

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-904
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) Periodic well test with allocation meters.

(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: 3/24/2022

TYPE OR PRINT NAME Jerry W. Sherrell TELEPHONE NO.: 575-748-1288

E-MAIL ADDRESS: jerrys@mec.com

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



CENTRAL TANK BATTERY

Administrative Order CTB-904
Amends Administrative Application CTB-858

July 16, 2019

Mack Energy Corporation
Attention: Mr. Jerry Sherrell

Mack Energy Corporation (OGRID 13837) is hereby authorized for off-lease measurement and to surface commingle oil and gas production from the Round Tank; San Andres Pool (Pool code: 52770) within the following lands located in Township 15 South, Range 29 East, Chaves County, New Mexico:

Section 21 W/2
Section 28 W/2
Section 29 E/2

These lands currently consist of the following diversely owned federal leases, federal communitization agreements ("CA"), and wells:

Lease: Federal lease NMNM 131581
Descriptions: W/2 of Section 21
Wells: White Rock Federal Well No. 1H API 30-005-64300
 White Rock Federal Well No. 2H API 30-005-64301

Lease: (Proposed) Prince George Federal Com Well No. 1H CA
Description: W/2 E/2 of Section 29
Well: Prince George Federal Com Well No. 1H API 30-005-64310

Lease: (Proposed) Montreal Federal Com Well No. 1H CA
Description: E/2 E/2 of Section 20
Wells: Montreal Federal Com Well No. 1H API 30-005-64339
 Montreal Federal Com Well No. 2H API 30-005-64340

The commingled oil production from the wells detailed above shall be measured and sold at the White Rock Central Tank Battery (CTB), located in Unit D of Section 28.

Administrative Order CTB-904
Mack Energy Corporation
July 16, 2019
Page 2 of 3

The commingled gas production from the wells detailed above shall be measured at the CTB. The gas production shall be sold at the Applicant's discretion at the Eddy County Facility Measurement Point (Eddy Co. FMP) located in Unit O, Section 4, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico, or the Chaves County Facility Measurement Point (Chaves Co. FMP) located in Unit N, Section 22, Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico. Further, gas production measurement from the Round Tank; San Andres Pool is also governed by order CTB-855, issued by the Division on May 15, 2018.

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.

For future additions of wells, leases, and pools to this commingling operation, notice shall only be given to those interest owners in the wells, leases or pools to be added, in accordance with Division Rule 19.15.12.10 C (4) (g) 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 Order supersedes Administrative Order CTB-858, issued on June 15, 2018. This Order adds the Montreal Federal Com Well No. 1H and Montreal Federal Com Well No. 2H to this administrative order. Also, the gas may at the Applicant's discretion maybe sold at the Eddy Co. FMP or the Chaves Co. FMP.

This administrative order is subject to like approval from the Bureau of Land Management.

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

Administrative Order CTB-904
Mack Energy Corporation
July 16, 2019
Page 3 of 3



Adrienne Sandoval
Director

AS/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad



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

March 24, 2022

Oil Conservation Division
Attn: Dean McClure
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 to amend CTB-904. Added wells to previously outlined lands. All wells produce from the Round Tank; San Andres pool (52770) and will be commingled at CTB-904 located in the Unit D Sec. 28 T15S R29E.

This CTB request is for Oil only. Gas production is governed by CTB-887.

Allocation of production will be measured through well testing of individual wells. Wells will be tested once a month for a minimum 24 hours. The CTB is 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.

This request is for all leases within this designated project area. Any future in fill wells will be added using sundry notices and notification for only the wells added.

These leases have different working and override interest's ownership. All affected parties have been notified of this application via certified mail.

Commingling will not decrease the value of production.

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

Sincerely,

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

Jerry W. Sherrell
Production Supervisor
jerrys@mec.com

JWS/

CTB Well List

Current Producers

<i>White Rock Federal 1H</i>	<i>30-005-64300</i>
<i>White Rock Federal 2H</i>	<i>30-005-64301</i>
<i>Montreal Federal Com 1H</i>	<i>30-005-64339</i>
<i>Montreal Federal Com 2H</i>	<i>30-005-64340</i>
<i>Prince George Federal Com 1H</i>	<i>30-005-64310</i>

Added Producers

<i>Yellowknife Federal 2H</i>	<i>30-005-64322</i>
<i>Yellowknife Federal 3H</i>	<i>30-005-64325</i>
<i>Prince George Federal Com 2H</i>	<i>30-005-64321</i>

Commingled Facility with LACT

Multiple Tanks and Production Trains

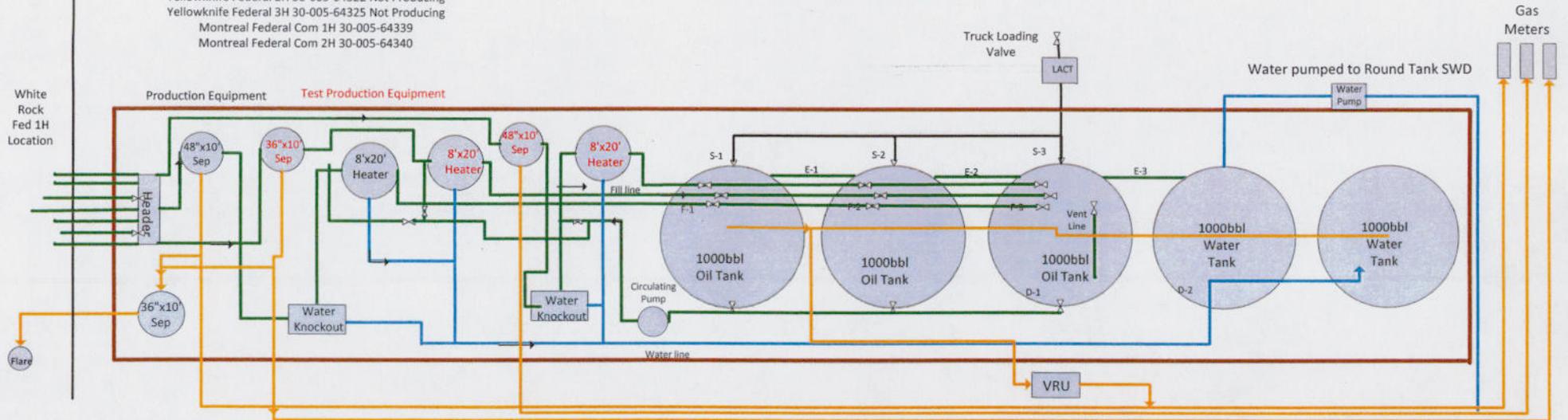
Closed System sales are completed through LACT unit.

