

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:

X Pool Commingling Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: Fee X State Federal

Is this an Amendment to existing Order? X Yes No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
X 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
13280 CORBIN; QUEEN	35.4/1.1180	37.4/1.2053		
43329 MALJAMAR; GB-SA	37.4/1.2605			
13150 CORBIN; ABO	38.0/1.640			

- (2) Are any wells producing at top allowables? Yes X No
(3) Has all interest owners been notified by certified mail of the proposed commingling? X Yes No.
(4) Measurement type: Metering X Other (Specify) Periodic well testing.
(5) Will commingling decrease the value of production? Yes X No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code.
(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)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? Yes No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Jerry W. Sherrell TITLE: REGULATORY SUPERVISOR DATE: 6/8/2022

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

June 9, 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 Surface Commingle at our State 35 TB. Wells produce from the Corbin; Abo(13150), Corbin; Queen(13280) and Maljamar: Grayburg-San Andres(43329) and will be commingled at State 35 TB located in the Unit M Sec. 35 T17S R33E.

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 TB 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.

All pools and wells are owned 100% by Mack Energy affiliates. There is a Royalty Interest to the NMSLO. 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/

Enclosures
Well List

State 35 #1	30-025-01415	Corbin; Abo(Currently T&A'd). Proposed up hole completion in the Maljamar; Grayburg-San Andres
State 35 #4	30-025-25387	Corbin; Queen
State 35 #5	30-025-30548	Corbin; Queen/Maljamar; Grayburg-San Andres
State 35 #6	30-025-30657	SWD; San Andres
State 35 #7	30-025-40319	Corbin; Abo

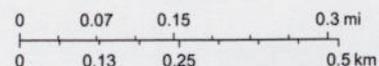
OCD Well Locations



6/8/2022, 10:47:05 AM

- Override 1
- Wells - Large Scale
 - Gas, Active
 - Oil, Active
 - Oil, Cancelled
 - Oil, Plugged
 - Oil, Temporarily Abandoned
- △ Salt Water Injection, Active
- △ Salt Water Injection, Plugged
- PLSS Second Division
- PLSS First Division
- /// Oil and Gas Leasing Restrictions
- ▨ Oil and Gas Leases

