

DISTRICT I
P.O. Box 1980, Hobbs NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

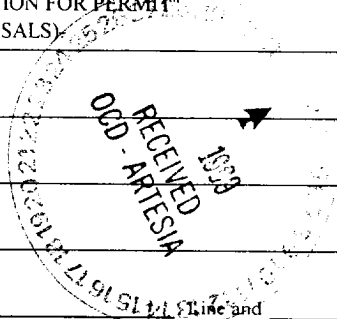
DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, New Mexico 87505

Record Only

WELL API NO.
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6 State Oil & Gas Lease No. V-4381 & B-2209
7. Lease Name or Unit Agreement Name Juniper State & Wichita State
8. Well No.
9. Pool name or Wildcat Loco Hills Paddock
10. Elevation (Show whether DF, RKB, RT, GR, etc.)

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS)	
1. Type Of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	
2. Name of Operator Mack Energy Corporation	
3. Address of Operator P.O. Box 960, Artesia, NM 88211-0960	
4. Well Location Unit Letter M : Feet From The Line and Feet From The Line Section 16 Township 17S Range 30E NMPM Eddy, NM County	
10. Elevation (Show whether DF, RKB, RT, GR, etc.)	



11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: Surface Commingle ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER ☐

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Mack Energy Corporation as operator respectfully requests administrative approval for a CTB permit for surface commingling, off lease storage and measurement of production. It is requested that surface commingling of "Loco Hills Paddock" production be approved for the following leases:

Juniper State #1 SW/4 SW/4 Sec 16, T17S, R30E State of NM Lease V-4381

✓ Wichita State #1 NW/4 SW/4 Sec 16, T17S, R30E State of NM Lease B-2209

A central battery will be located at SW/4 SW/4, Sec 16, T17S, R30E. Proper allocation for production will be measured at the battery. The attached site facility diagram illustrates the typical separation equipment and the proposed production battery. Mack Energy has made notification to all parties owning an interest in these leases, including the oil purchaser, of the intent to commingle.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Crissa D. Carter TITLE Production Analyst DATE 6/30/99

TYPE OR PRINT NAME Crissa D. Carter TELEPHONE NO (505)748-1288

(This space for State Use)

APPROVED BY / TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY

For Record Only Box Needs Administrative Approval

**APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL**

To: **Oil Conservation Division**
2040 S. Pacheco
Santa Fe, New Mexico 87505-0000

Mack Energy Corporation (**Operators Name**) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on State Lease No. V-4381 ; Lease Name: Juniper State

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp</u>	<u>Rng</u>	<u>Formation</u>
<u>1</u>	<u>M</u>	<u>16</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

with hydrocarbon production from the following formation(s) and well(s) on State lease No. B-2209 ; Lease Name: Wichita State

<u>Well</u> <u>No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u>L</u>	<u>16</u>	<u>17S</u>	<u>30E</u>	<u>Loco Hills Paddock</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>Juniper State#1</u>	<u>12.5</u>	<u>55.2 @ 60 degrees</u>	<u>38</u>
<u>Wichita State #1</u>	<u> </u>	<u>@ 60 degrees</u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

**The storage and measuring facility is located at SW/4SW/4-1/4, Sec. 16
T 17 S, R 30 E, on lease No. V-4381 Eddy County, New Mexico. OCD
will be notified if there is any future change in the facility location.**

**Details of the proposed method for allocating production to
contributing sources is as follows:**

Proper allocation for production will be measured at the battery.

Continued:

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

**The storage and measuring facility is located at SWSW-1/4, Sec. 16
T 17 S, R 30 E, on lease No. V-4381 EDDY County, New Mexico. OCD
will be notified if there is any future change in the facility
location.**

**Details of the proposed method for allocating production to
contributing sources is as follows:**

Proper allocation for production will be measured at the battery.

The working interest owners have been notified of the proposal.