Can be producing into multiple tanks simultaneously.



Mack Energy Corporation
 PO Box 960 Artesia, NM 88211-0960
 White Rock Federal CTB
 NWNW Sec. 28 T15S R29E

White Rock Federal 1H 30-005-64300
 White Rock Federal 2H 30-005-64301
 Prince George Fed Com 1H 30-005-64310
 Prince George Fed Com 2H 30-005-64321
 Yellowknife Federal 2H 30-005-64322 Not Producing
 Yellowknife Federal 3H 30-005-64325 Not Producing
 Montreal Federal Com 1H 30-005-64339
 Montreal Federal Com 2H 30-005-64340



Re: Application of Mack Energy Corporation for administrative approval for Central Tank Battery and Off Lease Measurement of oil and gas production at a CTB Facility located in Section 28, Township 15S Range 29E, NMPM, Chaves County, New Mexico.

List of Affected Parties

Sendero Energy LLC

Katz Resources LLC

M Squared Energy LLC

Chase Oil Corp

Robert C Chase

Broken Arrow Royalties LLC

Ventana Minerals LLC

DiaKan Minerals LLC

Bureau of Land Management



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

March 23, 2022

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

RE: Mack Energy Corporation & Chase Affiliates

Dear Mr. McClure:

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 or RDC Minerals LLC
- Richard L. Chase or Ventana Minerals LLC
- Gerene Dianne Chase Ferguson or DiaKan Minerals LLC
- Broken Arrow Royalties LLC
- Chase Oil Corporation
- Sendero Energy LLC
- Katz Resources LLC
- M Squared Energy LLC

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 blue ink that reads "Staci Sanders".

Staci Sanders
Land Manager

/ss



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

VIA CERTIFIED MAIL 7019 1640 0002 0377 7750

March 24, 2022

Bureau of Land Management
620 East Greene Street
Carlsbad, NM 88220

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval to amend CTB-904. Added wells to previously outlined lands. All wells produce from the Round Tank; San Andres pool (52770) and will be commingled at CTB-904 located in the Unit D Sec. 28 T15S R29E.

This CTB request is for Oil only. Gas production is governed by CTB-887.

Allocation of production will be measured through well testing of individual wells. Wells will be tested once a month for a minimum 24 hours. The CTB is 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.

This request is for all leases within this designated project area. Any future in fill wells will be added using sundry notices and notification for only the wells added.

These leases have different working and override interest's ownership. All affected parties have been notified of this application via certified mail.

Commingling will not reduce the value of production.

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

Sincerely,

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

Jerry W. Sherrell
Production Supervisor
jerrys@mec.com

JWS/

CTB Well List

Current Producers

<i>White Rock Federal 1H</i>	<i>30-005-64300</i>
<i>White Rock Federal 2H</i>	<i>30-005-64301</i>
<i>Montreal Federal Com 1H</i>	<i>30-005-64339</i>
<i>Montreal Federal Com 2H</i>	<i>30-005-64340</i>
<i>Prince George Federal Com 1H</i>	<i>30-005-64310</i>

Added Producers

<i>Yellowknife Federal 2H</i>	<i>30-005-64322</i>
<i>Yellowknife Federal 3H</i>	<i>30-005-64325</i>
<i>Prince George Federal Com 2H</i>	<i>30-005-64321</i>

NM OIL CONSERVATION
ARTESIA DISTRICT

OCT 03 2017

Desert
1625 N French Ln. Santa Fe, NM 87505
Phone (505) 424-1101 Fax (505) 424-1102
District II
4115 Lantana Avenue, NM 87526
Phone (505) 826-1201 Fax (505) 826-1202
District III
1740 Rio Pecos Road, Santa Fe, NM 87506
Phone (505) 333-4174 Fax (505) 333-4175
District IV
1720 S. St. Francis Dr., Santa Fe, NM 87503
Phone (505) 424-1101 Fax (505) 424-1102

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
RECEIVED
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-005-64300		* Pool Code 52770	* Pool Name Round Tank; San Andres						
* Property Code 314853	* Property Name WHITE ROCK FEDERAL			* Well Number 111					
* OHSID No. 13837	* Operator Name MACK ENERGY CORPORATION			* Elevation 3790.3					
* Surface Location									
U/I, or lot no. D	Section 28	Township 15 S	Range 29 E	Lat 1/4 140	Feet from the 140	North/South line NORTH	Feet from the 555	East/West line WEST	County CHAVES
* Bottom Hole Location If Different From Surface									
U/I, or lot no. D	Section 21	Township 15 S	Range 29 E	Lat 1/4 270	Feet from the 270	North/South line NORTH	Feet from the 355	East/West line WEST	County CHAVES
* Dedicated Acres		* Joint or Infill		* Consolidation Code		* 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.

*** OPERATOR CERTIFICATION**

I hereby certify that the well location is contained herein and is complete to the best of my knowledge and belief, and that this information reflects the physical location of the well and is not a duplicate of any other well in the area. I am not aware of any other well in the area that is a duplicate of this well. I am not aware of any other well in the area that is a duplicate of this well.

