*Enclosures*



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January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 3329**

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

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

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[jerrys@mec.com](mailto:jerrys@mec.com)

JWS/

*Enclosures*



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January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 2919**

*Headington Royalty, Inc.  
1700 N. Redbud Blvd, Ste. 400  
McKinney, TX 75069*

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

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JWS/

*Enclosures*



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January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 3312**

*Lean Dog, LP  
P O Box 25203  
Dallas, TX 75225*

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

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Production Clerk  
[jerrys@mec.com](mailto:jerrys@mec.com)

JWS/

*Enclosures*



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Fax (575) 746-9539

January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 2926**

*Mossman-Midwest Company  
PO Box 597  
Roswell, NM 88202*

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

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Sincerely,

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[jerrys@mec.com](mailto:jerrys@mec.com)

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*Enclosures*



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

January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 3305**

*The H & S Drilling Company  
320 S. Boston Avenue, Ste. 1910  
Tulsa, OK 74103*

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

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

Sincerely,

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Production Clerk  
[jerrys@mec.com](mailto:jerrys@mec.com)

JWS/

*Enclosures*



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

January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 2940**

*Trustees of Dartmouth College  
7 Lebanon Street, Ste. 302  
Hanover, NH 03755*

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

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JWS/

*Enclosures*



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Fax (575) 746-9539

January 10, 2018

**VIA CERTIFIED MAIL 7018 1130 0002 2208 3299**

*White Rock Royalty Partners No. 1  
427 Boston Avenue, Ste. 711  
Tulsa, OK 74103*

Dear Sir:

Mack Energy Corporation is requesting administrative approval from the NMOCD to amend CTB-846. Mack Energy is requesting approval to add the Duncan State Com 1H Unit D, Sec. 36 T15S R28E, BHL Unit M Sec. 24 T15S R28E at our Klondike CTB, located in Unit H Sec. 26 T15S R28E. The oil production from the proposed Medicine Hat State Com 1H & 2H, Markham State Com 1H, Duncan State Com 1H along with the Klondike State Com 1H will be measured, stored and sold from the CTB location. Gas production will be transported through an approved pipeline to a sales point on DCP's gathering system in Unit O, Sec. 4 T16S R29E.

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Sincerely,

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Production Clerk  
[jerrys@mec.com](mailto:jerrys@mec.com)

JWS/

*Enclosures*

Production Summary Report				
API: 30-005-64303				
MEDICINE HAT STATE COM #001H				
Year	Pool	Oil(BBLs)	Gas(MCF)	Days P/I
6/1/2018	[52770] ROUND TANK;SAN ANDRES	8094	3821	30
7/1/2018	[52770] ROUND TANK;SAN ANDRES	10443	6356	31
8/1/2018	[52770] ROUND TANK;SAN ANDRES	9480	6915	31
9/1/2018	[52770] ROUND TANK;SAN ANDRES	8973	6600	30
10/1/2018	[52770] ROUND TANK;SAN ANDRES	7871	5820	31
11/1/2018	[52770] ROUND TANK;SAN ANDRES	6805	5264	30
Cum		68065	39319	

Production Summary Report				
API: 30-005-64295				
KLONDIKE STATE COM #001H				
Year	Pool	Oil(BBLs)	Gas(MCF)	Days P/I
6/1/2018	[52770] ROUND TANK;SAN ANDRES	6903	8085	30
7/1/2018	[52770] ROUND TANK;SAN ANDRES	7005	8263	31
8/1/2018	[52770] ROUND TANK;SAN ANDRES	7360	8357	31
9/1/2018	[52770] ROUND TANK;SAN ANDRES	7322	8059	30
10/1/2018	[52770] ROUND TANK;SAN ANDRES	7133	7930	31
11/1/2018	[52770] ROUND TANK;SAN ANDRES	5272	5571	27
Cum		95860	92693	

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



**ADMINISTRATIVE CENTRAL TANK BATTERY ORDER**

Administrative Order CTB-846  
Administrative Application Reference No. pMAM1802250279

February 9, 2018

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:	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

The combined project area for these wells includes the S/2 SE/4 of Section 23, E/2 of Section 26, and the E/2 NE/4 NW/4 NE/4 and W/2 of Section 35, all in Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico.

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.

Administrative Order CTB-846  
Mack Energy Corporation  
February 9, 2018

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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.

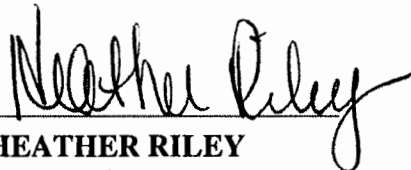
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

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.

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

  
**HEATHER RILEY**  
**Director**

HR/mam

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