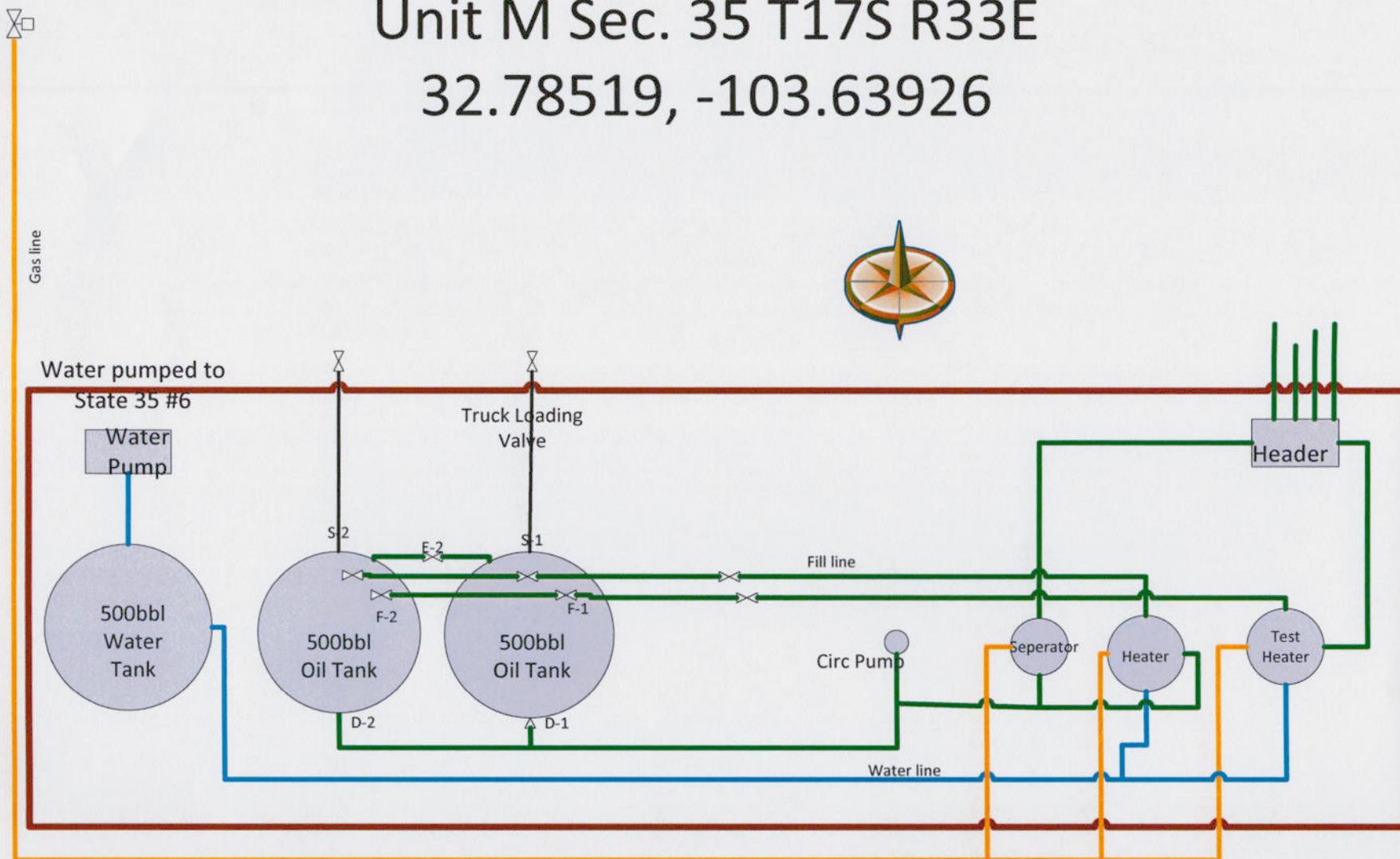
1:9,028



Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community, BLM

New Mexico Oil Conservation Division
 http://nm-emnrd.maps.arcgis.com/apps/webappviewer/index.html?id=4d0172306164de29fd2fb9f8f35ca75: New Mexico Oil Conservation Division

Mack Energy Corporation State 35 TB Unit M Sec. 35 T17S R33E 32.78519, -103.63926



Lease Deck Decimals

Deck: 09220 | NM1508-A - ST NM K-0385-6 | Eff Period: 11/2021 | Next Deck Eff:

Owner: 001231 | Commissioner Of Public Lands
 Address: 00001
 Effective Date: 09/2005 | End Date: 12/2078
 Type Interest: R1 | Working Interest: 0.00000000 | Deleted:
 Net Rev Interest: 0.12500000

Interest Type Totals:
 Working Interest: 1.00000000
 Net Rev Interest: 1.00000000

Deck Totals | Owner Obligation | Transfer Note | Eff Maint

Type	Owner	Name	Addr	Type	Working Interest	Net Rev Interest	Del
BusAssoc	001231	Commissioner Of Public Lands	00001	R1	0.00000000	0.12500000	
Corp	101	Chase Oil Corporation	00001	W1	0.85000000	0.74375000	
Corp	171	RDC Minerals LLC	00001	W1	0.05000000	0.04375000	
Corp	185	Ventana Minerals LLC	00001	W1	0.05000000	0.04375000	
Corp	195	DiaKan Minerals LLC	00001	W1	0.05000000	0.04375000	

Compute W/ Owner's NRI | Add | Edit | Delete | OK | Cancel | Close | Import Ownership | < | > |

Sheet1

Entity	Interest	Entity Name	Address	City	St	Zip Code
001231	RI	Commissioner Of Public Lands	310 Old Santa Fe Trail	Santa Fe	NM	87501
101	WI	Chase Oil Corporation	P.O. Box 1767	Artesia	NM	88211-1767
171	WI	RDC Minerals LLC	PO Box 297	Artesia	NM	88211-0297
185	WI	Ventana Minerals LLC	P. O. Box 359	Artesia	NM	88211
195	WI	DiaKan Minerals LLC	P. O. Box 693	Artesia	NM	88211-0693



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

VIA CERTIFIED MAIL 7021 2720 0000 2140 9571

June 9, 2022

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

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval to Surface Commingle at our State 35 TB. Wells produce from the Corbin; Abo(13150), Corbin; Queen(13280) and Maljamar: Grayburg-San Andres(43329) and will be commingled at State 35 TB located in the Unit M Sec. 35 T17S R33E.