Signature: Deanna Weaver 10/2/17
Date: _____

Name: Deanna Weaver
Printed Name: _____

Email Address: dweaver@mec.com

*** SURVEYOR CERTIFICATION**

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.

DATE OF SURVEY: 11/11/2017
Date of Survey: _____

Signature: [Signature]
Printed Name: _____

Professional Engineer License No. 104224768
Professional Engineer License No. _____

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 749-1283 Fax: (575) 749-9720

District III
1000 Rio Arriba Road, Arter, 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

API Number 30-005-64339		Pool Code 52770	Pool Name Round Tank; San Andres
Property Code 318386	Property Name MONTREAL FEDERAL COM		Well Number 1H
OGRID No. 13837	Operator Name MACK ENERGY CORPORATION		Elevation 3774.8

Surface Location

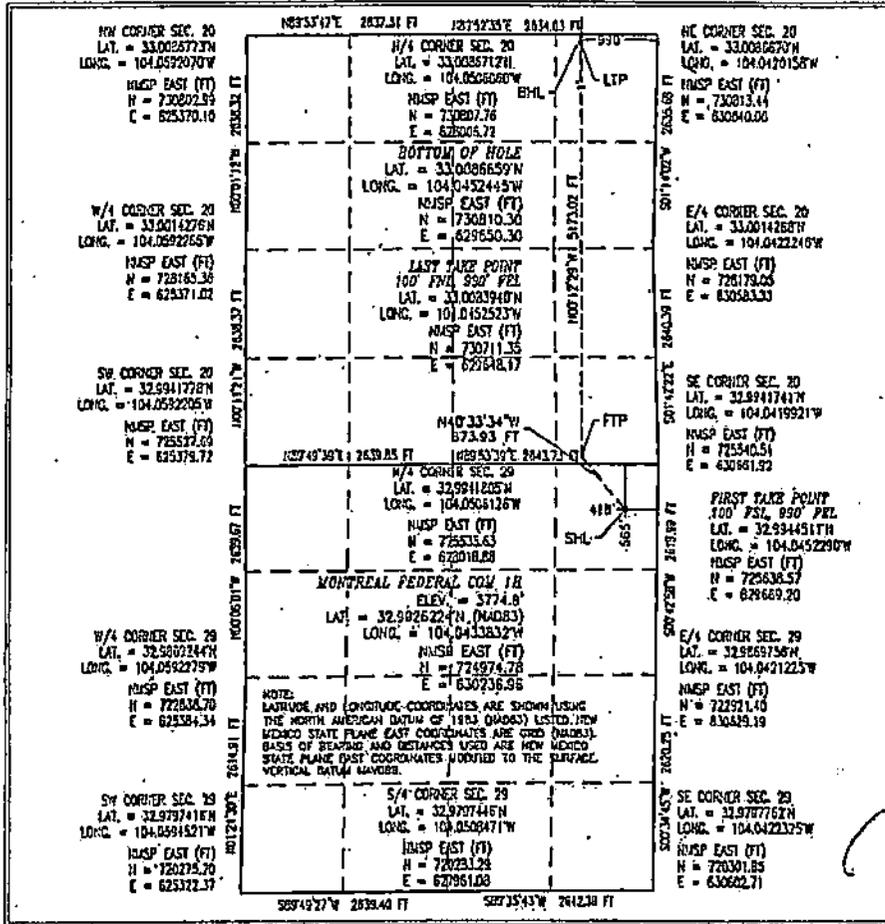
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	29	15 S	29 E		565	NORTH	418	EAST	CHAVES

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
A	20	15 S	29 E		1	NORTH	990	EAST	CHAVES

Dedicated Acres 160	Joint or Infill	Consolidation Code	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.



" OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this original and other copies including interests or unleased mineral interests 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 and/or heretofore entered by the division.

Deana Weaver **5.15.19**
Signature Date

Deana Weaver
Printed Name

dweaver@mec.com
E-mail Address

"SURVEYOR CERTIFICATION

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.

APRIL 30, 2019
Date of Survey

JARAMILLO
SURVEYOR IN NEW MEXICO

[Signature]
Registered Professional Surveyor

Certificate Number: **FILIPINO JARAMILLO, PLS 13797**
SURVEY NO. 26619

RW 7-12-19

District I
1624 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
311 S. First St., Artesia, NM 84210
Phone: (575) 748-1283 Fax: (575) 748-0720
District III
1000 Rio Grande Blvd., Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1320 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

