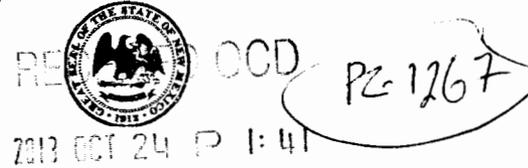


DATE <u>10/20/13</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>10/20/13</u>	TYPE <u>PC</u>	APP NO <u>PRG 1330155380</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - 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

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

Mack

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

0-16-165-33E
Dolphin State #1
30-025-37331
Dolphin State #2
30-025-31114
J-16-165-33E

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

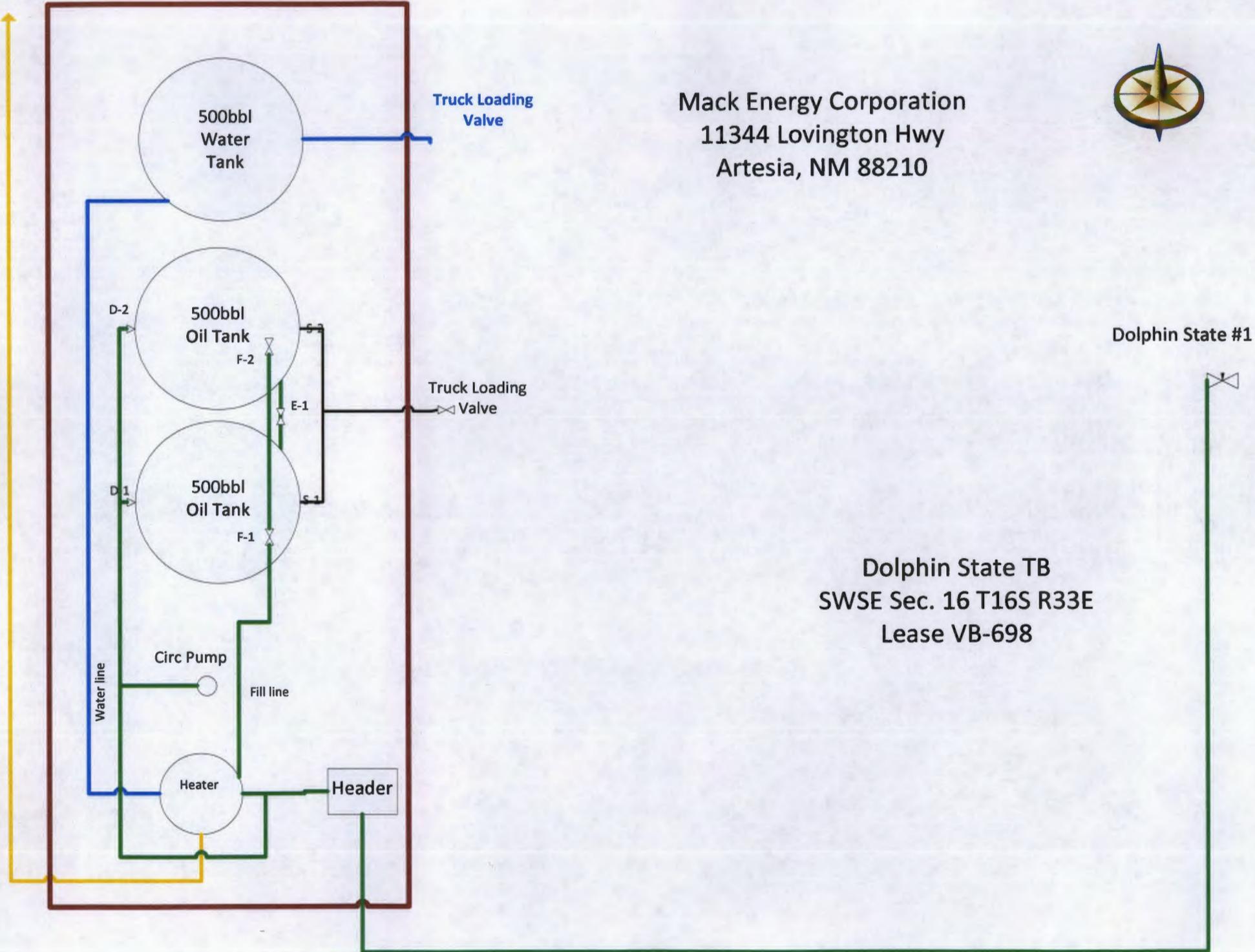
[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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	<u><i>Jerry W. Sherrell</i></u> Signature	Production Clerk Title	<u>10-21-2013</u> Date
		<u>jerrys@mec.com</u> e-mail Address	

Gas line



Mack Energy Corporation
11344 Lovington Hwy
Artesia, NM 88210



Dolphin State #1

Dolphin State TB
SWSE Sec. 16 T16S R33E
Lease VB-698



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

October 21, 2013

VIA CERTIFIED MAIL 7013 0600 0001 7892 0282

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 Pool Commingle the Hume; Queen, West and Wildcat; San Andres production from the Dolphin State wells. Production will be commingled at a tank battery located in the SW/4 SE/4 Sec. 16 T16S R33E. The Dolphin State #1 is currently producing from the Queen formation and the Dolphin State #2 will produce from the San Andres.

Ownership is common between all pools on the Dolphin State Lease.

*Allocation for oil and gas will be done using the subtraction method. The Dolphin State #1 has been producing for years and production is steady. Each well will be tested periodically to insure accuracy
Should you have any questions please contact me @ 575-748-1288.*

Sincerely,

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

Jerry W. Sherrell
Production Clerk
jerrys@mec.com

JWS/

Enclosures

M E M O

DATE: October 10, 2013

TO: NMOCD

FROM: STACI SANDERS
MACK ENERGY CORPORATION

RE: DOLPHIN STATE LEASE
ST NM VB-0698-1
T16S, R33E
SECTION 16: S/2
LEA COUNTY, NEW MEXICO

Mack Energy Corporation respectfully requests approval to surface commingle production from our Dolphin State Lease. The Dolphin State #1 produces from the Queen formation and the Dolphin State #2 will produce from the San Andres formation and we would like to commingle the production at the Tank Battery. Allocation for the oil and gas will be done using periodic well tests at the Tank Battery.

Both wells going into the Tank Battery have identical working and revenue interests.

Please do not hesitate to contact me should you require any further information.

Sincerely,

Mack Energy Corporation



Staci Sanders
Land Department