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 TB 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.

All pools and wells are owned 100% by Mack Energy affiliates. There is a Royalty Interest to the NMSLO. 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/

**Enclosures
Well List**

State 35 #1	30-025-01415	Corbin; Abo(Currently T&A'd). Proposed up hole completion in the Maljamar; Grayburg-San Andres
State 35 #4	30-025-25387	Corbin; Queen
State 35 #5	30-025-30548	Corbin; Queen/Maljamar; Grayburg-San Andres
State 35 #6	30-025-30657	SWD; San Andres
State 35 #7	30-025-40319	Corbin; Abo

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
Revised 8/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE.

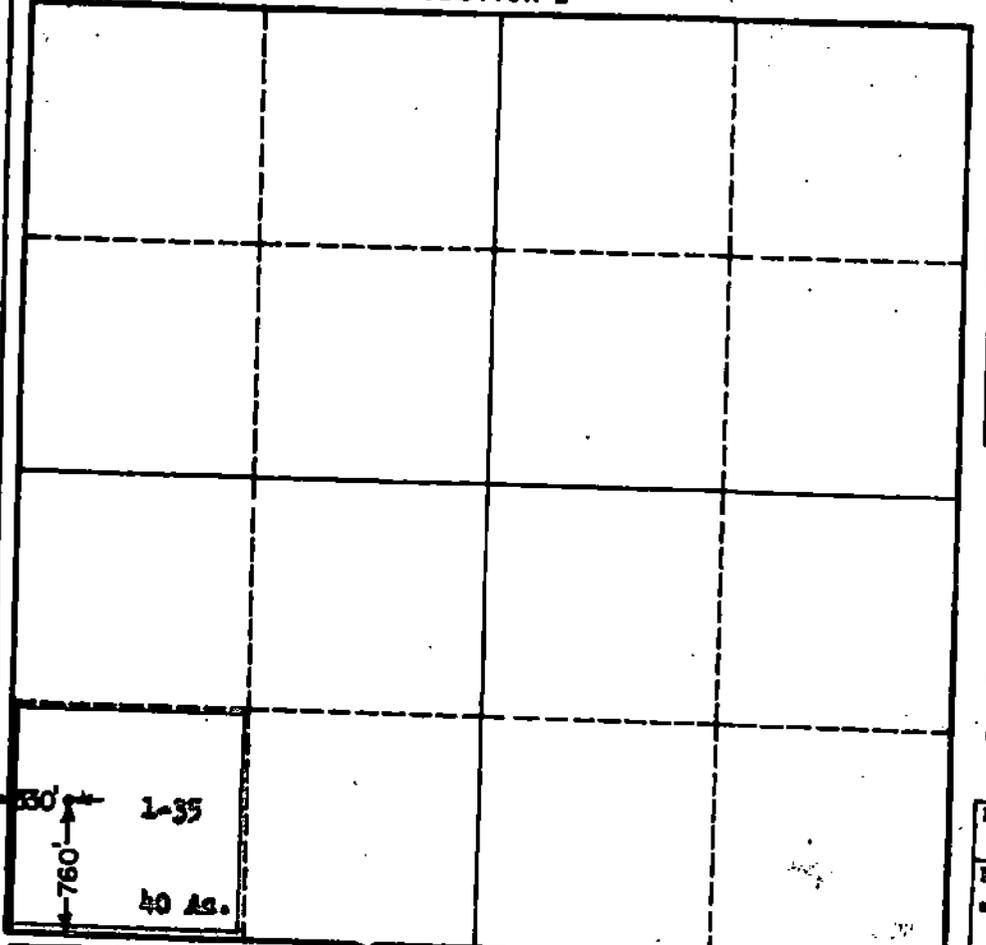
SECTION A

Operator UNION OIL COMPANY OF CALIFORNIA		Lessee		STATE		Well No. 1-35
U&L Letter M	Section 35	Township 17 SOUTH	Range 33 EAST	County LEA COUNTY		
Actual Footage Location of Well: 330 feet from the WEST line and 760 feet from the SOUTH line						