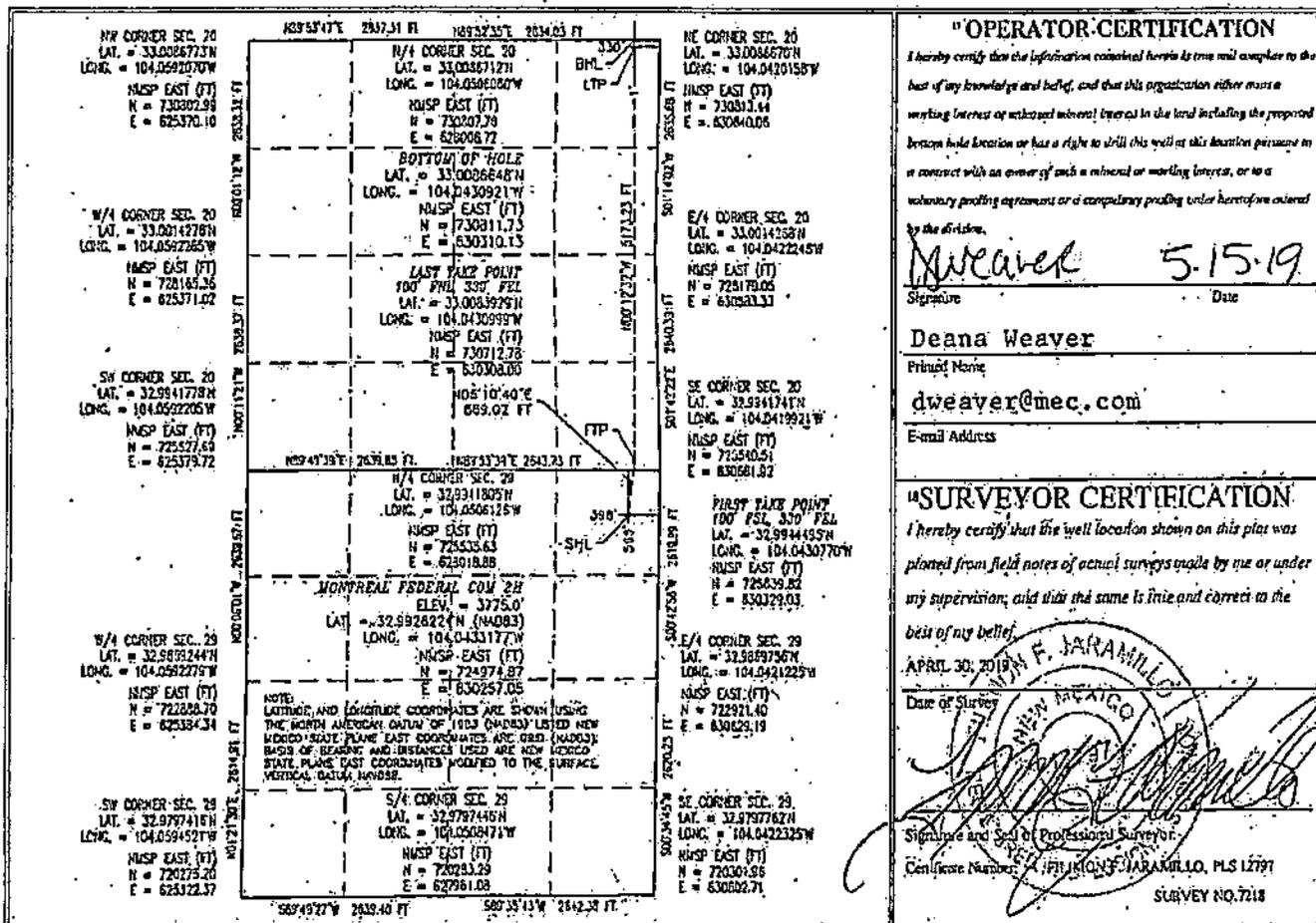
State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-64340		Post Code 52770	Pool Name Round Tank; San Andres	
Property Code 318386		Property Name MONTREAL FEDERAL COM		Well Number 2H
OGRID No. 13837		Operator Name MACK ENERGY CORPORATION		Elevation 3775.0
Surface Location				
UL or lot no: A	Section 20	Township 15 S	Range 29 E	Lot Idn 565
Feet from the 398		North/South line NORTH		East/West line EAST
Bottom Hole Location If Different From Surface				
UL or lot no. A	Section 20	Township 15 S	Range 29 E	Lot Idn 1
Feet from the 330		North/South line NORTH		East/West line EAST
Dedicated Acres 160		Joint or to fill		Consolidation Code
				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.



"OPERATOR CERTIFICATION"
I hereby certify that the information contained herein is true and accurate to the best of my knowledge and belief, and that this representation either must be working interest or without 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.
Deana Weaver 5.15.19
Signature Date

Deana Weaver
Printed Name
dweaver@mec.com
E-mail Address

"SURVEYOR CERTIFICATION"
I hereby certify that the well location shown on this plat was platted 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.
APRIL 30, 2019
Date of Survey
Deana Weaver
Signature and Seal of Professional Surveyor
Certificate Number: *DEANA WEAVER, PLS 12797*
SURVEY NO. 7218

RWP 7-12-19

RECEIVED

District I
1623 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, 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. DISTRICT II-ARTESIA O.C.D.
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

As Drilled

API Number 30-005-64310		Pool Code 52770	Pool Name Round Tank; San Andres
Property Code 320814	Property Name PRINCE GEORGE FEDERAL COM		Well Number 1H
GRID No. 13837	Operator Name MACK ENERGY CORPORATION		Elevation 3781.5

Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
B	32	15 S	29 E		660	NORTH	2285	EAST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/ West line	County
B	29	15 S	29 E		4	NORTH	2281	EAST	CHAVES

Dedicated Acres 160	Joint or Infill	Consolidation Code	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.

Map details include: NW CORNER SEC. 29, N O CORNER SEC. 29, NE CORNER SEC. 29, W O CORNER SEC. 29, NW CORNER SEC. 32, N O CORNER SEC. 32, NE CORNER SEC. 32, W O CORNER SEC. 32, SW CORNER SEC. 32, S O CORNER SEC. 32. Well location is marked as AS-DRILLED with coordinates: LAT. = 32.9941698°N, LONG. = 104.0494325°W. Elevation is 3781.5.

" OPERATOR CERTIFICATION

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.

Deana Weaver 11.26.18
Signature Date

Deana Weaver
Printed Name

dweaver@mec.com
E-mail Address

"SURVEYOR CERTIFICATION

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.

NOVEMBER 7, 2018
Date of Survey

FILMON F. JARAMILLO
Signature of Professional Surveyor

Certificate Number: FILMON F. JARAMILLO, 225 12797
SURVEY NO. 5610A

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 394-6161 Fax (575) 394-0720
District II
311 S First St., Artesia, NM 88201
Phone (575) 745-1253 Fax (575) 745-0720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 144-6178 Fax (505) 144-6170
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

* API Number 30-005-64321		* Pool Code 52770	* Pool Name Round Tank; San Andres
* Property Code 320814	* Property Name PRINCE GEORGE FEDERAL COM		* Well Number 2H
* GRID No. 13837	* Operator Name MACK ENERGY CORPORATION		* Elevation 3789.1

*** Surface Location**

UI, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	20	15 S	29 E		565	SOUTH	965	EAST	CHAVES

*** Bottom Hole Location If Different From Surface**

UI, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	29	15 S	29 E		10	SOUTH	965	EAST	CHAVES

* Dedicated Acres 160	** Joint or Infill	** Consolidation Code	** 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.

