3/07/	207 SUSPENS	ie	MAM	3/07/207	TYPE TB	APP NO.	Am 1706658750
]		XICO OIL COI - Engineer	THIS LINE FOR DIVISION USE ONLY NSERVATION D I ng Bureau - Drive, Santa Fe, NM {	IVISION		
<u> </u>			ISTRATIVE	APPLICATIO	ON CHEC	KLIS	Г
THIS	CHECKLIST IS MA			IVE APPLICATIONS FOR I SSING AT THE DIVISION			ILES AND REGULATIONS
	[DHC-Dow [PC-Po	ndard Loc nhole Co ool Comm [WFX-Wat [SW]	n m ingling] [CTB- ingling] [OLS - O erflood Expansio D-Salt Water Disp	tandard Proration U Lease Commingling ff-Lease Storage] [(n] [PMX-Pressure M osal] [IPI-Injection f ry Certification] [PP	g] [PLC-Pool/ DLM-Off-Leas laintenance E Pressure incr R-Positive Pr	Lease Co e Measur xpansion ease] oduction	m m ingling] 'em ent]] Response]
[1]	TYPE OF AP [A]		1 - Spacing Unit - S	e Which Apply for [A Simultaneous Dedica SD	A] — C tion — L	TB MACK 13	-816 Energy corp 873
	Check [B]	Commin	for [B] or [C] gling - Storage - M C [X] CTB [X	Aeasurement	OLS [] OLM	- Ringtail Feder 30-085-4203
	[C]		n - Disposal - Press X 🔲 PMX 🚺	sure Increase - Enhar	EOR	PPR	30-025-42032 - Ringer Ked # 1 30-025-40180
	[D]	Other: S	pecify				30-025-40180
[21	NOTIFICAT [A]	ION REQ	UIRED TO: - Ch rking, Royalty or (eck Those Which Ar Overriding Royalty I	oply, or 🗆 Doe nterest Owner	s Not App s	
	[B]	Ofi	set Operators, Lea	seholders or Surface	Owner		- Youns; Bune Spring, north
	[C]	Ap	plication is One W	hich Requires Publis	hed Legal Not	tice	6535
	[D]			oncurrent Approval t • Commissioner of Public Land		0	<i>s b</i>
	[E]	For	all of the above, F	Proof of Notification	or Publication	is Attach	ed, and/or,
	[F]	🗌 Wa	ivers are Attached				

[31 SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Stat	ement must be completed by an individual with	n managerial and/or supervisory cap	acity.
Jerry W. Sherrell	Jenny W. Sherrol	Production Clerk	3/7/16
Print or Type Name	Signatur	Title	Date
		jerrys@mec.com	

e-mail Address



And the second s

February 23, 2017

Oil Conservation Division Attn: Michael A. McMillan 1220 S. St. Francis Drive Santa Fe, NM 87505

Dear sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of Surface Commingling of gas production from our Rangers Federal #1 and our Ringtail Federal #1 wells. Currently the gas is measured separately into two meters located at the Sprinkle B Federal #1 location. Oil production will continue to be produced separately at the existing locations. We request commingled gas production at a central sales meter located at the Sprinkle B Federal #1 well be approved. Production has declined to a point where the gas purchaser charges a low volume fee on the individual meters. Combining the gas production will allow Mack Energy to continue to produce economically.

Initial Allocation for gas production will be done using percentages based on production. I have attached the most current (12) months of production. We propose 61/39% split in gas production. 61% allocated to the Ringtail Federal and 39% allocated to the Rangers Federal.

Mack Energy proposes to use Initial Allocation for six months, at that time we propose to shut in either well to get an accurate test. This test will prove numbers for the following six months. Semiannual tests will be performed for the life of this commingling order.

Sincerely,

Imy W. Sherrell

Jerry W. Sherrell Production Clerk jerrys@mec.com

JWS/

Enclosures

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and the second								
MACK ENERGY		. · · ·		5 J.			÷	,. ,.
CORPORATION								
Rangers Federal #1 Oil Produced		Gas Prod.	۱۸/	ater Produc		Dovo		
		Gas, Flou.				Days	04	
Jan	220		344		171		31	
	191	· •	349		220		29	
Mar	219		372	· · ·	169	n. (31	
Apr	201		357		182		30	
May	188		353		109		31	
Jun	180		344	. /	186		30	· '.
	179		371	$\sim \Lambda^{\gamma}$	91		31	
Aug	168		351	15.8	185		31	
Sep	175		319	WUT	82		30	
ÓČť	177		319		200		31	
Nov	169		284		114		30	
Dec Monthly Augura	<u>128</u> 166667	222 502	228	149.00	68		31	
Monthly Average 182.9	100007	332.583		148.08	33333			
n an trading and the state of the The state of the stat		- 32	6=01 b					
		And a second						
MACK ENERGY								· · ·
CORPORATION				ţ				
Ringtail Federal #1		1						2
Jan - Color Color Color	460		621		234		31	
Féb	384		553		179		29	2 - 2 ⁴
Mar	395		563		192		31	:
Apr	352		524		168		30	•
May	329		520		97		31	
Jun	310	· · ·	497		180		30	
Ĵul	301		537	}	93		31	
Aug	267		502		143		31	$\gamma_{0}^{(1)} = P$
Sep	252		473	402	- 93		30	. : .
Öct	296		498	V	168	· · ·	31	τ., .
Nov	275		451	ml'	104		30	
Dec	253		441		379		31	
	333333		515	169.16				
	-	847.5833	3333 \					1.2
			1/2			•	7.45	1.1
			V	100				
847 x 61% = 517			. [. [⁹	1 ar		مريان بريان المريان	N	
847 x 39% = 330		*	97 <u>57</u> 1				6.5	я
				×* · ·		2.2.3		5
$a_{\mu\nu} = a_{\mu\nu} - \frac{1}{2} a_{\mu\nu} + 1$				and they have	چمبیتر 4	5) ²		1
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March 7, 2016

Oil Conservation Division Attn: Michael A. McMillan 1220 S. St. Francis Drive Santa Fe, NM 87505

Dear sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of Surface Commingling of gas production from our Rangers Federal #1 and our Ringtail Federal #1 wells. Currently the gas is measured separately into two meters located at the Sprinkle B Federal #1 location. Oil production will continue to be produced separately at the existing locations. We request commingled gas production at a central sales meter located at the Sprinkle B Federal #1 well be approved. Production has declined to a point where the gas purchaser charges a low volume fee on the individual meters. Combining the gas production will allow Mack Energy to continue to produce economically.

Allocation for gas production will be done using percentages based on production. I have attached the most current (6) months of production. We propose 71/29% split in gas production. 71% allocated to the Ringtail Federal and 29% allocated to the Rangers Federal.

Sincerely,

Juny W. Shenell

Jerry W. Sherrell Production Clerk jerrys@mec.com

JWS/

Enclosures

District I 1625 N. French Drive, Hobbs, NM 88240 District II 811 S. First St., Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV 1220 S. St Francis Dr, Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources Department Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION 1220 S. St Francis Drive Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME:	MACK E	NERGY CORPORAT	ION		· ·					
OPERATOR ADDRESS:	OPERATOR ADDRESS: PO BOX 960 ARTESIA, NM 88211-0960									
APPLICATION TYPE:			× • • •	·		, <u></u>				
Pool Commingling X Lease (Pool Commingling X Lease Commingling Pool and Lease Commingling Off-Lease Storage and Measurement (Only if not Surface Commingled)									
LEASE TYPE: 🔲 Fee		State X Federa		•		•				
Is this an Amendment to existing Order? Yes X No If "Yes", please include the appropriate Order No.										
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling										
X Yes D No										
(A) POOL COMMINGLING Please attach sheets with the following information										
(1) Pool Names and Codes		Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes				
5			· · · · · · · · · · · · · · · · · · ·			·				
		<u>,</u>	1 ·		· · · · · · · ·					
			-							
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and the second second			1		· · · · .					
(2) Are any wells producing at	top allowab	les? Yes No	Ľ	L	l,	Į				
(3) Has all interest owners bee	n notified by	certified mail of the pro	posed commingling?	Yes No.						
(4) Measurement type:	Actoring	Other (Specify)		St		•				
(5) Will commingling decrease	e ine value o	a production / L1 res	L_1NO II yes, descr	ibe why comming	ing snould be approved					
	·····					· · · · · · · · · · · · · · · · · · ·				
			SE COMMINGLIN							
(1) Pool Name and Code. You	ing Bone Cr		s with the following in	itormation						
(1) Fool Name and Code. You (2) Is all production from same)							
(3) Has all interest owners been	notified by	certified mail of the pror	osed commingling?	X Yes 🗍 Ne) · · ·	· .				
(4) Measurement type:	etering X	Other (Specify) Percenta	ge based on Production.							
Contraction of the second s			· · · · · · · · · · · · · · · · · · ·			· · ·				
	**	(C) POOL and	LEASE COMMIN	GLING						
			s with the following in			· ·				
(1) Complete Sections A and E	3.			\ \						
r										
	(D		ORAGE and MEA							
(1) Is all production from same	source of a		ts with the following	Intormation						
(1) Is all production from same (2) Include proof of notice to a			U *							
J W H was			· · ·							
	(E) AD	DITIONAL INFO	RMATION (for all	application ty	/pes)					
	1	Please attach sheet	s with the following in		-					
(1) A schematic diagram of fac										
(2) A plat with lease boundarie(3) Lease Names, Lease and W			ons. Include lease numbe	rs if Federal or Sta	te lands are involved.	. "				
(3) LEASE INAMICS, LEASE AND M	ren munider	s, and AFT NUMDUS.								
I hereby certify that the informati	ion above is	true and complete to the	best of my knowledge an	d belief.	· · · · · · · · · · · · · · · · · · ·					
7-0-	SIGNATURE: Juny W. Shenell TITLE: PRODUCTION CLERK DATE: 3-7-2016									
TYPE OR PRINT NAMEJER	TYPE OR PRINT NAME_JERRY W. SHERRELL TELEPHONE NO.:575-748-1288									