**The proposed commingling of production is in the interest of
conservation and will not result in reduced royalty or improper
measurement of production.**

**The proposed commingling is necessary for continued operation of
the above referenced State leases.**

**We understand that the requested approval will not constitute the
granting of any right-of-way or construction rights not granted by
the lease instrument. And, we will submit within 30 days an
application for right-of-way approval to the OCD's Realty Section
in your office if we have not already done so.**

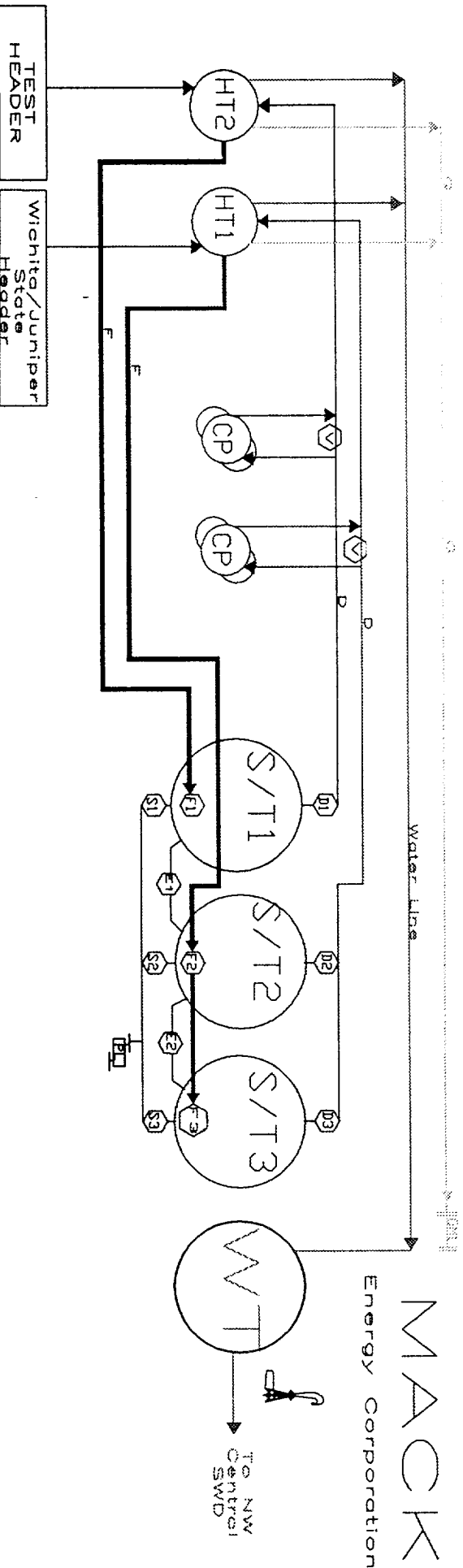
Additional wells require additional commingling approvals.

Signature: Crissa D. Carter

Name: Crissa D. Carter

Title: Production Analyst

Date: 6/30/99



Production Phase

Wichita/Juniper State Battery		Test Battery	
S/T 1	S/T 2	S/T 3	
Open	Closed	Open	
Open	Open	Open	
Closed	Closed	Closed	
Closed	Open	Open	
Closed	Closed	Closed	
Closed	Open	Closed	
Closed	Closed	Closed	

Sales Phase

Wichita/Juniper State Battery		Test Battery	
S/T 1	S/T 2	S/T 3	
Closed	Open	Closed	
Closed	Open	Closed	
Closed	Closed	Closed	
Open	Closed	Open	
Open	Closed	Open	
Open	Open	Open	
Closed	Closed	Closed	

This Lease is subject to the site Security Plan for southeast New Mexico operations.

The Plan is Located at :

Mack Energy Corporation
P.O. Box 960
Artesia NM 88211-0960

Mack Energy Corporation
Wichita/Juniper State Tank Battery
SW/4 SW/4
Sec. 16, T17S-R30E

Wichita/Juniper State Leases

Test Facility

[illegible]