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 REFERRED TO THE SURFACE VERTICAL DATUM NUMBERS.

PRINCE GEORGE FEDERAL COM 2H
LAT. = 32.98572817N (NAD83)
LONG. = 104.04518987W
ELEV. = 3789.1'
NWSP EAST (FT)
N = 726103.58
E = 629679.97

SURFACE LOCATION
S O CORNER SEC. 20
LAT. = 32.99418020N
LONG. = 104.05061260W
NWSP EAST (FT)
N = 725535.63
E = 628018.25

BOTTOM OF HOLE
LAT. = 32.9797922 N
LONG. = 104.04537817W
NWSP EAST (FT)
N = 726305.14
E = 629638.08

LAST TAKE POINT
100' FSL, 865' FSL
LAT. = 32.9803395N
LONG. = 104.0453744W
NWSP EAST (FT)
N = 720395.11
E = 629638.99

SE CORNER SEC. 20
LAT. = 33.0066270N
LONG. = 104.0420152W
NWSP EAST (FT)
N = 730913.44
E = 630610.06

SE CORNER SEC. 20
LAT. = 32.9944765N
LONG. = 104.0422745W
NWSP EAST (FT)
N = 726179.05
E = 630623.33

SE CORNER SEC. 29
LAT. = 32.9863756N
LONG. = 104.0421225W
NWSP EAST (FT)
N = 725438.75
E = 628695.92

SE CORNER SEC. 29
LAT. = 32.9797782N
LONG. = 104.04229325W
NWSP EAST (FT)
N = 720301.96
E = 630677.71

*** OPERATOR CERTIFICATION**

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 or working interest or undivided mineral interest in the land including the proposed location of the location or has a right to drill the well at this location pursuant to a contract with an owner of such a mineral or working interest or has a derivative, pooling agreement or a completed production order based on an interest in the division.

Deana Weaver **B23-18**
Signature Date

Deana Weaver
Printed Name

dweaver@mec.com
E-mail Address

*** SURVEYOR CERTIFICATION**

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.

11/01/22, 2018
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor

Certification Number **PL 110076 TARRASCO 11 015 12791**
SURVEY NO 6321

RW 10-1-18

**NM OIL CONSERVATION
ARTESIA DISTRICT**

Object 1
1625 N French Dr., Hobbs, NM 88240
Phone (505) 494-6161 Fax (505) 494-0720
District II
111 S First St., Artesia, NM 88210
Phone (505) 746-1251 Fax (505) 746-0720
District III
1000 Rio Hondo Road, Aztec, NM 87410
Phone (505) 344-6174 Fax (505) 344-6170
District IX
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

OCT 01 2018
RECEIVED

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-005-64322		* Pool Code 52770	* Pool Name Round Tank; San Andres
* Property Code 314852	* Property Name YELLOWKNIFE FEDERAL		* Well Number 2H
* OGRID No. 13837	* Operator Name MACK ENERGY CORPORATION		* Elevation 3798.3

*** Surface Location**

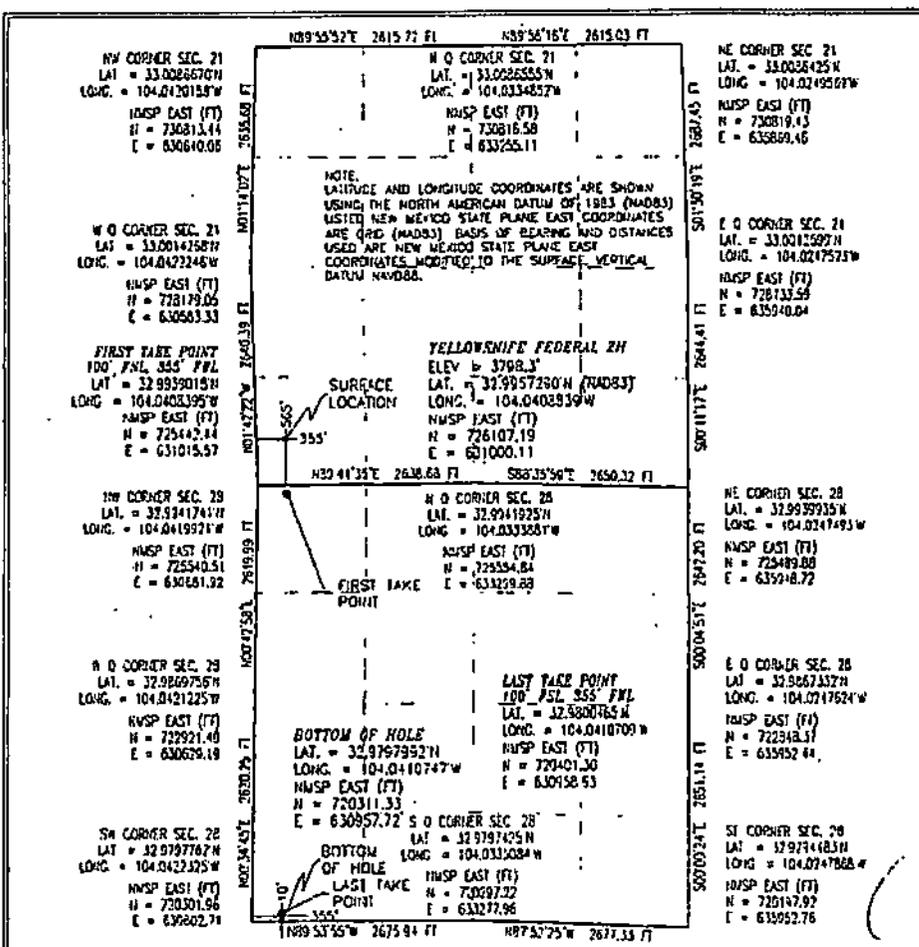
U/I, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	21	15 S	29 E		565	SOUTH	355	WEST	CHAVES

*** Bottom Hole Location If Different From Surface**

U/I, or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	28	15 S	29 E		10	SOUTH	355	WEST	CHAVES

* Dedicated Acres	** Joint or Infill	** Consolidation Code	** Order No.
160			

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.