E-MAIL ADDRESS: __jerrys@mec.com___

Quarket 1 1625 N. French Dr., Holds, NM 3524 thome: 1575 (303-616). Fax: 1575 (30) Danks10 541 S. Tirst St., Attenta, SM 35210 Phone, (175) 748-1283 Fax: (175) 748 Hone, (775) 748-1283 Fax: (575) 746-0726 Upatish, Ul 1000 Rico Brazos Road, Arnec, NM 87410 Hone: (5105) 34-6178 Ray 5565 134-6174 Bruitt JM 129 S. St. Francis Dy, Santa Fe, NM 87508 Hone: (505) 476-3460 Fay: (505) 476-3462

HOBBS OCD

1	State of New Mexico	ALIGADA	Form C-102
3-47-26	State of New Mexico Energy, Minerals & Natural Resources Depa OIL CONSERVATION DIVISION	rtment 08 2014	Revised August 1, 2011
	OIL CONSERVATION DIVISION		
110	1220 South St. Francis Dr.	RECEIVED	District Office
-6170	Santa Fe, NM 87505		AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

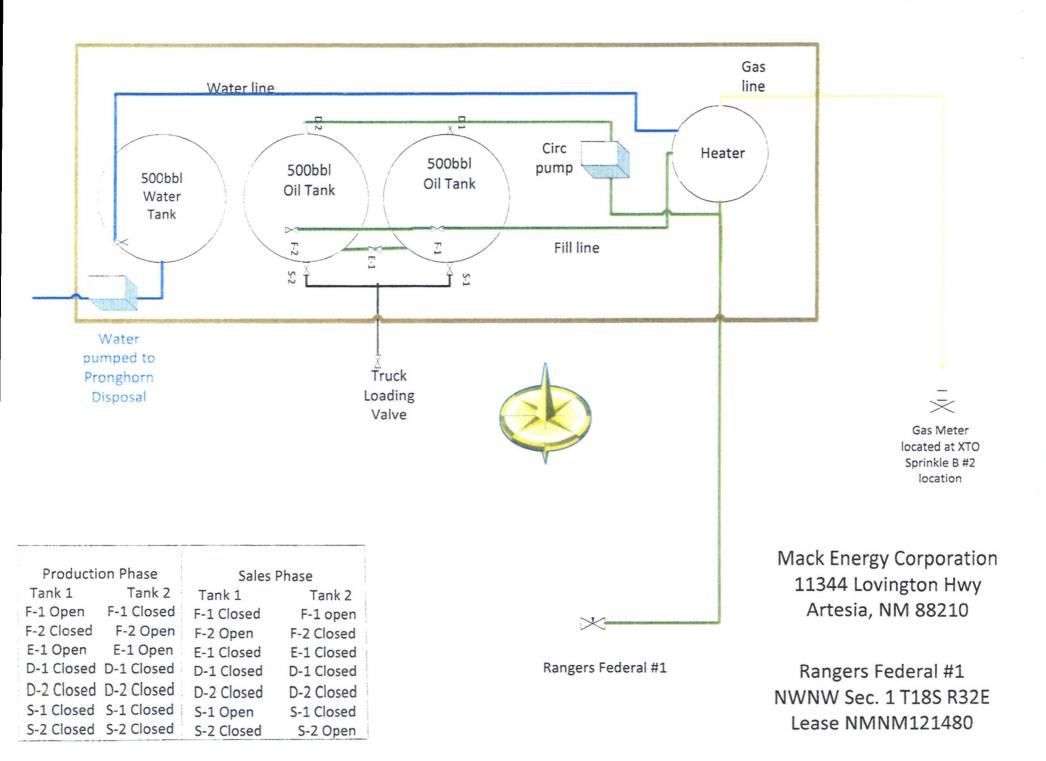
30-02	2032		65350 Young; Bone Spring, North							
Property (3134	Canto 576			Name EDERAL	AL 'Well Number					
² OGRID 13837			* Operator Name * Elevation MACK ENERGY CORPORATION 3909.3							
					" Surface	Location				
UL: or lot no. F	Section . 1	Tawaship 18 S	Range 32 E	Lot Idin -	Feet from the 2310	North/South line NORTH	Feet from the 1650	East/West lk WEST	n County LEA	
			и <u>[</u>	Bottom H	ole Location	If Different Fre	om Surface			
CL or lot av.	Section	Township	Range	Cát lưới	Feet from the	North/South Hav	Feet from the	East/West lin	ne County	
¹² Dedicated Acres 40	c ¹¹ Juint o	r Infill ¹⁴ C	onsolidation	Code ¹³ Or	der No.		·······	-		

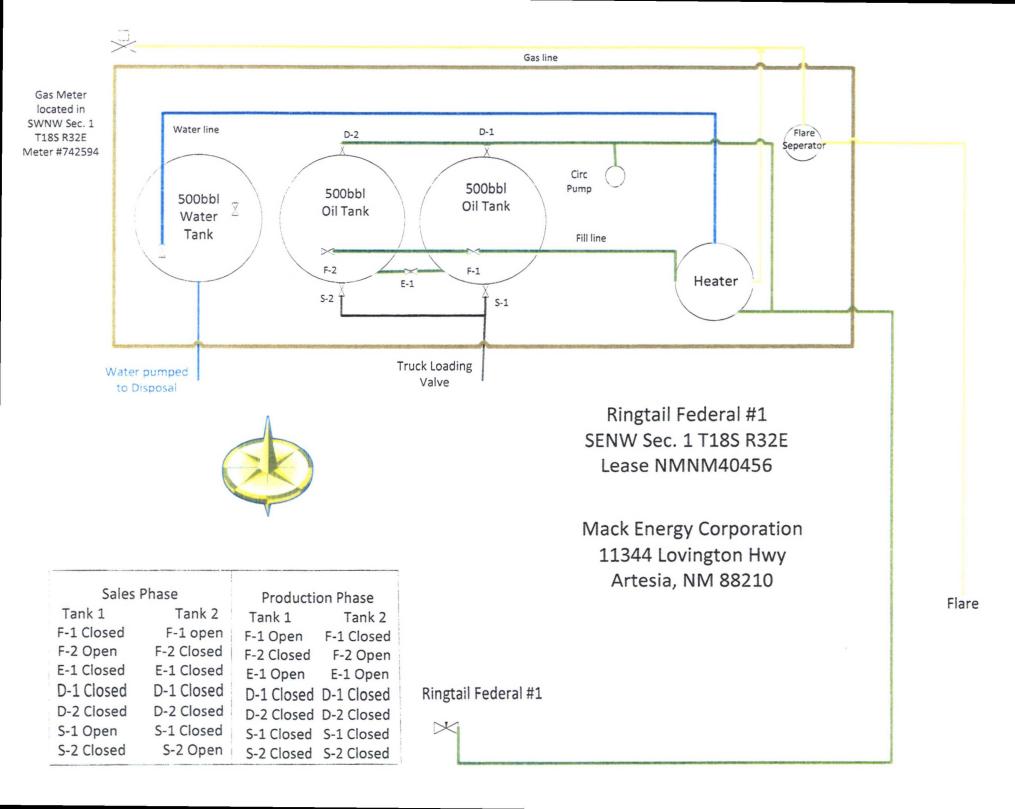
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