Ground Level Elev. 4165.6	Producing Formation ADO Reef		Pool Unassigned		Dedicated Acreage: 40 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES NO ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (67-3-29 (a) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by consolidation agreement or otherwise? YES NO . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



CERTIFICATION

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

Name <i>Paul Necker</i>
Position Production Clerk
Company Union Oil Co. of California
Date March 27, 1962

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed MARCH 23, 1962
Registered Professional Engineer and/or Land Surveyor, JOHN W WEST
<i>John W West</i>
Certificate No. N. M. - P. E. & L. S. NO. 678

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PL

Form O-100
Superseded O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

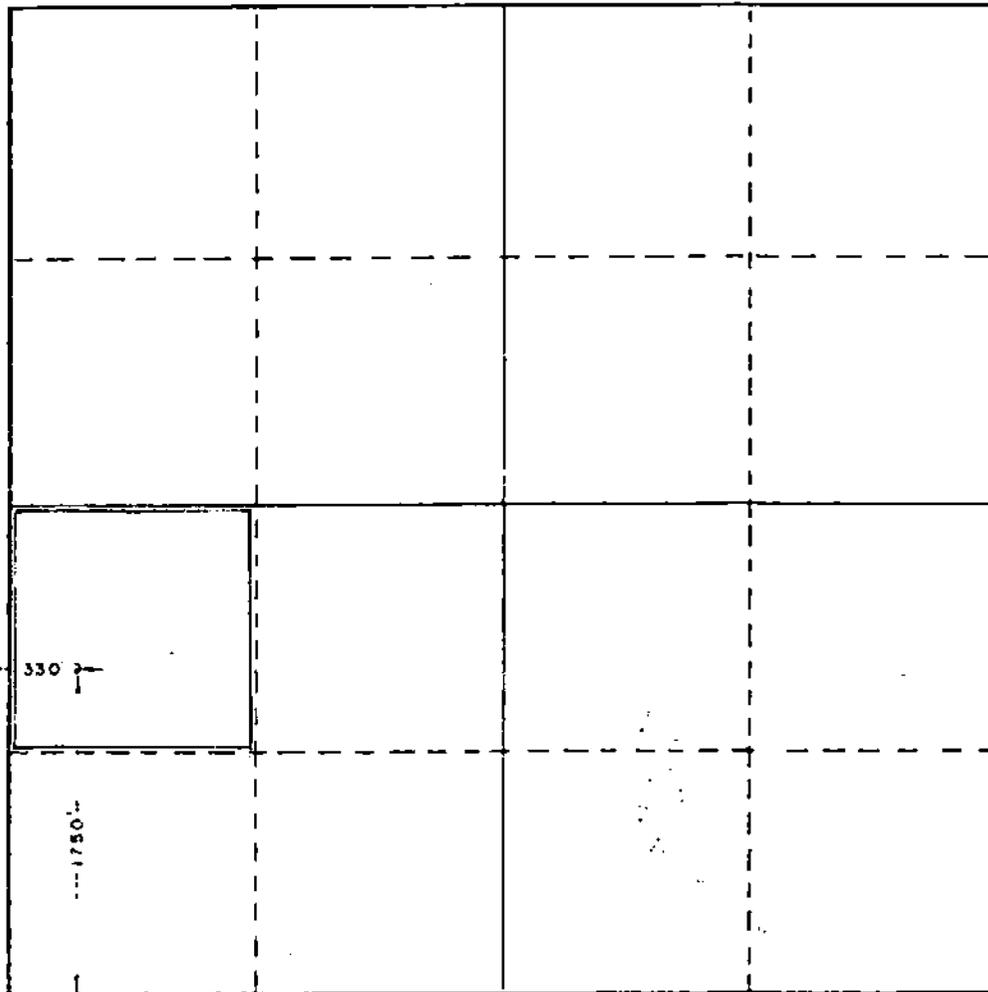
OWNER UNION OIL COMPANY OF CALIFORNIA		Lease State 35		Well No. 4
Section L	Section 35	Township 17 South	Range 33 East	County Lea
Actual Well Location of Well: 1750 feet from the south line and 330 feet from the west line.				
Spot Level Elev. 4121.2	Producing Formation Queen	Pool Corbin Queen	Dedicated Acreage 40	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

