

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 ENERGY CORPORATION

OPERATOR ADDRESS: PO BOX 960 ARTESIA, NM 88211-0960

APPLICATION TYPE:

X Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee X State ☐ Federal

Is this an Amendment to existing Order? X Yes ☐ 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 ☐ 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
13280 CORBIN; QUEEN	35.4/1.1180	37.4/1.2053			
43329 MALJAMAR; GB-SA	37.4/1.2605				
13150 CORBIN; ABO	38.0/1.640				

(2) Are any wells producing at top allowables? ☐ Yes X No

(3) Has all interest owners been notified by certified mail of the proposed commingling? X Yes ☐ No.

(4) Measurement type: ☐ Metering X Other (Specify) Periodic well testing.

(5) Will commingling decrease the value of production? ☐ Yes X No If "yes", describe why commingling should be approved

#### (B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

#### (C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

#### (D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

#### (E) ADDITIONAL INFORMATION (for all application types)

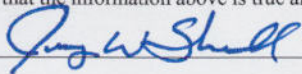
Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: 

TITLE: REGULATORY SUPERVISOR

DATE: 6/8/2022

TYPE OR PRINT NAME: Jerry W. Sherrell

TELEPHONE NO.: 575-748-1288

E-MAIL ADDRESS: jerrys@mec.com





P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

June 9, 2022

Oil Conservation Division  
Attn: Dean McClure  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval to Surface Commingle at our State 35 TB. Wells produce from the Corbin; Abo(13150), Corbin; Queen(13280) and Maljamar: Grayburg-San Andres(43329) and will be commingled at State 35 TB located in the Unit M Sec. 35 T17S R33E.

Allocation of production will be measured through well testing of individual wells. Wells will be tested once a month for a minimum 24 hours. The TB is equipped with a test production train. Oil measured by tank gauging and gas measured using a Total Flow Meter. Water will be measured using a turbine meter.

All pools and wells are owned 100% by Mack Energy affiliates. There is a Royalty Interest to the NMSLO. All affected parties have been notified of this application via certified mail.

Commingling will not decrease the value of production.

Should you have any questions please contact me @ 575-748-1288.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Supervisor  
jerrys@mec.com

JWS/

Enclosures  
Well List














State 35 #1	30-025-01415	Corbin; Abo(Currently T&A'd). Proposed
up hole completion in the Maljamar;	Grayburg-San Andres	
State 35 #4	30-025-25387	Corbin; Queen
State 35 #5	30-025-30548	Corbin; Queen/Maljamar; Grayburg-San
Andres		
State 35 #6	30-025-30657	SWD; San Andres
State 35 #7	30-025-40319	Corbin; Abo



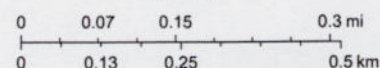
## OCD Well Locations



6/8/2022, 10:47:05 AM

-  Override 1  
 Wells - Large Scale  
 Gas, Active  
 Oil, Active  
 Oil, Cancelled  
 Oil, Plugged  
 Oil, Temporarily Abandoned  
 Salt Water Injection, Active  
 Salt Water Injection, Plugged  
 PLSS Second Division  
 PLSS First Division  
 Oil and Gas Leasing Restrictions  
 Oil and Gas Leases