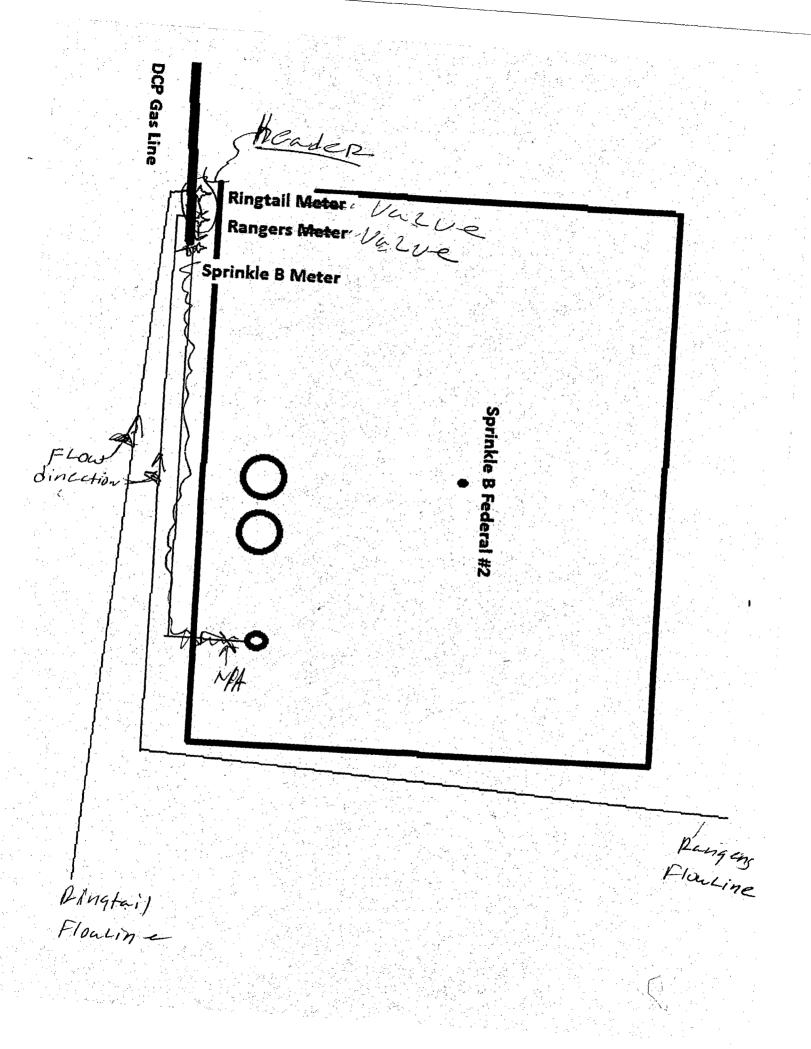
	N89'45'44"E	2640.32 71	NB9'45'44"E 2640.32 FT	•••	"OPERATOR CERTIFICATION
	NW CORNER SEC. 1	Uni	NE CORNER SEC1. 1 LAT. = 32,7837507'N		I have by certify that the lifes manual considered herein is into and complete
	LAT. = 32.7837746'H LONG. = 103.7284571'W		LONG. = 103.7112791'W	. !	to the bett of my knowledge and bellef, and that this organization eliber,
	HMSP EAST (FT)		(IUSP EAST (FT) N = 649422.65		oran a working laterest or national estimations increasing the land for hading the proposed leaton loads be ation or has a right to drift this well en this
	N = 649400.73 E = 727230.82			Š	the program reasons one pream or use a regin to and the order of the second rest of the second rest but the second s
8	이 있는 것 같아. 이 겠 ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? ? ?		· · · · · · · · · · · · · · · · · · ·	500'21	Decision pairman to a context with an order of the a material or which the intervel, or test infantary product derivation or a computitory product
្តរួ	t⊍ 4	10°3 1 Ca	i 2	1.49	order largediese entered by familie according to a rought way powers
2				ñt-	β
	an ann an			2 <u>6</u>	Juny W. Srevell 5-2-2014
۲,		RINGTAIL	FEDERAL #1	2642.04	Mguanuro Date.
ŭ	2	ELEV. = 10 10 10 10 10 10 10 10 10 10 10 10	3909.3' 2.7774195'IV (NAD83)	א בי	Jerry W. Sherrell
	1	LONG. =	103.7230768 W	-	Printed Name
·.•		LOCATION IN = 647			
	1650'	E = 728			jerrysemec. com
	W/4 CORNER SEC. 1		F/1 CORNER SEC. 1		
	LAT. = 32.7765075'N		LAT. = '32.7764906'N LONG. = 103.7112751'W		"SURVEYOR CERTIFICATION
	NMSP EAST (FT)	r i	HUSP EAST (FT)		Thereby certify that the well location shown on this
	N = 040750.85 E = 727250.45	н Т	N = 646781.28 E = 732526.94		and the second
z		I NOIE:		8	plat was plotted fromtheld nords of actual surveys
022	fair i -	LATIFUDE AND	USUG THE TIORTH	200, 17, 20, 2	made by my usualder my supervision, and that the
5.5		AMERICAN DA	NUM OF 1983 (NAD83). MEXICO STATE PLANE EAST	20	sume is underful control to the best of my belief.
*		COORDINATES	ARE GRID (HADB3), BASIS	4	APRIL 28 2014
26		I OF BEARING	ATTO CISTANCES USED ARE STATE PLANE (EASI	20	Date of Survey
5		COORDINATES	MODIFIED TO THE	2641.80	
8				ő	A Contraction off
- 7	SW: CORNER: SEC. 1 LAT.: = 32,769253110	5/4 CORNER SEC. 1 LAT. = 321769242670	SE CORNER SEC. 1 1 LAT. = 32,7692312'N	7	
	LONG. = 103.7284169 W	$LONG_{\star} = 103.7198448^{\circ}W$	LGKG. = 103.7112722W		Signature and Seal Att are furner sure over
	NMSP EAST (FT)	NM5P EAST (FT) $tt = 644128.93$	HMSP EAST (FT) N = 644140.15	-	Certificate Number, FILIMON PAR VIII.LO, PLS 12797
*• • •	E = 727273.37	E = 729908.26	E = 732543.33		SURVEY NO. 2672
· '	\$99'45'11'W	2635.54 FT	\$89'15'21'W 2635.71 FT		

STRICT I 5 N, FRENCH DR., ROBBS, NM 88240		Si Energy, Min	ate of New herals and Natural R	Mexico esources Department	HOBBS OCD	R
STRICT II. W, GRAND AVENUE ARTESIA, NM 88210 STRICT III.		11885 SO	RVATIC UTH ST. FR/ ?e, New Mexic		JUN 272011 ON RECEIVED	Rensed October 12, 2005 Subern to Appropriate District Office State Lense - 4 Copies Fee Lense - 3 Copies
O RIO BRAZOS RD., AZTEC, NM 874 STRICT IV	WELL I		AND ACREA		AMENDED REPORT	
85 S. ST. FRANCIS DR. SANTA FE, NM 875 AFI Number 30 - 025 - 47015		Postbalande 35D	78	Bone Springs	Pool Nume	
Property Code 391 (12		RA	Property Name NGERS FEDI	ERAL		Well Number 1
OGRID No.		MACK E	Operator Name NERGY COR	PORATION		- Elevation 3919'
013837			Surface Locatio		ł	
	ownship Range 8-S 32-E	Lot Ida	Peet from the 990	North/South Line NORTH	Feet from the 990	Best/West like County WEST LEA
			<u>Ser an e a sur</u>	ent From Surface		
UL or lot No. Section Te	ownship Range	Lot lan	Feet fram the	North/South line	Post from the	Bast/West line County
Dedicated Acres Jount or Infill 0.07	Consolidanca	Code Order i	No.	• • • • • • • • • • • • • • • • • • •	<u> </u>	
NO ALLOWABLE				NTIL ALL INTERES APPROVED BY THE	TS HAVE BEEN CON DIVISION	SOLIDATED
· / · · · · · ·		1				
SEE OE TAIL 920 40 07 AC <u>DE TAIL</u> 3921 7' 3921 9'	NAL Y=6)3 AC	40 01 AC	I bereby certify this true and complete to to bellef, and that this or working interest or in land including the pro- bes a right to dell the to a contract with an working interest, or to agreement or a completeneed entered by the division Signature	Stend 2120 Date
40 07 AC	GEODE TI NAU Y=6 X=6	 C COORDINATE 27 NME 48351.0 N	S	40 01 AC	I bereby certify this true and complete to bellef, and that this a working interest or in land including the pro- bas a right to deill the to a contract with an agreement or a comp entered by the division Signatule Printed Name	the information beston is the best of my knowledge and ganization either owns a uleased mineral interest in the possed bottom bole location or swell at this location pursuant owner of such mineral of a woluntary pooling ulsory pooling order beetofore n. <u>2/21</u> Date J. Sherre 11 CERTIFICATION
920 40 07 AC <u>DE TAIL</u> 3921 9' 500 0 0 0 0	GEODE TI NAU Y=6 X=6		S	40 01 AC	I bereby certify the true and complete to bellef, and that this or working interest or in land including the pro- tass a right to deill the to a contract with an entered by the division Signatule Printed Name SURVEYOR I bereby certify th this plat was plotted surveys made by me that the same is true belief Date Surveyed: Signature Stall Professional Surve	the information berein is the best of my knowledge and ganization either owns a beased mineral interest in the posed bottom bole location or is well at this location pursuant owner of such mineral or a voluntary pooling isloary pooling order beretofore in <u>2124</u> Date <u>1. Sherre 11</u> CERTIFICATION at the well location shown on from field poess of actual: or under my supervision, and and correct to the best of my MBER 2, 2010 LA