J. R. Hughes
Name

J. R. Hughes

District Drilling Supt.

Union Oil Co. of California

January 4, 1977

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 knowledge and belief.

Date Reviewed

Oct. 28, 1976

Registered Professional Engineer and/or Surveyor

John W. West

676 ✓

HOBBS OCD

FEB 06 2014

District I
1635 N. French Dr., Hobbs, NM 88240
Phone: (505) 293-6161 Fax: (505) 293-0720

District II
841 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-0720

District III
1840 Rd. Drive Road, Artesia, NM 88210
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
RECEIVED
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 30-025-30548		Pool Code 13280	Pool Name Corbin; Queen
Property Code 30725	State 35		Well Number 5
OGUID No. 013837	Operator Name Mack Energy Corporation		Elevation 4121'

Surface Location									
1/1 or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	35	17S	33E	2310	2310	South	1980	West	Lea

Bottom Hole Location If Different From Surface									
1/1 or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	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.

	<p>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 an undivided mineral interest in the land including the proposed location hole location or has a right to drill this well in the horizontal pursuant to a written contract of such a character or working interest, or to a voluntary pooling agreement or a compulsory pooling, and is hereby certified by the division.</p> <p><i>Deana Weaver</i> 1.30.14 Signature Date</p> <p>Deana Weaver Printed Name</p> <p>dweaver@mec.com E-mail Address</p>
	<p>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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p>
	Certificate Number

FEB 10 2014

Submit to A. recipient
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Oil, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1990, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator UNION OIL COMPANY OF CALIFORNIA			Lease STATE "35"		Well No. 6
Unit Letter N	Section 35	Township 17 South	Range 33 East	County NMPM Lea	

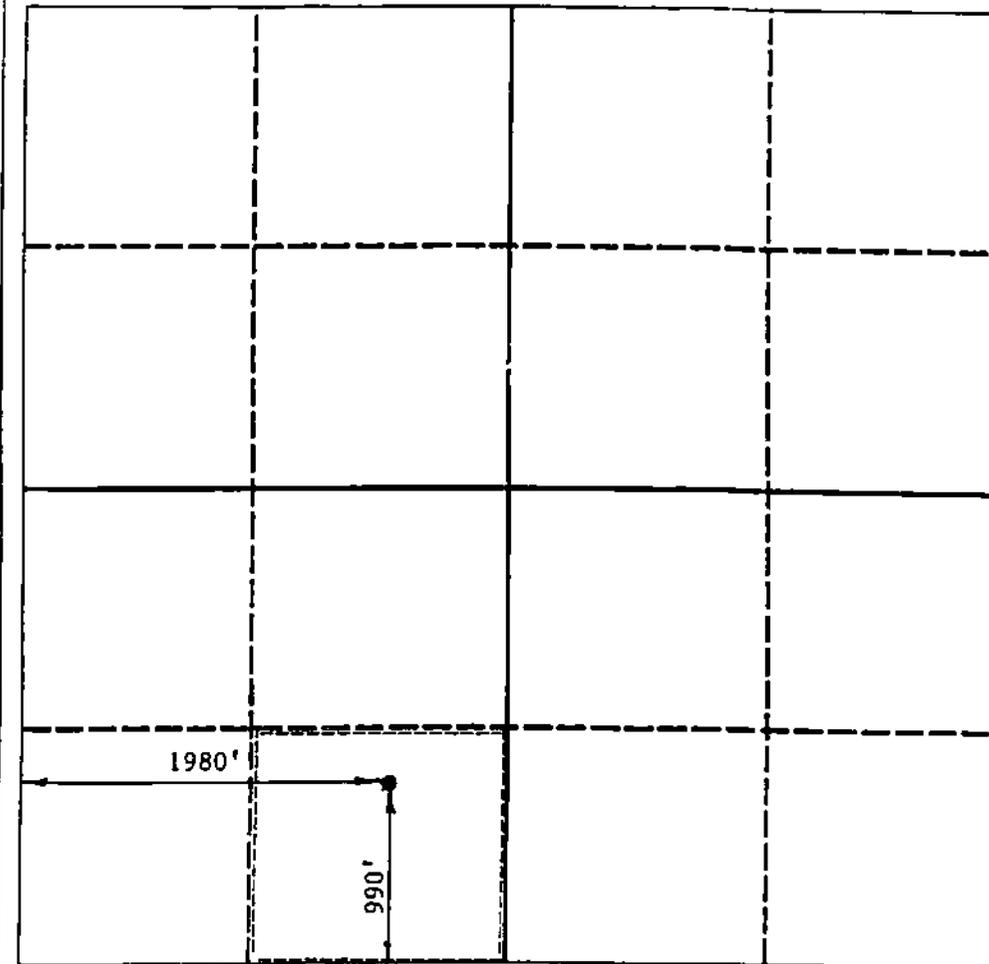
Actual Footage Location of Well:
 990 feet from the **South** line and 1980 feet from the **West** line