1:9,028

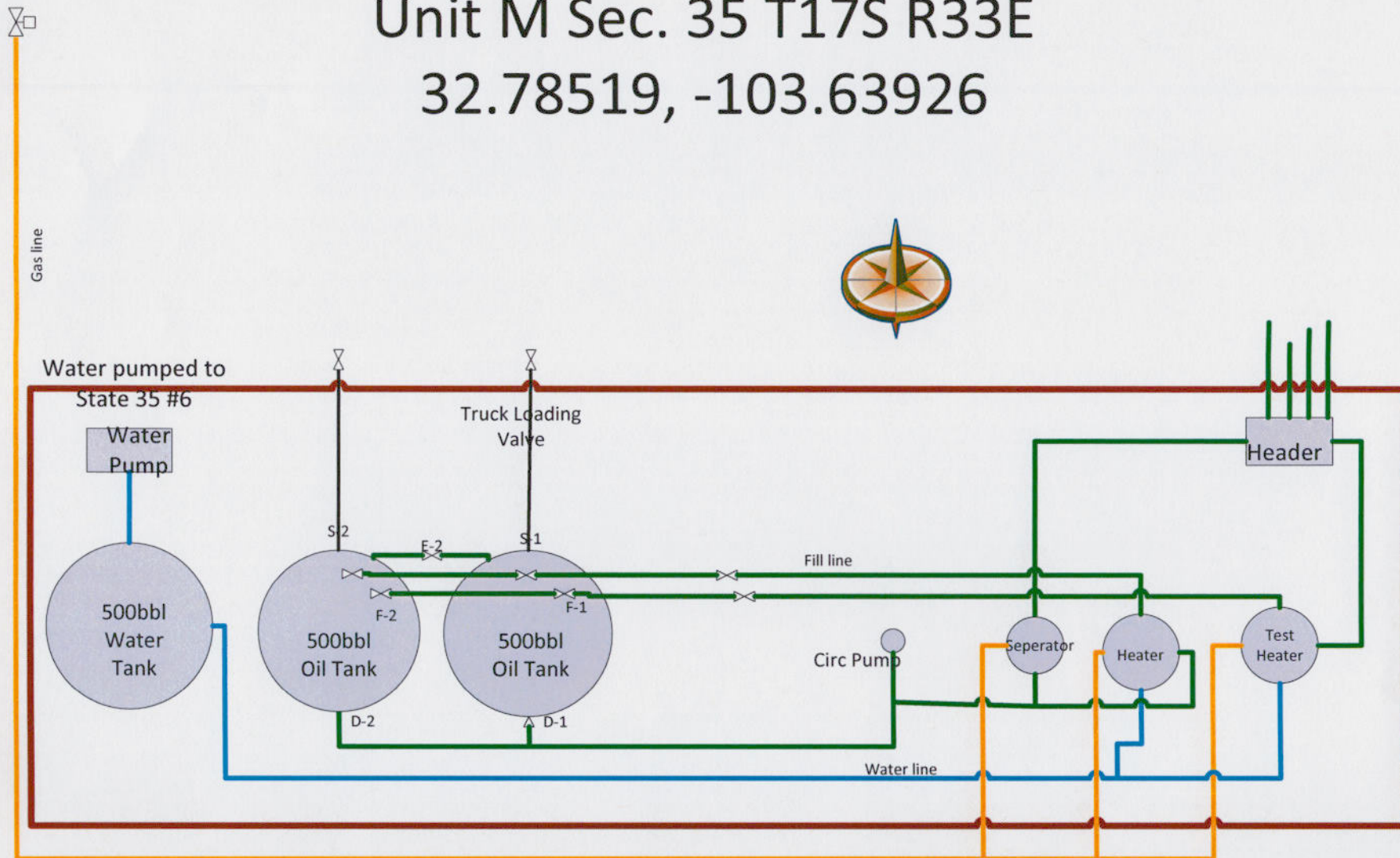


Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community, Oil Conservation Division of the New Mexico Energy, Minerals and Natural Resources Department., Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community, BLM

5: New Mexico Oil Conservation Division



Mack Energy Corporation  
State 35 TB  
Unit M Sec. 35 T17S R33E  
32.78519, -103.63926



**Lease Deck Decimals**

Deck: 09220 NM1508-A - ST NM K-0385-6 Eff Period: 11/2021 Next Deck Eff:

Owner: 001231 Commissioner Of Public Lands  
 Address: 00001  
 Effective Date: 09/2005 End Date: 12/2078  
 Type Interest: R1 Working Interest: 0.00000000 Deleted  
 Net Rev Interest: 0.12500000

Interest Type Totals:  
 Working Interest 1.00000000  
 Net Rev Interest 1.00000000