MACK ENERGY CORPORAT	ION Monthly Production	Oil Produced	Gas Prod.
Aug-15	Ranger Federal	153	372
Sep-15	Ranger Federal	211	369
Oct-15	Ranger Federal	156	295
Nov-15	Ranger Federal	257	382
Dec-15	Ranger Federal	201	349
Jan-16	Ranger Federal	220	344
Monthly Average		199.6666667	351.8333
Aug-15	Ringtail Federal	936	1258
Sep-15	Ringtail Federal	717	1020
Oct-15	Ringtail Federal	614	879
Nov-15	Ringtail Federal	514	702
Dec-15	Ringtail Federal	455	621
Jan-16	Ringtail Federal	460	621
Monthly Average	-	616	850.1667







Division Order Attachment

Owner Code			Owner Name				Addr Sub #	Net Revenue Interest	Interest Type	Susp Code	Tax Id
Deck: 16843	De	scriptio	n: RINGT	AIL FED - REV D	DISTR				Inact	ive: No	
Property:	3460			Ringtail Federa	1000						
			ounty, NM								
Map Refe	rence:		hip: 018-S E/4; S/2NW/4	Range: 032-E 4	Section: 01	Qtr/Qtr:	Lots 2 & 3;				
Effective Date:	06/01/	2015		Payor: Ma	ck Energy Co	orporation	1				
001900				atural Resources	Revenue		00002	0.12500000	RI	MIN	53-0196958
			P. O. Box 25						7		
000075				80225-0627			US	0.0000000			
002675			P.O. Box 170	eum Consultants			00001 Anita	0.00500000	ORRI	MIN	85-0293995
015751			Hobbs, NM		hip		00001	575/392-6950 0.00750000		MIN	83-0257075
015751			1738 S. Popl	Property Partners	nip		00001	0.00750000		MIIN	83-0257075
			Casper, WY				US	307-234-4507			
015787			Boekel Ene				00001	0.00500000	ORRI	MIN	26-1323702
			P. O. Box 68	07			00001	0.0000000	7		20 1020102
			Great Falls, I	MT 59406			US	303-877-8800			
015788			Patricia Ann	n Boekel Trust			00001	0.00500000	ORRI	MIN	20-6869508
				Porter, Trustee					7		
			P O Box 423								
045700			Englewood,	in the second			US	303-770-6733			504 70 5400
015792			Catherine J P O Box 423				00001	0.00500000	ORRI	MIN	521-78-5462
			Englewood,				US	303-770-6733			
018969			and the second sec	Energy Company	,		00001	0.07500000		MIN	06-1709473
010303			6608 Bryant		γ		00001	0.07500000		IVIIIN	00-1703475
		1	Fort Worth, 1				US	817-263-3500			
019093			James S Po		ene Pr	bristo	00001	0.01500000		ADD	
		1	3485 South C	Gaylord Ct C417	-10 10	Pris 10			7		
			Englewood,	CO 80113			US				
023111			Gordon Sm		tha Sma	ale	00001	0.00750000	ORRI	ADD	
			1775 E. Palm	Canyon Drive, Suite	#110-359				7		
				s, CA 92264			US				
101			Chase Oil C				00001	0.63750000	WI	MIN	85-0403681
			P.O. Box 176								
110		1	Artesia, NM				US	(575) 746-9853			505 00 7400
110			Robert C. C P.O. Box 297				00001	0.03750000	W	MIN	585-80-7468
185		1	Artesia, NM Ventana Mir				US 00001	505-748-1288		MIN	27-1251162
105		(P. O. Box 359				00001	0.03750000		WIIN	27-1201102
			Artesia, NM	-			US				
195		l	DiaKan Min	And a second sec			00001	0.03750000	-lwi	MIN	27-1243802
		[P. O. Box 693				00001	0.00100000	7		
			Artesia, NM	88211-0693			US				
									-		

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Division Order Attachment

Owner Code			me				Addr Sub #	Net Revenue Interest	Interest Type	Susp Code	Tax Id
Deck: 14326	Des	cription:	RANG	ERS FEDERAL -	REV DISTR				Inact	ive: No	
Property:	2677			Rangers Federa	al						
County, S	State: 1	Lea Count	ty, NM								
Map Refer	ence:	Township:	018-S	Range: 032-E	Section: 01	Qtr/Qtr: Lo	t 4				
Effective Date:	01/01/2	013		Payor: Ma	ck Energy Co	orporation					
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			O. Box 17						1		
				88211-1767		U		(575) 746-9853			
110			bert C. C				00001	0.04375000	WI	MIN	585-80-7468
			O. Box 29								
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185				inerals LLC			00001	0.04375000	WI	MIN	27-1251162
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195				nerals LLC			00001	0.04375000	W	MIN	27-1243802
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March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3694

Boekel Energy LLC P.O. Box 6821 Great Falls, MT 59406

Dear sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of Surface Commingling of gas production from our Rangers Federal #1 and our Ringtail Federal #1 wells. Currently the gas is measured separately into two meters located at the Sprinkle B Federal #1 location. Oil production will continue to be produced separately at the existing locations. We request commingled gas production at a central sales meter located at the Sprinkle B Federal #1 well be approved. Production has declined to a point where the gas purchaser charges a low volume fee on the individual meters. Combining the gas production will allow Mack Energy to continue to produce economically.

Allocation for gas production will be done using percentages based on production. I have attached the most current (6) months of production. We propose (1/29%) split in gas production. 71% allocated to the Ringtail Federal and 29% allocated to the Rangers Federal.

Should your company have any objection, it must be filed in writing within twenty (20) days from the date of this notice. The Division Director may approve the application to surface commingle if no objection has been made-within-the-20 days after the application has been received.

1 Contraction		
U.S.	Postal Service	OMPLETE THIS SECTION ON DELIVERY
		Addressee
	ivery information: visit our website at www.usps.com	n (C. Date of Delivery)
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City, State, 2	P.O. Box 6821	stricted Delivery



March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3717

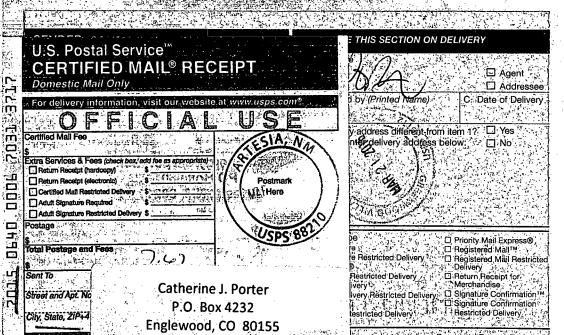
Catherine J. Porter P.O. Box 4232 Englewood, CO 80155

Dear sir or Madam:

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March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3724

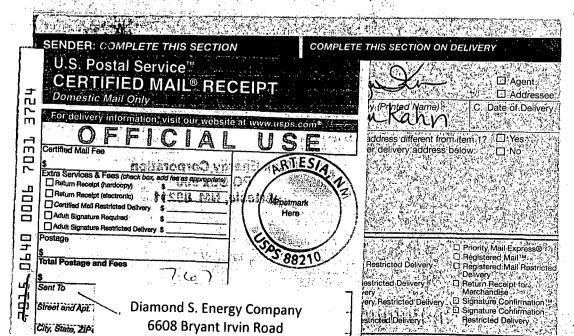
Diamond S. Energy Company 6608 Bryant Irvin Road Fort Worth, TX 76132

Dear sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of Surface Commingling of gas production from our Rangers Federal #1 and our Ringtail Federal #1 wells. Currently the gas is measured separately into two meters located at the Sprinkle B Federal #1 location. Oil production will continue to be produced separately at the existing locations. We request commingled gas production at a central sales meter located at the Sprinkle B Federal #1 well be approved. Production has declined to a point where the gas production will allow Mack Energy to continue to produce economically.

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March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3687

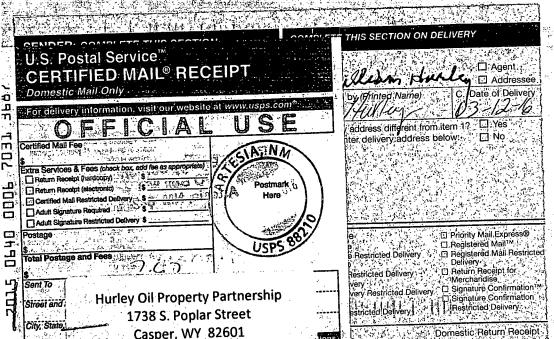
Hurley Oil Property Partnership 1738 S. Poplar Street Casper, WY 82601

Dear sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of Surface Commingling of gas production from our Rangers Federal #1 and our Ringtail Federal #1 wells. Currently the gas is measured separately into two meters located at the Sprinkle B Federal #1 location. Oil production will continue to be produced separately at the existing locations. We request commingled gas production at a central sales meter located at the Sprinkle B Federal #1 well be approved. Production has declined to a point where the gas purchaser charges a low volume fee on the individual meters. Combining the gas production will allow Mack Energy to continue to produce economically.

