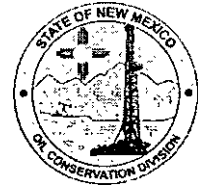


State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-778-A
Administrative Application Reference No. pMAM1621131986

August 19, 2016

Mack Energy Corporation
Attention: Mr. Jerry Sherrell

Mack Energy Corporation (OGRID 13837) is hereby authorized to surface commingle oil and gas production from Round Tank; San Andres Pool (pool code 52770) from the following leases located in Township 15 South, Range 29 East, Chaves County, New Mexico:

Lease: Seahawks Federal lease NMNM 132677
Description: N/2 SE/4 of Section 19, Township 15 South, Range 29 East, NMPM
Wells: Seahawks Federal Well No. 1
 Seahawks Federal Well No. 2

Lease: Prince Rupert Federal lease NMNM 131580
Description: W/2 NE/4, N/2 SW/4, and SE/4 of Section 20, Township 15 South, Range 29 East, NMPM
Well: Prince Rupert Federal Well No. 1
 Prince Rupert Federal Well No. 2

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Seahawks Federal Well 1 central tank battery (CTB), located in Unit J, of Section 19, Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico.

Production from the subject wells/leases shall be determined as follows:

Production for the separately owned leases shall be separately metered prior to commingling. The total lease production from the Seahawks Federal lease shall be allocated back to the Seahawks Federal Well No. 1 and Seahawks Well No. 2 based upon the results of periodic well tests. The same production measurement method applies to the Prince Rupert Federal Well No. 1 and Prince Rupert Federal Well No. 2 wells.

The overriding royalty interest owner, a diverse owner in the application, had been notified per Division Rule 19.15.12.10 C (4), and had signed a waiver.

The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

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.

This Division Order supersedes Division Order CTB-778, issued on December 21, 2015.

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

Done at Santa Fe, New Mexico, on August 17, 2016.



DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Roswell