*** OPERATOR CERTIFICATION**
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization enters into a working interest in oil and natural gas on the land on which the proposed well is to be drilled, or has a right to drill this well at the location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a completion pooling under hereby entered by the division.
Deana Weaver 9-23-18
Signature _____ Date _____
Deana Weaver
Printed Name
dweaver@mec.com
E-mail Address

*** SURVEYOR CERTIFICATION**
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.
JUNE 11, 2018
Date of Sign
Signature and Seal of the Surveyor
Certificate Number **PH 150011** JARAMILLO PLS 12797
SURVEY NO. **AN15**

RWP 10-1-18

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT, entered into as of the 1st day of March, 2022, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 15 South, Range 29 East, N.M.P.M.
Section 29: E/2 E/2
Chaves County, New Mexico

containing 160 acres, and this agreement shall include the San Andres formation underlying said lands and the crude oil and associated natural gas, hereinafter referred to as "communitized substances," producible from such formation.

2. Attached hereto and made a part of this agreement for all purposes, is Exhibit "A", a plat designating the communitized area and, Exhibit B, designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. The Operator of the communitized area shall be Mack Energy Corporation, P.O. Box 960, Artesia, NM 88211-0960. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this

agreement. A successor operator may be designated by the owners of the working interest in the communitized area, and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.

4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of $1/8^{\text{th}}$ or $12 \frac{1}{2}$ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed, and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining $7/8^{\text{th}}$ should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of the communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing, and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this

agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each Communitization agreement to which such lease may be committed, and separately as to any non-communitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any non-communitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. The date of this agreement is March 1, 2022 and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not

in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occurs in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

Operator:

Mack Energy Corporation

By: Staci D. Sanders
 Staci D. Sanders
 Vice President - Land

Date: 3/15/2022

Lessee of Record & Working Interest Owner
Chase Oil Corporation

By: Staci D. Sanders
Staci D. Sanders, Vice President-Land

Date: 3/15/2022

Working Interest Owners:

RDC Minerals LLC

By: Robert C. Chase
Robert C. Chase, Manager

Date: 3/22/22

Ventana Minerals LLC

By: Staci D. Sanders
Staci D. Sanders, Attorney-in-Fact

Date: 3/15/2022

DiaKan Minerals LLC

By: Crissa D. Carter
Crissa D. Carter, Attorney-in-Fact

Date: 3/22/22

Sendero Energy LLC

By: Matt Brewer
Matt Brewer, Manager

Date: 3/15/2022

Katz Resources LLC

By: Charles Sadler
Charles Sadler, Manager

Date: 3/15/2022

M Squared Energy LLC

By: W. Lee Livingston
W. Lee Livingston, Manager

Date: 3/18/2022

ACKNOWLEDGEMENTS

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 15th day of March, 2022, by Staci D. Sanders, Vice President-Land of **Mack Energy Corporation**, a New Mexico corporation, on behalf of said corporation.

DAWNA M. ROCHELLE
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1098998
COMMISSION EXPIRES: 10-07-2023

Dawna M. Rochelle
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 15th day of March, 2022, by Staci D. Sanders, Vice President-Land of **Chase Oil Corporation**, a New Mexico corporation, on behalf of said corporation.

DAWNA M. ROCHELLE
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1098998
COMMISSION EXPIRES: 10-07-2023

Dawna M. Rochelle
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 22nd day of March, 2022, by Robert C. Chase, as Manager of **RDC Minerals LLC**, a New Mexico limited liability company, on behalf of said company.

DAWNA M. ROCHELLE
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1098998
COMMISSION EXPIRES: 10-07-2023

Dawna M. Rochelle
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 15th day of March, 2022, by Staci D. Sanders, Attorney-in-Fact of **Ventana Minerals LLC**, a New Mexico limited liability company, on behalf of said company.

DAWNA M. ROCHELLE
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1098998
COMMISSION EXPIRES: 10-07-2023

Dawna M. Rochelle
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 22nd day of March, 2022, by Crissa D. Carter, Attorney-in-Fact of **DiaKan Minerals LLC**, a Texas limited liability company, on behalf of said company.

DAWNA M. ROCHELLE
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1098998
COMMISSION EXPIRES: 10-07-2023

Dawna M. Rochelle
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 15th day of March, 2022, by Matt Brewer, as Manager of **Sendero Energy LLC**, a New Mexico limited liability company, on behalf of said company.

DAWNA M. ROCHELLE
NOTARY PUBLIC
STATE OF NEW MEXICO
COMMISSION # 1098998
COMMISSION EXPIRES: 10-07-2023

Dawna M. Rochelle
Notary Public

STATE OF ARIZONA §

COUNTY OF Maricopa §

This instrument was acknowledged before me on this 15th day of March, 2022, by Charles Sadler, as Manager of **Katz Resources LLC**, a New Mexico limited liability company, on behalf of said company.

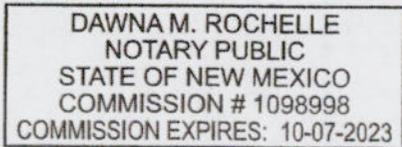


Tyler Heacock
Notary Public

STATE OF NEW MEXICO §

COUNTY OF EDDY §

This instrument was acknowledged before me on this 18th day of March, 2022, by W. Lee Livingston, as Manager of **M Squared Energy LLC**, a New Mexico limited liability company, on behalf of said company.