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MA

March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3670

Lynx Petroleum Consultants P.O. Box 1708 Hobbs, NM 88241-0000

Dear sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of Surface Commingling of gas production from our Rangers Federal #1 and our Ringtail Federal #1 wells. Currently the gas is measured separately into two meters located at the Sprinkle B Federal #1 location. Oil production will continue to be produced separately at the existing locations. We request commingled gas production at a central sales meter located at the Sprinkle B Federal #1 well be approved. Production has declined to a point where the gas production will allow Mack Energy to continue to produce economically.

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March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3731

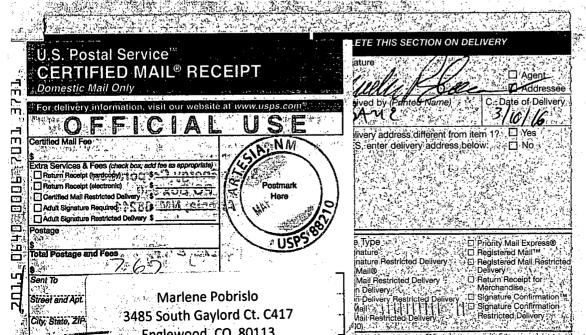
Marlene Pobrislo 3485 South Gaylord Ct. C417 Englewood, CO 80113

Dear sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval of Surface Commingling of gas production from our Rangers Federal #1 and our Ringtail Federal #1 wells: Currently the gas is measured separately into two meters located at the Sprinkle B Federal #1 location. Oil production will continue to be produced separately at the existing locations. We request commingled gas production at a central sales meter located at the Sprinkle B Federal #1 well be approved. Production has declined to a point where the gas purchaser charges a low volume fee on the individual meters. Combining the gas production will allow Mack Energy to continue to produce economically.

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March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3700

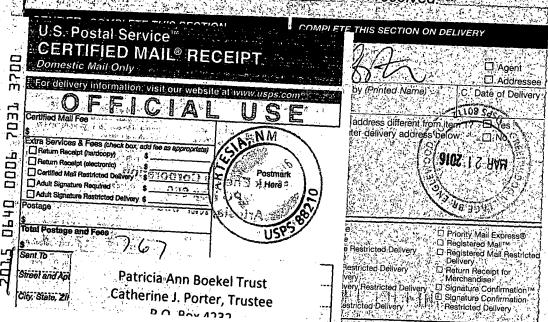
Patricia Ann Boekel Trust Catherine J. Porter, Trustee P.O. Box 4232 Englewood, CO 80155

Dear, sir or Madam:

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March 7, 2016

VIA CERTIFIED MAIL 7015 0640 0006 7031 3748

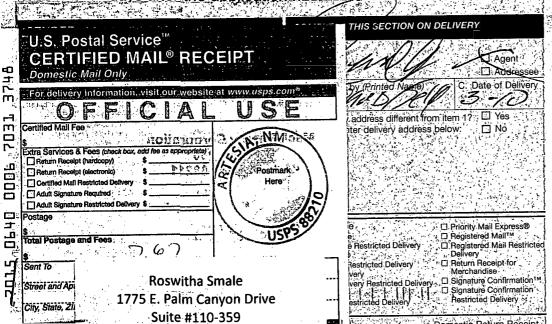
Roswitha Smale 1775 E. Palm Canyon Drive Suite #110-359 Palm Springs, CA 92264

Dear sir or Madam:

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Form 3160-5 (August 2007)	UNITED ST DEPARTMENT OF 1	HE INTERIOR		01	DRM APPROVED MB No. 1004-0137 pires: July 31, 2010
	BUREAU OF LAND N	 Alia Kafolasi of analasi of s 	· .	5. Lease Serial No. NMNM-121480 &	
	RY NOTICES AND R this form proposa			6. If Indian, Allottee o	
	ell. Use Form 3160-				
	IBMIT IN TRIPLICATE - Other	instructions on page 2.		7. If Unit of CA/Agree	ment, Name and/or No.
	Gas Well Othe	r		8. Well Name and No. Rangers Federal #	I & Ringtail Federal #1
2. Name of Operator Mac	k Energy Corporation	-		9. API Well No. 30-025-40180 & 3	0-025-42032
3a. Address		3b. Phone No. (ind	clude area code)	10. Field and Pool or I	
P.O. Box 960 Artesia 4. Location of Well (Footage, S		(575) 748-12	288	Young;Bone Sprin	ig, North
NW/4, W/2 NE/4, Sec. 1 T18	-	provy		Lea, NM	
		E BOX(ES) TO INDIC	ATE NATURE OF	NOTICE, REPORT OR OTHI	ER DATA
TYPE OF SUBMISSION	<u> </u>		TYPE O	FACTION	••••
Notice of Intent	Acidize	Deepen		Production (Start/Resume)	Water Shut-Off
Notice of Inten	Alter Casing	Fracture		Reclamation	Well Integrity
Subsequent Report	Casing Repair		Abandon	Recomplete	Gas Production
Final Abandonment Notice	Convert to Inje	= -		Water Disposal	
ntinue to be produced sepa rinkle B Federal #1 well be lividual meters. Combining	approved. Production	has declined to a po	int where the ga	is purchaser charges a lo	sales meter located at the wolume fee on the
·			SEE ATT CONDIT	ACHED FOR IONS OF APPR	oval
14. I hereby certify that the forego	ng is true and correct. Name (Printed/Typed)	<u> </u>		
Jerry W. Sherrell		Ti	tle Production C		
Signature Cerry	N. Shenell	Di	ate 3/7/16	APPRO	YED
	THIS SP	ACE FOR FEDERA	L OR STATE	OFFICE USEB / 19	2012: 1// 1
Approved by		······································	Title	BHREALLOF	ALL ALL
Conditions of approval, if any, are a that the applicant holds legal or equi entitle the applicant to conduct oper	table title to those rights in the ations thereon.	subject lease which would	Office	CARLSBAD FINL	
fictitious or fraudulent statements o	tle 43 U.S.C. Section 1212, m representations as to any matt	ake it a crime for my person or within its jurisdiction.	h knowingly and will	faily to make to any department	or agency of the United States any false,
(Instructions on page 2)	the second se		/		

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APPLICATION FOR SURFACE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

State of New Mexico – Santa Fe Oil Conservation Division 1220 S. St Francis Drive Santa Fe, New Mexico 87505 Bureau Of Land Management 620 E Greene Street Carlsbad, NM 88220-6292

Off Lease Measurement proposal for Rangers Federal leases:

Mack Energy Corporation is requesting approval for Off Lease Measurement, Sales from the following well:

Federal Lease NMNM121480				
Well Name Location	API # Pool 44500	BOPD	Oil Gravity	Mcfpd BTU
Rangers Federal Sec 1-T18S-32E	30-025-40180 Young;Bone	6	35.8	11 1.2593
History and the second	Spring, North			
Federal Lease NMNM40456				
Well Name Location	API # Pool 44500	BOPD	Oil Gravity	Mcfpd BTU
Ringtail Federal Sec 1-T18S-32E	30-025-42032 Young;Bone	15	38.3	20 1.3333
	Spring, North			
	• • • • • • • • • • • • • • • • • • •			and the second

A map is enclosed showing the Federal leases and well locations in Section 1, T18S, R32E. The gas lines and current meter setting location on DCP Midstream's pipeline Meter(s) #727034-00(Rangers) and #742594-00(Ringtail).

