

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-689
Administrative Application Reference No. pMAM1335059565

December 26, 2013

Mack Energy Corporation
Attention: Jerry Sherrell

Mack Energy Corporation is hereby authorized to surface commingle oil and gas production from WC-025 G-06 S183518A; Bone Spring (**97930**) from the following state leases and wells:

<u>Name</u>	<u>API No.</u>	<u>Footages</u>	<u>ULSTR</u>
Black Jack State Com #1	30-025-40533	2285 FSL & 330 FEL	I-18-18S-35E
Deep Jack State #1	30-025-41499	2310 FSL & 990 FWL	L-17-18S-35E

All in NMPM, Lea County, New Mexico

The commingled oil production from the wells detailed above shall be measured and sold at the Black Jack State Com #1 tank battery Unit I, Section 18, Township 18 South, Range 35 East, NMPM, Lea County, New Mexico.

The oil and gas production from each well shall be continuously measured with allocation meters before commingling with production from other wells. The allocation meters shall be calibrated quarterly.

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.

The proposed lease commingling (CTB) is in the best interests of conservation and prevention of waste from the affected wells. Correlative rights will not be impaired, and will not result in reduced royalty or improper measurement of production

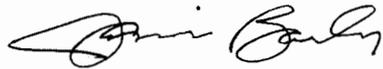
The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

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This approval is subject to like approval from the New Mexico State Land Office before commencing commingling operations.

Sincerely

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" being more prominent than the last name "Bailey".

Jami Bailey
Division Director

JB/mam

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