Deck Totals Owner Obligation Transfer Note Eff Maint

Type	Owner	Name	Addr	Type	Working Interest	Net Rev Interest	Del
BusAssoc	001231	Commissioner Of Public Lands	00001	R1	0.00000000	0.12500000	
Corp	101	Chase Oil Corporation	00001	W1	0.85000000	0.74375000	
Corp	171	RDC Minerals LLC	00001	W1	0.05000000	0.04375000	
Corp	185	Ventana Minerals LLC	00001	W1	0.05000000	0.04375000	
Corp	195	DiaKan Minerals LLC	00001	W1	0.05000000	0.04375000	

Compute W/I Owner's NRI Add Edit Delete OK Cancel Close Import Ownership < >

## Sheet1

Entity	Interest	Entity Name	Address	City	St	Zip Code
001231	RI	Commissioner Of Public Lands	310 Old Santa Fe Trail	Santa Fe	NM	87501
101	WI	Chase Oil Corporation	P.O. Box 1767	Artesia	NM	88211-1767
171	WI	RDC Minerals LLC	PO Box 297	Artesia	NM	88211-0297
185	WI	Ventana Minerals LLC	P. O. Box 359	Artesia	NM	88211
195	WI	DiaKan Minerals LLC	P. O. Box 693	Artesia	NM	88211-0693





P.O. Box 960  
Artesia, NM 88211-0960  
Office (575) 748-1288  
Fax (575) 746-9539

VIA CERTIFIED MAIL 7021 2720 0000 2140 9571

June 9, 2022

Commissioner of Public Lands  
PO Box 1148  
Santa Fe,, NM 87504-1148

Dear Sir or Madam:

Mack Energy Corporation is requesting administrative approval from the NMOCD for approval to Surface Commingle at our State 35 TB. Wells produce from the Corbin; Abo(13150), Corbin; Queen(13280) and Maljamar: Grayburg-San Andres(43329) and will be commingled at State 35 TB located in the Unit M Sec. 35 T17S R33E.

Allocation of production will be measured through well testing of individual wells. Wells will be tested once a month for a minimum 24 hours. The TB is equipped with a test production train. Oil measured by tank gauging and gas measured using a Total Flow Meter. Water will be measured using a turbine meter.

All pools and wells are owned 100% by Mack Energy affiliates. There is a Royalty Interest to the NMSLO. All affected parties have been notified of this application via certified mail.

Commingling will not decrease the value of production.

Should you have any questions please contact me @ 575-748-1288.

Sincerely,

A handwritten signature in blue ink that reads "Jerry W. Sherrell".

Jerry W. Sherrell  
Production Supervisor  
jerrys@mec.com

JWS/



**Enclosures**  
**Well List**

State 35 #1	30-025-01415	Corbin; Abo(Currently T&A'd). Proposed up hole completion in the Maljamar; Grayburg-San Andres
State 35 #4	30-025-25387	Corbin; Queen
State 35 #5	30-025-30548	Corbin; Queen/Maljamar; Grayburg-San Andres
State 35 #6	30-025-30657	SWD; San Andres
State 35 #7	30-025-40319	Corbin; Abo

