

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 16, 2017

ADMINISTRATIVE OFF-LEASE MEASUREMENT ORDER

Administrative Order OLM-118
Application Reference No. pMAM1722735376

Mack Energy Corporation
Attention: Mr. Jerry Sherrell

Mack Energy Corporation (OGRID 13837) is hereby authorized to transport and measure oil and gas production off-lease, from the following well which produces from the Round Tank; San Andres Pool (Pool code 52770) in Chaves County, New Mexico:

Lease: Klondike State Com Well No. 1H Lease
Description : SW/4 SE/4 of Section 23, W/2 E/2 of Section 26, and W/2 NE/4 of Section 35, all
in Township 15 South, Range 28 East, Chaves County, New Mexico
Well: Klondike State Com Well No. 1H 30-005-64295

The project area for this well comprises the SW/4 SE/4 of Section 23, the W/2 E/2 of Section 26, and the W/2 NE/4 of Section 35, all in Township 15 South, Range 28 East, Chaves County, New Mexico.

The oil production from this well shall be measured at, and sold from, Klondike Central Tank Battery located in Unit H, Section 26, Township 15 South, Range 28 East, NMPM, Chaves County, New Mexico.

The commingled gas production from the well detailed above shall be measured and sold at the DCP gas meter ("Custody Transfer Point") located in Unit N, Section 19, Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico.

All meters for the above-referenced well shall be physically separated from facilities for other wells, so that production from the above-referenced well will not be commingled prior to measurement with production from any other wells.

The surface commingling of oil and gas with production from other pools or leases is NOT authorized.

Notice of this application to all working interest owners who are "affected persons," as defined in Division Rule 19.15.23.9 (A) NMAC. is not required, since the only working interest owners are the Applicant and affiliated parties.

The operator shall notify the Artesia District Office before commencement of Off-Lease Measurement.

The approval is subject to like approval by the New Mexico State Land Office.

Done at Santa Fe, New Mexico, on August 16, 2017.



DAVID R. CATANACH
Director

DRC/mam

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