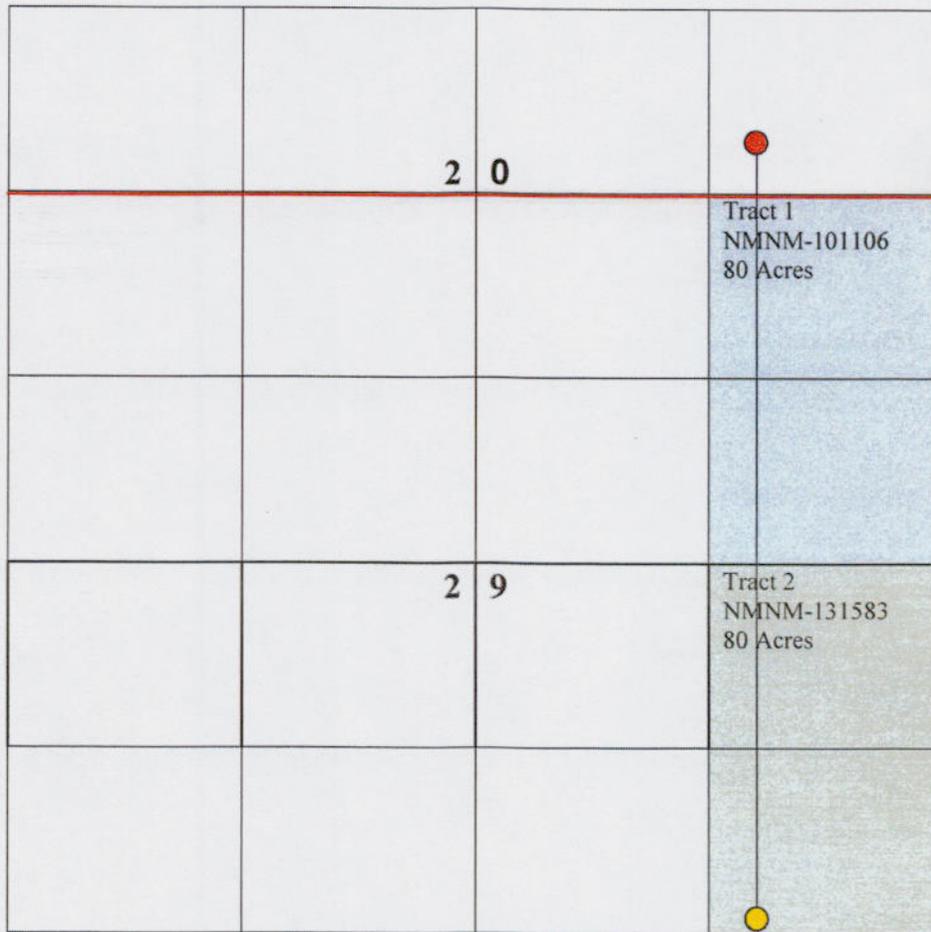


Dawna M. Rochelle
Notary Public

EXHIBIT A

Attached to and made a part of that certain Communitization Agreement dated effective March 1, 2022, covering the E/2E/2 of Section 29, Township 15 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.

Plat of Communitized Area
Prince George Federal Com #2H – API #30-005-64321



- SHL: 565' FSL & 965' FEL, Sec. 20-T15S-R29E
- FTP: 100' FNL & 965' FEL, Sec. 29-T15S-R29E
- LTP: 100' FSL & 965' FEL, Sec.29-T15S-R29E
- BHL: 10' FSL & 965' FEL, Sec. 29-T15S-R29E

EXHIBIT B

Attached to and made a part of that certain Communitization Agreement dated effective March 1, 2022, covering the E/2E/2 of Section 29, Township 15 South, Range 29 East, N.M.P.M., Chaves County, New Mexico.

Prince George Federal Com #2H – API #30-005-64321

Operator of Communitized Area: Mack Energy Corporation

DESCRIPTION OF LEASES COMMITTED**TRACT NO. 1**

Lease Serial No.:	NMNM-101106
Description of Lands Committed:	<u>T15S, R29E, NMPM</u> <u>Section 29: E/2NE/4</u>
Number of Acres:	80 acres
Current Lessee of Record:	Chase Oil Corporation
Name and Percent of WI Owners:	Chase Oil Corporation 82% RDC Minerals LLC 5% Ventana Minerals LLC 5% DiaKan Minerals LLC 5% Sendero Energy LLC 1% Katz Resources LLC 1% M Squared Energy LLC 1%

TRACT NO. 2

Serial No.:	NMNM-131583
Description of Lands Committed:	<u>T15S, R29E, NMPM</u> <u>Section 29: E/2SE/4</u>
Number of Acres:	80 acres
Current Lessee of Record:	Chase Oil Corporation
Name and Percent of WI Owners:	Chase Oil Corporation 82% RDC Minerals LLC 5% Ventana Minerals LLC 5% DiaKan Minerals LLC 5% Sendero Energy LLC 1% Katz Resources LLC 1% M Squared Energy LLC 1%

RECAPITULATION

Tract numbers	Number of Acres Committed	Percentage of Interest in Communitized Area
Tract No. 1	80.00	50.00%
Tract No. 2	80.00	50.00%
Total Acreage	160.00	100.00%

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

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: Yellowknife Federal 2H **API:** 30-005-64322
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(PORATION 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

3/24/2022
 Date

Jerry W. Sherrell
 Signature

575-748-1288
 Phone Number

jerrys@mec.com
 e-mail Address

From: [Engineer, OCD, EMNRD](#)
To: [Jerry Sherrell](#)
Cc: [McClure, Dean, EMNRD](#); [Hawkins, James, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](#); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)
Subject: Approved Administrative Order CTB-904-A
Date: Wednesday, March 30, 2022 9:41:35 AM
Attachments: [CTB904A Order.pdf](#)