Ground level Elev. 4101.3'	Producing Formation Grayburg-San Andres	Pool Maljamar	Dedicated Acreage: 40 Acres
--------------------------------------	---	-------------------------	---------------------------------------

1. Outline the acreage dedicated to the subject well by colored pencil or indelible marker on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



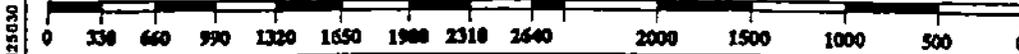
OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Bobby Bryan*
 Printed Name: **Bobby Bryan**
 Position: **Drlg. Supt.**
 Company: **Union Oil Co. of Calif.**
 Date: **September 25, 1989**

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 knowledge and belief.

Date Surveyed: **Sept. 20, 1989**
 Signature & Seal of Professional Surveyor

Ronald J. Eisdorfer
 Certificate No. **676**
RONALD J. EISDORFER 3239



DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240
DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210
DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410
DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

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

HOBBS OCD

JUL 17 2012

RECEIVED

Form C-102
Revised July 16, 2010
Submit to Appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40319	Pool Code 13150	Pool Name Corbin; Abo
Property Code 300204	Property Name STATE 35	Well Number 7
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4111'

Surface Location

Ul. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	17-S	33-E		1600	SOUTH	1200	WEST	LEA

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
K	35	17-S	33-E		1403	SOUTH	1397	WEST	LEA
Dedicated Acres 40	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

GRID AZ. = 134°29'21"
HORIZ. DIST. = 282.67'

S.L. DETAIL
1200'
1397'

OB.H.
1600'
1403'

GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y=651161.1 N
X=713709.2 E
LAT. = 32.788202° N
LONG. = 103.637930° W
BOTTOM HOLE LOCATION
Y=650983.1 N
X=713910.8 E

SECTION, QUARTER & SIXTEENTH
CORNER COORDINATES
 (A) - Y=652215.6 N, X=715141.0 E
 (B) - Y=650895.5 N, X=715150.9 E
 (C) - Y=650870.8 N, X=712511.8 E
 (D) - Y=652191.1 N, X=712500.7 E

OPERATOR CERTIFICATION

I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jerry W. Sherrell 7-16-2012
Signature Date

Jerry W. Sherrell
Printed Name

Jerry@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

SEPTEMBER 7, 2011
Date of Survey

Signature & Seal of Professional Surveyor:
Richard J. Eason 9/21/2011

Certificate Number: 12641
Greg D. Britton
Richard J. Eason 3239

LA JWSC W O 11.11 1707

JUL 18 2012

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: Mack Energy Corporation **OGRID Number:** 013837
Well Name: State 35 #1 **API:** 30-025-01415
Pool: Maljamar;Grayburg-San Andres **Pool Code:** 43329