Oil & Gas metering:

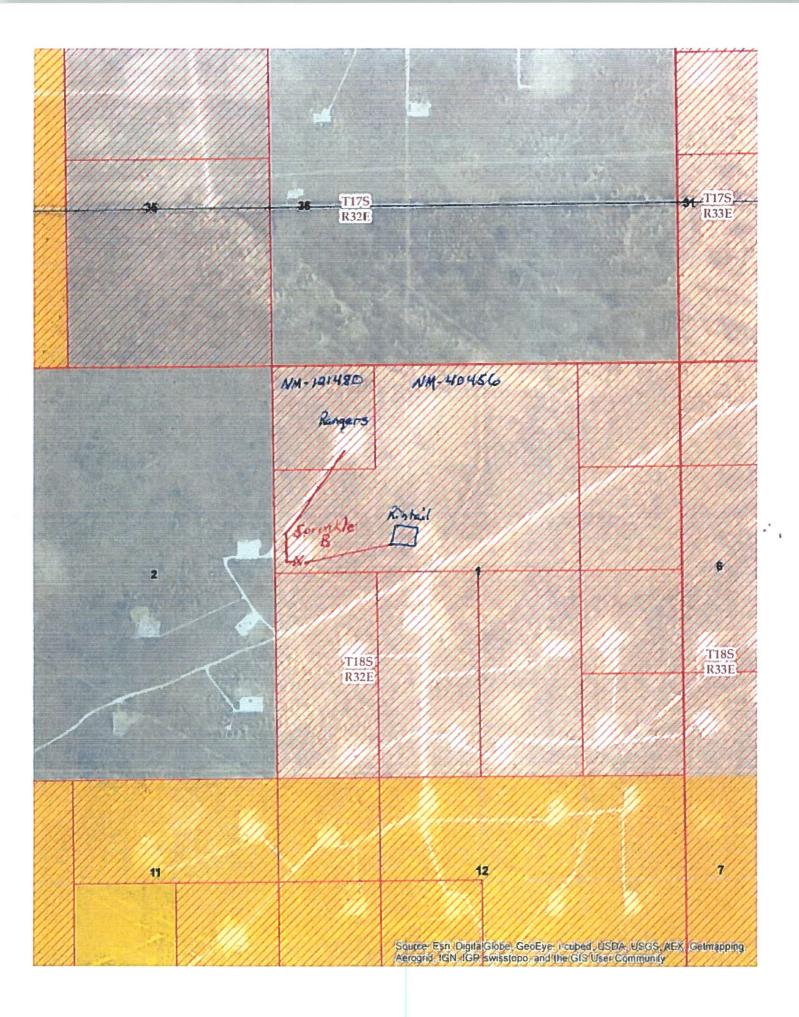
Oil and water volumes for the Rangers Federal #1 will continue to be measured at the Rangers Federal Tank Battery. Oil and gas production for the Ringtail Federal #1 will continue to be measured and the Ringtail Federal Tank Battery. The gas production from both wells will be commingled and sold off lease via pipeline at the Sprinkle B Federal #1 location NMNM40456, thru a common gas meter specifically for the Ringtail and Rangers Leases.

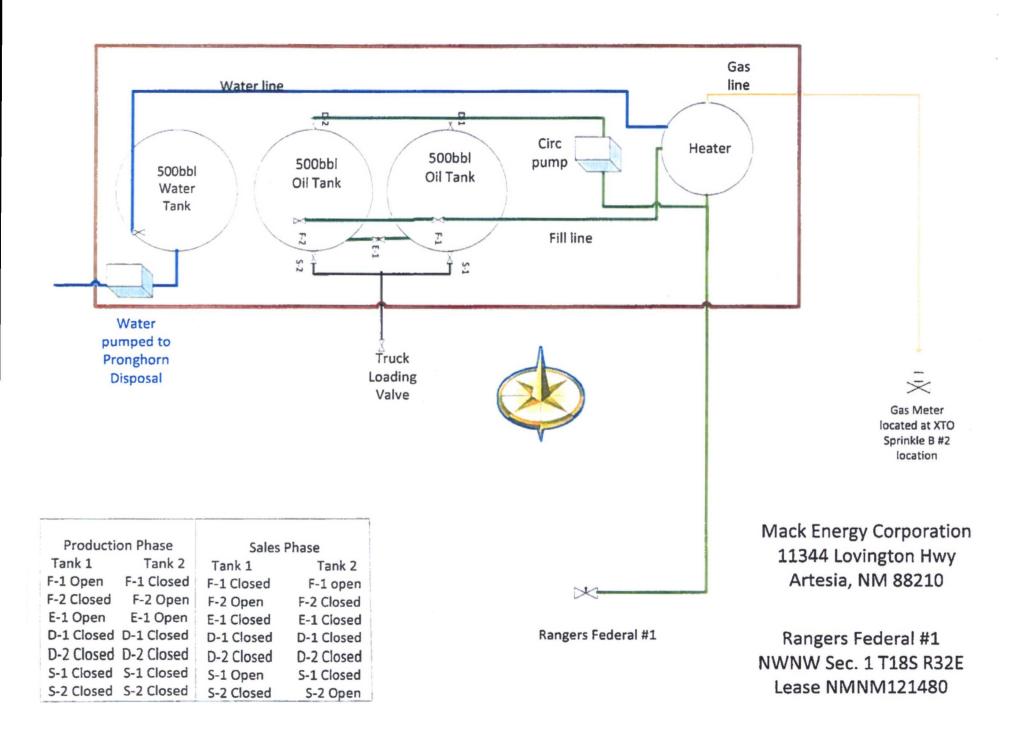
Process and Flow Descriptions:

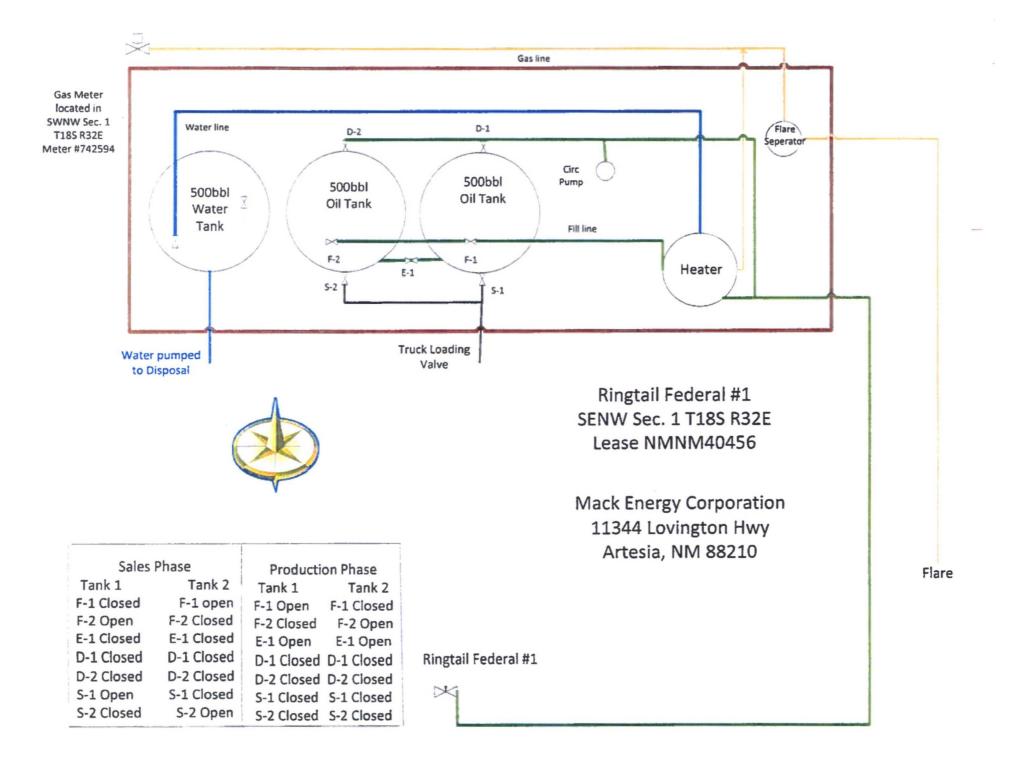
Please see attached diagram(s) for the current Ringtail and Rangers Federal TB's. The flow of produced fluids is shown in detail along with a description of each vessel. The gas will be piped to the commingled sales meter via pipeline.

Mack Energy Corporation currently has approved ROW for both Gas(Fee surface) and SWD lines.

Signed: Printed Name: Jerry W. Sherrell Title: Production Clerk Date:







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ERMANNA TOMAN				
MACKENERGY CORPORATION	Monthly Production	Oil Produced	Gas Prod.	
Aug-15	Ranger Federal	153	372	
Sep-15 Oct-15	Ranger Federal Ranger Federal	211 156	369 295	
Nov-15	Ranger Federal	257	382	
Dec-15 Jan-16	Ranger Federal Ranger Federal	201 220	349 344	
Monthly Average		199.6666667	351.8333	
Aug-15	Ringtail Federal	936	1258	
Sep-15	Ringtail Federal	717	1020	
Oct-15 Nov-15	Ringtall Federal Ringtail Federal	614 514	879 702	
Dec-15	Ringtall Federal	455	621	
Jan-16 Monthly Average	Ringtail Federal	<u>460</u> 616	621 850.1667	
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State of New Mexico Form C-102 Energy, Minerals & Natural Resources Department 0 8 2014 HERN Direct D., HALL MAR 240 mer 1875 248 mildt. Base 1875 148 mer 26 Revised August 1, 2011 Ūen 11 Submit one copy to appropriate UIS Fird St. Allen, NM G210 **OIL CONSERVATION DIVISION** Chone, 1575) \$18-1283 Finz (175) \$44-10"26 RECEIVED **District** Office (bada III 1220 South St. Francis Dr. 1000 Itle litean Read, Ance, N31 3"410 15000: (5454 544 661 78 174, 650 56 144 661 30 15006: 15454 544 661 78 174, 650 56 144 661 30 AMENDED REPORT Santa Fe, NM 87505