NMOCD has issued Administrative Order CTB-904-A which authorizes Mack Energy Corporation (13837) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-005-64300	White Rock Federal #1H	W/2 W/2	21-15S-29E	52770
30-005-64301	White Rock Federal #2H	E/2 W/2	21-15S-29E	52770
30-005-64339	Montreal Federal Com #1H	E/2 E/2	20-15S-29E	52770
30-005-64340	Montreal Federal Com #2H	E/2 E/2	20-15S-29E	52770
30-005-64310	Prince George Federal Com #1H	W/2 E/2	29-15S-29E	52770
30-005-64322	Yellowknife Federal #2H	W/2 W/2	28-15S-29E	52770
30-005-64325	Yellowknife Federal #3H	E/2 W/2	28-15S-29E	52770
30-005-64321	Prince George Federal Com #2H	E/2 E/2	29-15S-29E	52770

The administrative order is attached to this email and can also be found online at OCD Imaging.

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 contact me.

Dean McClure
 Petroleum Engineer, Oil Conservation Division
 New Mexico Energy, Minerals and Natural Resources Department
 (505) 469-8211

**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-904-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 production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil 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.
6. Applicant in the notice for the Application stated that it sought authorization to add additional pools, leases, and wells and identified the parameters to make such additions.
7. Applicant stated that it sought authorization to surface commingle and off-lease measure, as applicable, oil production from wells which have not yet been approved to be drilled, but will produce from a pool and lease identified in Exhibit A.
8. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

CONCLUSIONS OF LAW

9. 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.
10. 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.
11. 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.
12. 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.
13. Commingling of oil 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.
14. Applicant satisfied the notice requirements for the subsequent addition of pools, leases, and wells in the notice for the Application, in accordance with 19.15.12.10.C.(4)(g) NMAC. Subsequent additions of pools, leases, and wells within Applicant's defined parameters, as modified herein, will not, in reasonable probability, reduce the commingled production's value or otherwise adversely affect the interest owners in the production to be added.
15. 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 production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

Applicant is authorized to surface commingle oil production from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A.

Applicant is authorized to store and measure oil production off-lease from wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A at a central tank battery described in Exhibit A.

2. This Order supersedes Order CTB-904.
3. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

4. The allocation of oil production to wells not included in Exhibit A but that produce from a pool and lease identified in Exhibit A shall be determined in the same manner as to wells identified in Exhibit A that produce from that pool and lease, provided that if more than one allocation method is being used or if there are no wells identified in Exhibit A that produce from the pool and lease, then allocation of oil production to each well not included in Exhibit A shall be determined by OCD prior to commingling production from it with the production from another well.
5. The oil production for each well identified in Exhibit A shall be allocated by conducting a minimum of one (1) well test per month.

Applicant shall conduct a well test by separating and measuring the oil production from that well for a minimum of twenty-four (24) consecutive hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than thirty (30) days until the well commences 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 calibrate the meters used to measure or allocate oil production in accordance with 19.15.12.10.C.(2) NMAC.
8. If the commingling of oil production from any pool, lease, or well reduces the value of the commingled oil 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 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.

9. Applicant may submit an application to amend this Order to add pools, leases, and subsequently drilled wells with spacing units adjacent to or within the tracts commingled by this Order by submitting a Form C-107-B in accordance with 19.15.12.10.C.(4)(g) NMAC.
10. If a well is not included in Exhibit A but produces from a pool or lease identified in Exhibit A, then Applicant shall submit Forms C-102 and C-103 to the OCD Engineering Bureau after the well has been approved to be drilled and prior to off-lease measuring or commingling oil or gas production from it with the production from another well. The Form C-103 shall reference this Order and identify the well and proposed method to determine the allocation of oil production to it.
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**



ADRIENNE SANDOVAL
DIRECTOR

DATE: 3/29/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: CTB-904-A
Operator: Mack Energy Corporation (13837)
Central Tank Battery: White Rock Federal Central Tank Battery
Central Tank Battery Location: UL D, Section 28, Township 15 South, Range 29 East
Gas Title Transfer Meter Location:

Pools

Pool Name	Pool Code
ROUND TANK; SAN ANDRES	52770

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 131582	W/2	28-15S-29E
NMNM 131581	W/2	21-15S-29E
CA San Andres NMNM 141140	E/2 E/2	20-15S-29E
CA San Andres NMNM 139452	W/2 E/2	29-15S-29E
NMNM 101106	E/2 NE/4	29-15S-29E
NMNM 131583	E/2 SE/4	29-15S-29E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-005-64300	White Rock Federal #1H	W/2 W/2	21-15S-29E	52770
30-005-64301	White Rock Federal #2H	E/2 W/2	21-15S-29E	52770
30-005-64339	Montreal Federal Com #1H	E/2 E/2	20-15S-29E	52770
30-005-64340	Montreal Federal Com #2H	E/2 E/2	20-15S-29E	52770
30-005-64310	Prince George Federal Com #1H	W/2 E/2	29-15S-29E	52770
30-005-64322	Yellowknife Federal #2H	W/2 W/2	28-15S-29E	52770
30-005-64325	Yellowknife Federal #3H	E/2 W/2	28-15S-29E	52770
30-005-64321	Prince George Federal Com #2H	E/2 E/2	29-15S-29E	52770

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit B

Order: **CTB-904-A**
Operator: **Mack Energy Corporation (13837)**

Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA San Andres BLM	E/2 E/2	29-15S-29E	160	A

Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 101106	E/2 NE/4	29-15S-29E	80	A
NMNM 131583	E/2 SE/4	29-15S-29E	80	A

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS
 Action 92025

CONDITIONS

Operator: MACK ENERGY CORP P.O. Box 960 Artesia, NM 882110960	OGRID: 13837
	Action Number: 92025
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	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 contact me.	3/30/2022