

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4677

Order Date: June 4, 2014

Application Reference Number: pMAM1414357061

Mack Energy Corporation
P. O. Box 960
Artesia, New Mexico 88211-0960

Attention: Deana Weaver

State 35 Well No. 5
API No. 30-025-30548
Unit K, Section 35, Township 17 South, Range 33 East, NMPM
Lea County, New Mexico

| | | | |
|--------|-------------------------------|-----|-------|
| Pool | MALJAMAR; GRAYBURG-SAN ANDRES | Oil | 43329 |
| Names: | CORBIN; QUEEN | Oil | 13280 |

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

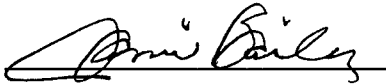
In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on the subtraction method. The total well production minus the Maljamar Grayburg-San Andres production shall be assigned to the Corbin; Queen Pool.

The production allocation percentages of oil and gas between these pools shall be supplied to the Division's Santa Fe office within 60 days following completion of this well or workover.

REMARKS: The operator shall notify the Division's district I office upon implementation of commingling operations.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/mam

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