

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Administrative Order PLC-367
Administrative Application Reference No. pWVJ1303060374

February 18, 2013

Mack Energy Corporation
P.O. Box 960
Artesia, NM 88211-0960
Attention: Mr. Jerry W. Sherrell

Mack Energy Corporation has applied to surface commingle gas production from multiple pools produced from the following diversely owned wells, both located on private leases in Section 31, Township 17 South, Range 33 West, NMPM, Lea County, New Mexico:

| | | |
|---------------------|----------------------|---------------|
| Fee MA B Well No. 2 | API No. 30-025-01338 | Unit Letter B |
| Fee MA B Well No. 3 | API No. 30-025-01336 | Unit Letter A |
| Fee MA B Well No. 4 | API No. 30-025-36494 | Unit Letter H |
| Fee MA B Well No. 5 | API No. 30-025-36495 | Unit Letter H |

Corbin; Abo Pool (13150); 40 acres; Wells Nos. 2 and 3
Maljamar; Grayburg-San Andres Pool (43329) 40 acres, Wells Nos. 4 and 5

It is our understanding that ownership is diverse between these wells and/or producing pools, that notice has been provided to all affected parties, and that no party has objected.

Oil production shall be allocated by periodic wells tests. Gas production from each well will be separately metered prior to commingling with production from any other well. Gas production meters shall be calibrated at least quarterly.

The production stream shall be combined for sales at a central tank battery and CDP located in Unit letter H of Section 31.

As allowed in 19.15.12.10 NMAC, this application for surface commingling is hereby approved.

The operator shall notify the transporter of this commingling authority and shall notify the Hobbs district office of the Division prior to commencement of commingling.



JAMI BAILEY
Division Director

JB/db

cc: Oil Conservation Division – Hobbs