# **NEW MEXICO OIL CONSERVATION COMMISSION** **WELL LOCATION AND ACREAGE DEDICATION PLAT**

FORM C-128  
Revised 8/1/57

**SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE**

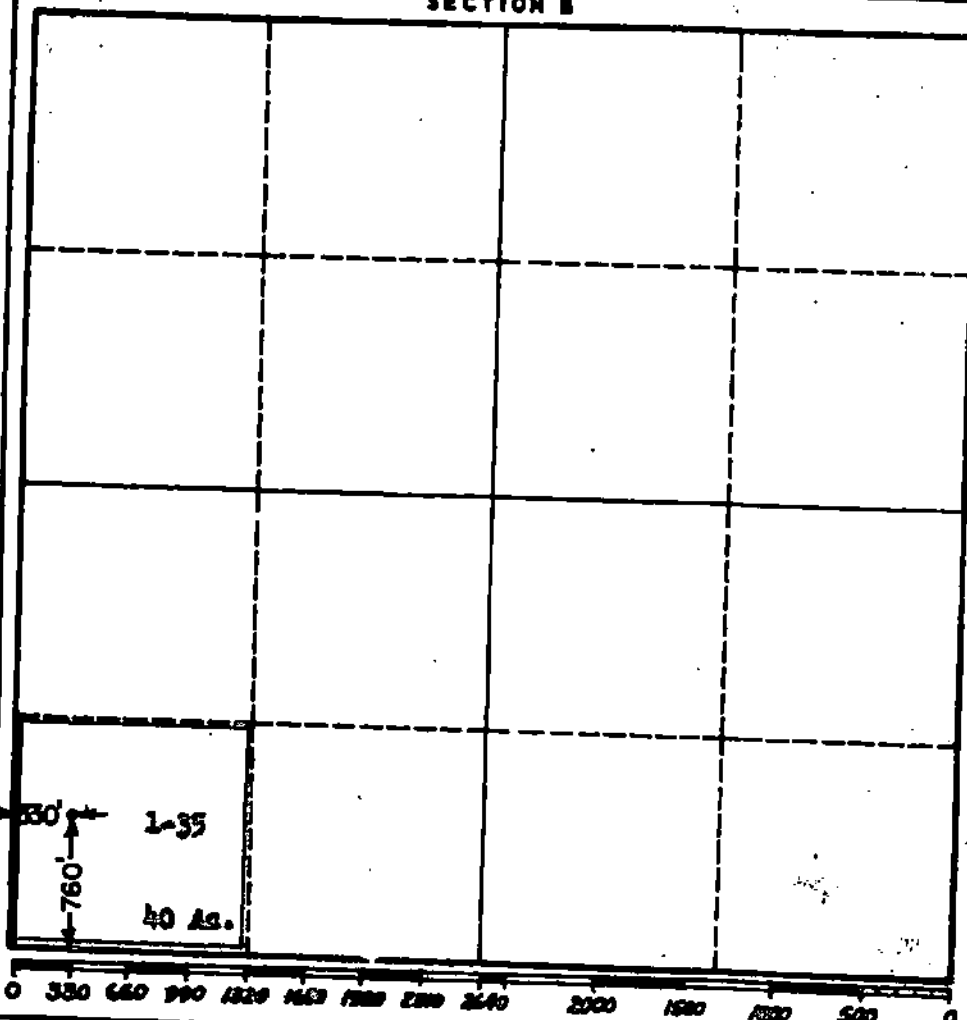
## **SECTION A**

Operator <b>UNION OIL COMPANY OF CALIFORNIA</b>				Lesse <b>STATE</b>		Well No. <b>1-35</b>
U&L Letter <b>M</b>	Section <b>35</b>	Township <b>17 SOUTH</b>	Range <b>33 EAST</b>	County <b>LEA COUNTY</b>		
Actual Footage Location of Well: <b>330</b> feet from the <b>WEST</b> line and <b>760</b> feet from the <b>SOUTH</b> line						
Ground Level Elev. <b>4165.6</b>	Producing Formation <b>ADO Reef</b>		Pool <b>Unassigned</b>		Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (63-3-29 (a) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by consolidation agreement or otherwise? YES ☐ NO ☐ If answer is "yes," Type of Consolidation \_\_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

## **SECTION B**



## **CERTIFICATION**

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

Name Paul Necker  
 Position Production Clerk  
 Company Union Oil Co. of California  
 Date March 27, 1962

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed MARCH 23, 1962  
 Registered Professional Engineer and/or Land Surveyor, JOHN W. WEST  
John W. West  
 Certificate No. N. M. - P. E. & L. S. NO. 678



**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form O-101  
 Superseded L-128  
 Effective 1-1-65

All distances must be from the outer boundaries of the Section

Owner <b>UNION OIL COMPANY OF CALIFORNIA</b>			Lease <b>State 35</b>		Well No. <b>4</b>
Section <b>L</b>	Section <b>35</b>	Township <b>17 South</b>	Range <b>33 East</b>	County <b>Lea</b>	
Actual Surface Location of Well: <b>1750</b> feet from the <b>south</b> line and <b>330</b> feet from the <b>west</b> line.					
Input Level Elev. <b>4121.2</b>	Producing Formation <b>Queen</b>	Pool <b>Corbin Queen</b>		Dedicated Acreage <b>40</b>	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