1239 S. St. Venneis IN ; Kaita Fe, NM 87305 Phone: 65651 420-1460 Fast 65051 4 Tau 346; X

HOBBS OCD

API Numb ² Paul Code Paul Nam Bone Spring, North 0 025-42032 65350 Young; rty Cade Frequerty Nann Well Number **RINGTAIL FEDERAL** 76 1 OGRID Nil Operator Name Elevation 13837 MACK ENERGY CORPORATION 3909:3 " Surface Location -CL or let as. Section Township Runge Lot Ida Feet from the North South day Feet from the East/West fine County

WELL LOCATION AND ACREAGE DEDICATION PLAT

en en Franke i Alexandre en Alexa Alexandre en Alexandre	18 5	32 F.	2310	NORTH	1650	WEST	LEA
		 Bottom 	Hole Location	If Different Fro	m Surface	19 - E. S.	
CL ar lot au. Srethun A	qhirnro'	Range Lat ki	o Feet from the	North/South line	Feet from the	fast/West line	County
¹² Desistant Acres ¹⁴ Joint or In 40	(A1) * Co	asolidation Code	¹³ 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

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McMillan, Michael, EMNRD

From:	McMillan, Michael, EMNRD
Sent:	Tuesday, March 7, 2017 4:44 PM
То:	Jerry Sherrell
· Cc:	Jones, William V, EMNRD
Subject:	RE: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

Jerry:

I talked to Will, and he said using the 6 month allocation with each well being shut in for 24 hours would suffice. The only additional requirement being that the other well two weeks later being shut in for 24 hours. From this getting the allocation for the next 6 months would work.

Also, the OCD would require Mack to notice the Hobbs District Office that the wells are being shut in. A 24 hour notice would be required

Thanks Mike

From: McMillan, Michael, EMNRD

Sent: Tuesday, March 7, 2017 4:18 PM

To: Jerry Sherrell <jerrys@mec.com>

Cc: Jones, William V, EMNRD < William V. Jones@state.nm.us>

Subject: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

Jerry:

I am glad to see that operators are developing methods to get around low volume charges that pipelines are charging I need to get a couple of points clarified

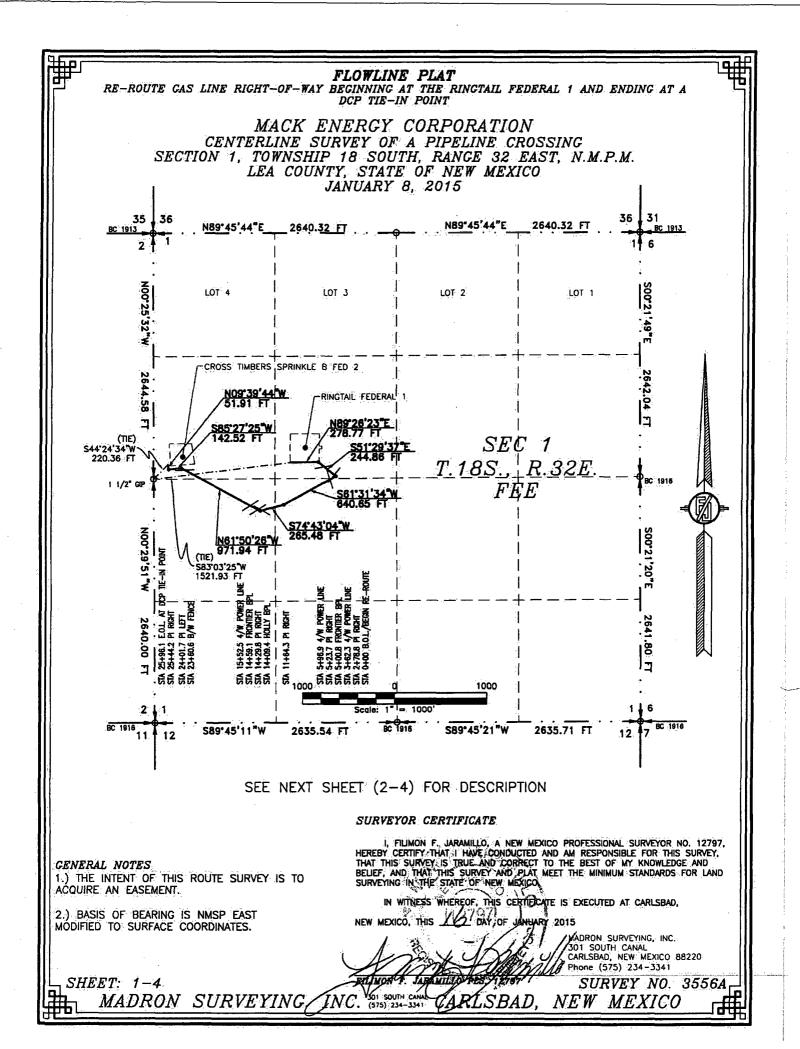
- I need clarification for the allocation percentages
 The February 23, 2017 letter states a 61/39 breakdown of production with Ringtail getting 61%.
 The March 7, 2017 shows a 71/29 breakdown of production with Ringtail getting 71%.
- I will need a facility diagram of the Sprinkles Federal Well No. 1 that shows where the gas lines from the two wells, and where the meter is located

I will need to get with Will to see if this can be approved. If not, it may have to go to hearing, since no operator has suggested shutting in wells to get production percentages.

Thanks Mike

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division 1220 south St. Francis Dr., Santa Fe NM 87505 O: 505.476.3448 <u>Michael.McMillan@state.nm.us</u>



FLOWLINE PLAT

RE-ROUTE CAS LINE RIGHT-OF-WAY BEGINNING AT THE RINCTAIL FEDERAL 1 AND ENDING AT A DCP TIE-IN POINT

MACK ENERGY CORPORATION CENTERLINE SURVEY OF A PIPELINE CROSSING SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M. LEA COUNTY, STATE OF NEW MEXICO JANUARY 8, 2015

DESCRIPTION

A STRIP OF LAND 30 FEET WIDE CROSSING FEE LAND IN SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., LEA COUNTY, STATE OF NEW MEXICO AND BEING 15 FEET EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT WITHIN THE SE/4 NW/4 OF SAID SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M., WHENCE THE WEST QUARTER CORNER OF SAID SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS S83'03'25"W, A DISTANCE OF 1521.93 FEET;

THENCE N89'26'23"E A DISTANCE OF 278.77 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE \$51"29'37"E A DISTANCE OF 244.86 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S61'31'34"W A DISTANCE OF 640.65 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S74'43'04 W A DISTANCE OF 265.48 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE N61'50'26"W A DISTANCE OF 971.94 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE S85'27'25'W A DISTANCE OF 142.52 FEET TO AN ANGLE POINT OF THE LINE HEREIN DESCRIBED; THENCE NO9'39'44'W A DISTANCE OF 51.91 FEET THE TERMINUS OF THIS CENTERLINE SURVEY, WHENCE THE WEST QUARTER CORNER OF SAID SECTION 1, TOWNSHIP 18 SOUTH, RANGE 32 EAST, N.M.P.M. BEARS S44'24'34 W, A DISTANCE OF 220.36 FEET;

SAID STRIP OF LAND BEING 2596.13 FEET OR 157.34 RODS IN LENGTH, CONTAINING 1.788 ACRES MORE OR LESS AND BEING ALLOCATED BY FORTIES AS FOLLOWS:

SE/4 NW/4	576.68 L.F.	34.95 RODS	0.397 ACRES
NE/4 SW/4	686.90 L.F.	41.63 RODS	0.473 ACRES
NW/4 SW/4	894.17 L.F.	54.19 RODS	0.616 ACRES
SW/4 NW/4	438.38 L.F.	26.57 RODS	0.302 ACRES

SURVEYOR CERTIFICATE

I, FILIMON F. JARAMILLO, A NEW MEXICO PROFESSIONAL SURVEYOR NO. 12797, HEREBY CERTIFY THAT I HAVE CONDUCTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR LAND SURVEYING IN THE STATE OF NEW MEXICO.

MADRON SURVEYING, INC. 301 SOUTH CANAL

NEW

CARLSBAD, NEW MEXICO 88220 / Phone (575) 234-3341

SURVEY NO. 3556A

IN WITNESS WHEREOF, THIS CERTIFICATE IS EXECUTED AT CARLSBAD,

DAY OF JANUARY 2015 NEW MEXICO, THIS

RT SBAD

PILINON T. JARMIN SOI SOUTH CANAL

INC.