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

6/10/22

 Date

 Signature

575-748-1288

 Phone Number

jerrys@mec.com

 e-mail Address

From: [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)
To: [Jerry Sherrell](#)
Cc: [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); lisa@rwbyram.com; [Dawson, Scott](#)
Subject: Approved Administrative Order PC-1401
Date: Monday, October 31, 2022 8:17:14 AM
Attachments: [PC1401 Order.pdf](#)

NMOCD has issued Administrative Order PC-1401 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
30-025-01415	State 35 #1	M	35-17S-33E	43329
30-025-25387	State 35 #4	L	35-17S-33E	13280
30-025-30548	State 35 #5	K	35-17S-33E	13280
30-025-40319	State 35 #7	K	35-17S-33E	43329
				13150

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

From: [Jerry Sherrell](#)
To: [McClure, Dean, EMNRD](#)
Subject: [EXTERNAL] RE: surface commingling application PLC-841
Date: Monday, September 26, 2022 11:22:36 AM
Attachments: [10152022183249001.pdf](#)

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good Morning Dean,

Please remove the State 35 #6 from the commingle. I did not mean to include that well. My apologies.

The interest is identical in this project. Our lease covers from surface to the base of the Abo, which covers all pools withing this project.

The interest are on the attached sheet. They are all Chase Entities and were hand delivered within our office.

From: McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>
Sent: Tuesday, September 20, 2022 10:28 AM
To: Jerry Sherrell <jerrys@mec.com>
Subject: surface commingling application PLC-841

EXTERNAL EMAIL - Verify the sender and use caution before opening attachments or clicking links

Mr. Sherrell,

I am reviewing surface commingling application PLC-841 which involves a commingling project that includes the State 35 Tank Battery and is operated by Mack Energy Corporation (13837).

Please confirm that the following well is intended to be included in this application; the api number within the application did not match the below well:

30-025-30675 **State 35 #6**

Additionally, this well appears to currently be an injection well. Is the intent in including this well is to recover the skim oil and allocate it back to the commingled wells?

Is working, royalty, and overriding interest not identical in this project? It appears to all be from the same state lease; please describe the sets of ownership if ownership is not identical. For instance, is ownership difference due to a difference in the pools or perhaps some of the acreage was farmed out and the E/2 of the SW/4 is different than the W/2 of the SW/4, etc..

Please detail how the interests were notified as the method is not included in the application with the exception of to the SLO.

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. PC-1401

ORDER

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

FINDINGS OF FACT

1. Mack Energy Corporation (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas 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 and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

CONCLUSIONS OF LAW

7. 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.
8. 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.

9. 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.
10. 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.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. The oil and gas 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 and gas 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.

3. 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.
4. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.

7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. 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).
9. 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 E. SANDOVAL
DIRECTOR**

DATE: 10/28/2022

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: PC-1401
Operator: Mack Energy Corporation (13837)
Central Tank Battery: State 35 Tank Battery
Central Tank Battery Location: UL M, Section 35, Township 17 South, Range 33 East
Gas Title Transfer Meter Location: UL M, Section 35, Township 17 South, Range 33 East

Pools

Pool Name	Pool Code
CORBIN; ABO	13150
CORBIN; QUEEN	13280
MALJAMAR; GRAYBURG-SAN ANDRES	43329

Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
KO 03850006	SW/4	35-17S-33E

Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-01415	State 35 #1	M	35-17S-33E	43329
30-025-25387	State 35 #4	L	35-17S-33E	13280
30-025-30548	State 35 #5	K	35-17S-33E	43329
30-025-40319	State 35 #7	K	35-17S-33E	13150

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 115445

CONDITIONS

Operator: MACK ENERGY CORP P.O. Box 960 Artesia, NM 882110960	OGRID: 13837
	Action Number: 115445
	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.	10/31/2022