**CERTIFICATION**

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

*J. R. Hughes*  
 Name

**J. R. Hughes**

Position

**District Drilling Supt.**

Company

**Union Oil Co. of California**

Date

**January 4, 1977**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed

**Oct. 28, 1976**

Registered Professional Engineer and/or Surveyor

*John W. West*  
 Signature

Official Seal

**676**

330 660 990 1320 1680 2040 2400 2760 3120 3480 3840 4200 4560 4920 5280 5640 6000

HOBBS OCD

FEB 06 2014

District I  
1635 N. French Dr., Hobbs, NM 88240  
Phone: (505) 293-6161 Fax: (505) 293-0720

District II  
811 S. First St., Artesia, NM 88210  
Phone: (505) 748-1283 Fax: (505) 748-0720

District III  
1040 Rio Grande Road, Abo, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
**RECEIVED**  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-30548</b>	Pool Code <b>13280</b>	Pool Name <b>Corbin; Queen</b>
Property Code <b>30725</b>	State <b>35</b>	Well Number <b>5</b>
OGUID No. <b>013837</b>	Operator Name <b>Mack Energy Corporation</b>	Elevation <b>4121</b>

Surface Location									
1/4, or lot no. <b>K</b>	Section <b>35</b>	Township <b>17S</b>	Range <b>33E</b>	Lot 1/4 <b>2310</b>	Feet from the <b>2310</b>	North/South line <b>South</b>	Feet from the <b>1980</b>	East/West line <b>West</b>	County <b>Lea</b>

Bottom Hole Location If Different From Surface									
1/4, or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 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.

					<b>"OPERATOR CERTIFICATION"</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or an undivided mineral interest in the land including the proposed location hole, location or has a right to drill this well at this location pursuant to a written agreement with the owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling unit as heretofore created by the division. <u>Deana Weaver</u> 1.30.14 Signature Date <u>Deana Weaver</u> Printed Name <u>dweaver@mec.com</u> E-mail Address
					<b>"SURVEYOR CERTIFICATION"</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor
					Certificate Number

FEB 10 2014



Submit to A. recipient  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Department of Minerals and Natural Resources

Form C-102  
Revised 1-1-89

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

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

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>UNION OIL COMPANY OF CALIFORNIA</b>			Lease <b>STATE "35"</b>		Well No. <b>6</b>
Unit Letter <b>N</b>	Section <b>35</b>	Township <b>17 South</b>	Range <b>33 East</b>	County <b>Lea</b>	
Actual Footage Location of Well:					
990 feet from the <b>South</b> line and		1980 feet from the <b>West</b> line			
Ground level Elev. <b>4101.3'</b>	Producing Formation <b>Grayburg-San Andres</b>		Pool <b>Maljamar</b>	Dedicated Acreage: <b>40 Acres</b>	