(575) 234-3341

SHEET: 2-4 MADRON SURVEYING

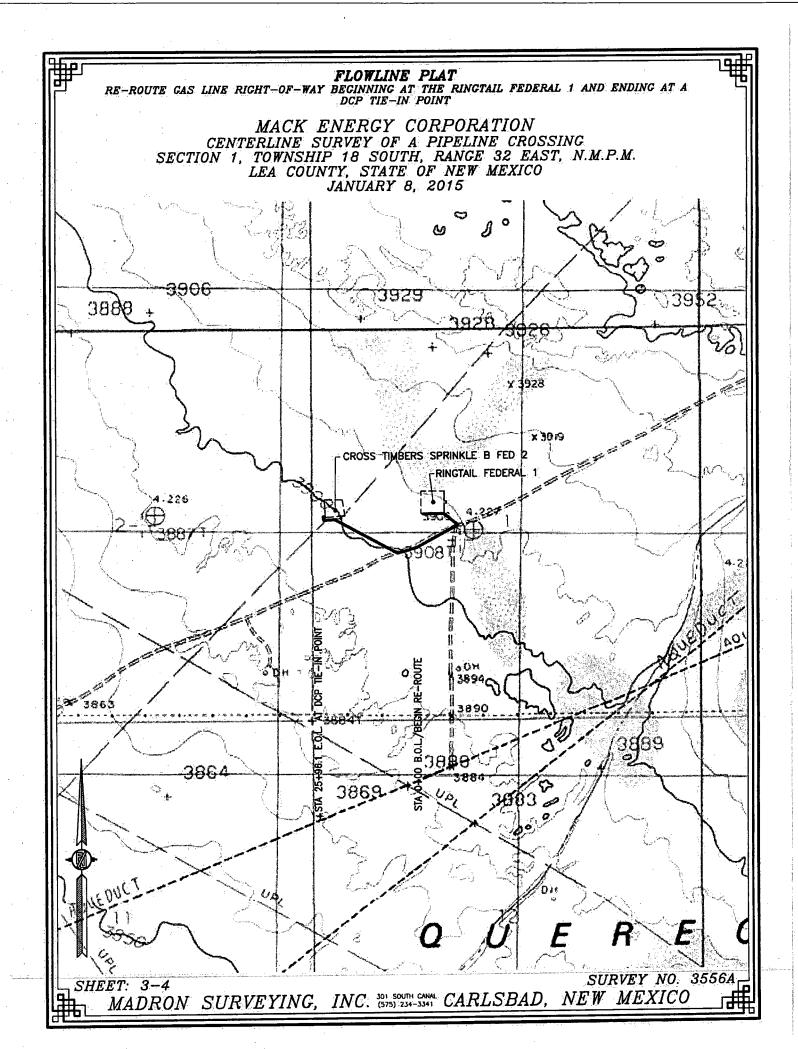
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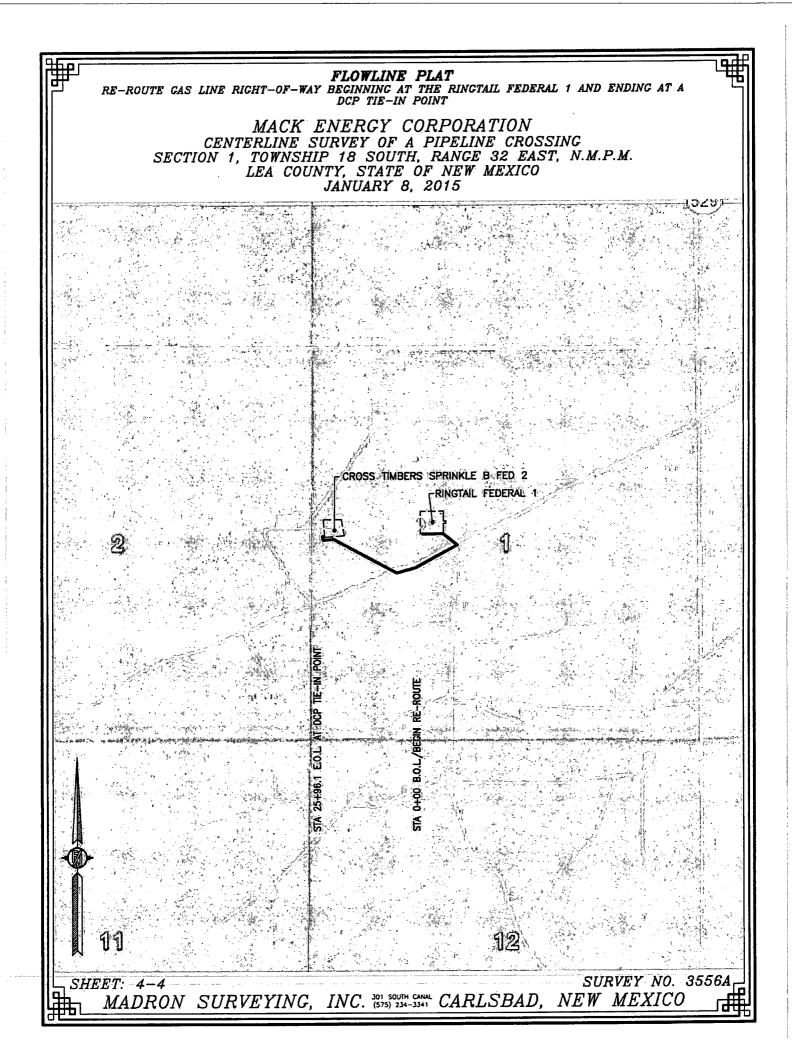
MODIFIED TO SURFACE COORDINATES.

1.) THE INTENT OF THIS ROUTE SURVEY IS TO

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McMillan, Michael, EMNRD

From:	Jerry Sherrell <jerrys@mec.com></jerrys@mec.com>
Sent:	Wednesday, March 8, 2017 10:18 AM
То:	McMillan, Michael, EMNRD
Subject:	RE: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement
	method in oil wells

The numbers for the newest letter are correct. That being said. I see what you are getting at, that they are different from numbers sent to the affected parties. These numbers could potentially change at every six month testing period. The test will keep allocation accurate.

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Wednesday, March 08, 2017 10:09 AM
To: Jerry Sherrell
Subject: RE: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

So which letter is correct-the letter to the affected parties, or the letter to the OCD? Mike

From: Jerry Sherrell [<u>mailto:jerrys@mec.com</u>] Sent: Wednesday, March 8, 2017 10:04 AM To: McMillan, Michael, EMNRD <<u>Michael.McMillan@state.nm.us</u>> Subject: RE: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

Yes I did. The production has changed. The Rangers is an older well and has declined. The six month testing should keep us on track as to any decline in either well and prevent early plugging and loss of resources.

From: McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]
Sent: Wednesday, March 08, 2017 9:59 AM
To: Jerry Sherrell
Subject: RE: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

Di you look at the letters for part that deals with allocation Mike

From: Jerry Sherrell [mailto:jerrys@mec.com] Sent: Wednesday, March 8, 2017 9:55 AM To: McMillan, Michael, EMNRD <<u>Michael.McMillan@state.nm.us</u>> Cc: Lee Livingston <<u>leel@mec.com</u>> Subject: RE: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

Mike,

That sounds completely reasonable to us. I am working on the diagram for our sales meters at the Sprinkle location. They are located just off the edge of that location adjacent to DCP gathering line. I have attached the plats for both lines.

Cc: Jones, William V, EMNRD

Subject: RE: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

Jerry:

I talked to Will, and he said using the 6 month allocation with each well being shut in for 24 hours would suffice. The only additional requirement being that the other well two weeks later being shut in for 24 hours. From this getting the allocation for the next 6 months would work.

Also, the OCD would require Mack to notice the Hobbs District Office that the wells are being shut in. A 24 hour notice would be required

Thanks

Mike

From: McMillan, Michael, EMNRD Sent: Tuesday, March 7, 2017 4:18 PM To: Jerry Sherrell <<u>ierrys@mec.com</u>> Cc: Jones, William V, EMNRD <WilliamV.Jones@state.nm.us>

Subject: Ringtail Federal Well NO. 1 and Rangers Federal Well No. 1 gas measurement method in oil wells

Jerry:

I am glad to see that operators are developing methods to get around low volume charges that pipelines are charging I need to get a couple of points clarified

- I need clarification for the allocation percentages
 The February 23, 2017 letter states a 61/39 breakdown of production with Ringtail getting 61%.
 The March 7, 2017 shows a 71/29 breakdown of production with Ringtail getting 71%.
- I will need a facility diagram of the Sprinkles Federal Well No. 1 that shows where the gas lines from the two wells, and where the meter is located

I will need to get with Will to see if this can be approved. If not, it may have to go to hearing, since no operator has suggested shutting in wells to get production percentages.

Thanks Mike

MICHAEL A. MCMILLAN

Engineering Bureau, Oil Conservation Division 1220 south St. Francis Dr., Santa Fe NM 87505 O: 505.476.3448 <u>Michael.McMillan@state.nm.us</u>