

MEMO

DATE: December 2, 2013

TO: NMOCD

FROM: Travis K. Lanning

RE: Mosquito State #1
ST NM V0-9441-0
T14S, R29E
Section 8: SW/4NE/4,
Chaves County, New Mexico

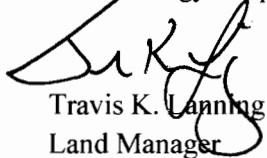
Galaxy State #1
ST NM V0-9419-0
T14S, R29E
Section 5: SW/4SE/4,
Eddy County, New Mexico

Mack Energy Corporation respectfully requests approval to surface commingle production from our Mosquito State Lease and our Galaxy State Lease. The Mosquito State #1 produces from the San Andres Formation and the Galaxy State #1 produces from the San Andres Formation. Production will be commingled at the Galaxy State #1 tank battery with each well tested periodically to insure proper allocation. Facility will be equipped with separate production equipment to measure production prior to combining in a common storage tank.

Both wells have identical working and revenue interests in the zones being commingled.

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

Sincerely,
Mack Energy Corporation



Travis K. Lanning
Land Manager



P.O. Box 960
Artesia, NM 88211-0960
Office (575) 748-1288
Fax (575) 746-9559

December 3, 2013

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 and Off lease Measurement of the Mosquito State Lease(V-9441) and the Galaxy State Lease(VO-9419) Wildcat; San Andres production. Production will be commingled at a tank battery located Galaxy State #1 TB in the SW/4 SE/4 Sec. 5 T14S R29E.

Ownership is common between both Leases.

*Allocation for oil and gas will be done using testing equipment at facility.
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

Galaxy State Lease (V-9419)

Commissioner of Public Lands
P.O. Box 25627
Denver, CO 80225-0627

RI

Broken Arrow Royalties LLC
P.O. Box 960
Artesia, NM 88211

OR

Chase Oil Corporation
P.O. Box 1767
Artesia, NM 88211

WI

Robert C. Chase
P.O. Box 297
Artesia, NM 88211

WI

Ventana Minerals LLC
P.O. Box 359
Artesia, NM 88211

WI

DiaKan Minerals LLC
P.O. Box 693
Artesia, NM 88211

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Mosquito State Lease (V-9441)

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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., Artec, 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

Form C-102
August 1, 2011
Permit 171414

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-05-64165	2. Pool Code 97839	3. Pool Name WILDCAT,SAN ANDRES
4. Property Code 40074	5. Property Name GALAXY STATE	6. Well No. 001
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3670

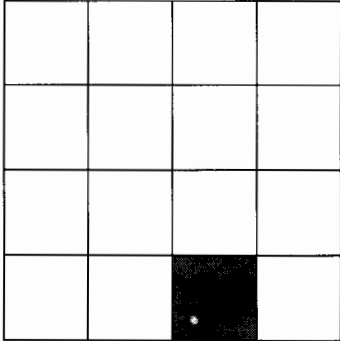
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	5	14S	29E		330	S	2310	E	CHAVES

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill		14. Consolidation Code		15. Order No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right to drill this well as 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.</i></p> <p>E-Signed By: Jerry Sherrell Title: Production Clerk Date: 8/8/2013</p>
				<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Surveyed By: Frank Jaramillo Date of Survey: 8/1/2013 Certificate Number: 12797</p>

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1625 N. French Dr., Hobbs, NM 88240
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 174293

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-64167	2. Pool Code 97839	3. Pool Name WILDCAT;SAN ANDRES
4. Property Code 40172	5. Property Name Mosquito State	6. Well No. 001
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3681

10. Surface Location

UL - Lot G	Section 8	Township 14S	Range 29E	Lot Idn	Feet From 2310	N/S Line N	Feet From 2310	E/W Line E	County Chaves
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	OPERATOR CERTIFICATION	
	<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) 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.</i>	
	E-Signed By: Jerry Sherrell Title: Production Clerk Date: 10/10/2013	
	SURVEYOR CERTIFICATION	
<i>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.</i>		
Surveyed By: Filimon Jaramillo Date of Survey: 9/30/2013 Certificate Number: 12797		

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