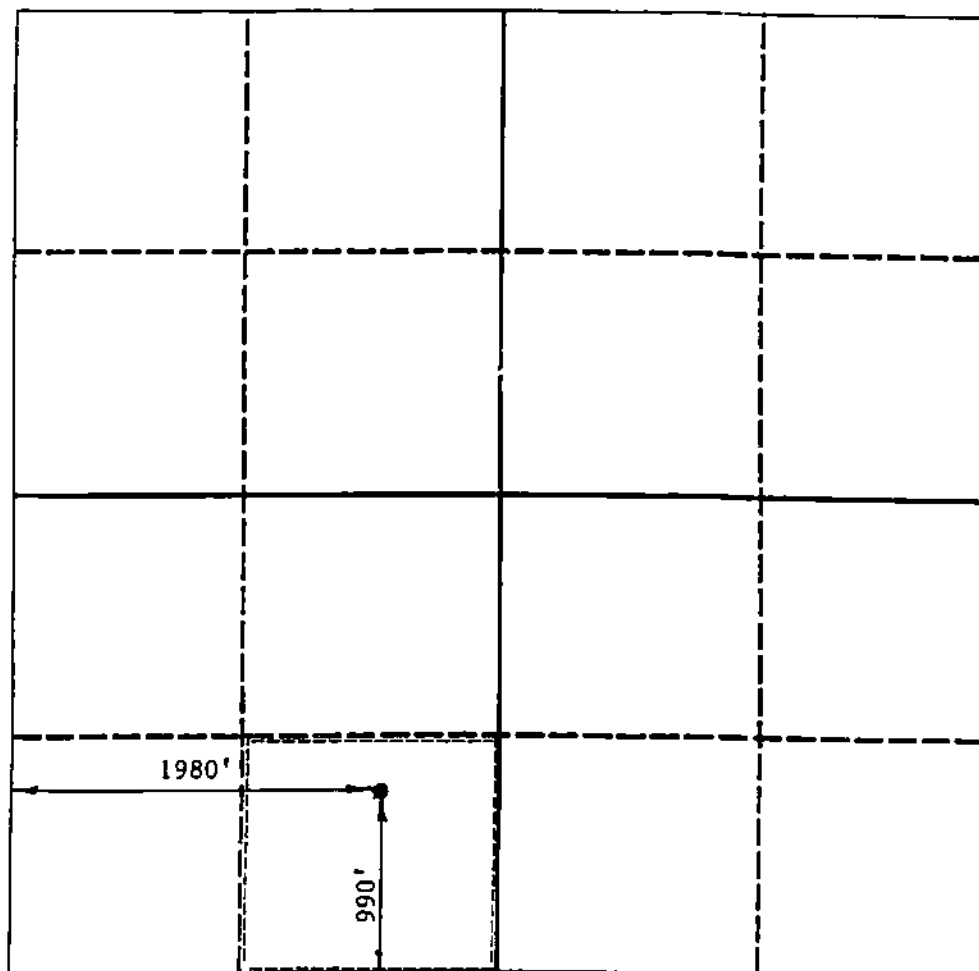
1. Outline the acreage dedicated to the subject well by colored pencil or ink on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 

☐ Yes
 ☐ No
 

If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



### OPERATOR CERTIFICATION

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

Signature  
*Bobby Bryan*  
Printed Name  
**Bobby Bryan**  
Position  
**Drlg. Supt.**  
Company  
**Union Oil Co. of Calif.**  
Date  
**September 25, 1989**

### SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**Sept. 20, 1989**  
Signature & Seal of  
Professional Surveyor

*Ronald J. Eider*  
Certificate No. **676**  
**RONALD J. EIDER** 3239

125630 0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV  
11835 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

HOBBS OCD

JUL 17 2012

RECEIVED

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

DAMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40319	Pool Code 13150	Pool Name Corbin; Abo
Property Code 300204	Property Name STATE 35	Well Number 7
OGRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 4111'

## Surface Location

Ul. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	35	17-S	33-E		1600	SOUTH	1200	WEST	LEA

## Bottom Hole Location If Different From Surface

Ul. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	35	17-S	33-E		1403	SOUTH	1397	WEST	LEA
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

	<p><b>GEODETIC COORDINATES</b> NAD 27 NME SURFACE LOCATION Y=651161.1 N X=713709.2 E LAT.=32.788202° N LONG.=103.637930° W BOTTOM HOLE LOCATION Y=650983.1 N X=713910.8 E</p>	<p><b>SECTION, QUARTER &amp; SIXTEENTH CORNER COORDINATES</b>          (A) - Y=652215.6 N, X=715141.0 E          (B) - Y=650895.5 N, X=715150.9 E          (C) - Y=650870.8 N, X=712511.8 E          (D) - Y=652191.1 N, X=712500.7 E</p>	<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Jerry W. Sherrell</i> 7-16-2012 Signature Date Jerry W. Sherrell Printed Name Jerry@mec.com E-mail Address</p>
	<p><b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>SEPTEMBER 7, 2011 Date of Survey Signature &amp; Seal of Professional Surveyor  </p>		

JUL 18 2012



Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:
-----------	-----------	-------	---------

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND  
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** Mack Energy Corporation **OGRID Number:** 013837  
**Well Name:** State 35 #1 **API:** 30-025-01415  
**Pool:** Maljamar;Grayburg-San Andres **Pool Code:** 43329

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION  
 INDICATED BELOW**

**1) TYPE OF APPLICATION:** Check those which apply for [A]**A. Location - Spacing Unit - Simultaneous Dedication**

☐ NSL ☐ NSP(PROJECT AREA) ☐ NSP(PORATION UNIT) ☐ SD

**B. Check one only for [ I ] or [ II ]****[ I ] Commingling - Storage - Measurement**

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

**[ II ] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery**

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

**2) NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders  
 B. ☒ Royalty, overriding royalty owners, revenue owners  
 C. ☐ Application requires published notice  
 D. ☒ Notification and/or concurrent approval by SLO  
 E. ☐ Notification and/or concurrent approval by BLM  
 F. ☐ Surface owner  
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,  
 H. ☐ No notice required

**FOR OCD ONLY**

☐ Notice Complete  
☐ Application  
 Content  
 Complete

- 3) 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: Statement must be completed by an individual with managerial and/or supervisory capacity.

Jerry W. Sherrell  
 Print or Type Name

Signature

6/10/22  
 Date

575-748-1288  
 Phone Number

jerrys@mec.com  
 e-mail Address

**From:** [McClure, Dean, EMNRD](#) on behalf of [Engineer, OCD, EMNRD](#)  
**To:** [Jerry Sherrell](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Kautz, Paul, EMNRD](#); [Wrinkle, Justin, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Dawson, Scott](#)  
**Subject:** Approved Administrative Order PC-1401  
**Date:** Monday, October 31, 2022 8:17:14 AM  
**Attachments:** [PC1401 Order.pdf](#)

---

NMOCD has issued Administrative Order PC-1401 which authorizes Mack Energy Corporation (13837) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-025-01415	State 35 #1	M	35-17S-33E	43329
30-025-25387	State 35 #4	L	35-17S-33E	13280
30-025-30548	State 35 #5	K	35-17S-33E	13280
30-025-40319	State 35 #7	K	35-17S-33E	43329
				13150

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211



**From:** [Jerry Sherrell](#)  
**To:** [McClure, Dean, EMNRD](#)  
**Subject:** [EXTERNAL] RE: surface commingling application PLC-841  
**Date:** Monday, September 26, 2022 11:22:36 AM  
**Attachments:** [10152022183249001.pdf](#)

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**CAUTION:** This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good Morning Dean,

Please remove the State 35 #6 from the commingle. I did not mean to include that well. My apologies.

The interest is identical in this project. Our lease covers from surface to the base of the Abo, which covers all pools withing this project.

The interest are on the attached sheet. They are all Chase Entities and were hand delivered within our office.

---

**From:** McClure, Dean, EMNRD <Dean.McClure@emnrd.nm.gov>  
**Sent:** Tuesday, September 20, 2022 10:28 AM  
**To:** Jerry Sherrell <jerrys@mec.com>  
**Subject:** surface commingling application PLC-841

**EXTERNAL EMAIL - Verify the sender and use caution before opening attachments or clicking links**

Mr. Sherrell,

I am reviewing surface commingling application PLC-841 which involves a commingling project that includes the State 35 Tank Battery and is operated by Mack Energy Corporation (13837).

Please confirm that the following well is intended to be included in this application; the api number within the application did not match the below well:

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**30-025-30675                      State 35 #6**

Additionally, this well appears to currently be an injection well. Is the intent in including this well is to recover the skim oil and allocate it back to the commingled wells?

Is working, royalty, and overriding interest not identical in this project? It appears to all be from the same state lease; please describe the sets of ownership if ownership is not identical. For instance, is ownership difference due to a difference in the pools or perhaps some of the acreage was farmed out and the E/2 of the SW/4 is different than the W/2 of the SW/4, etc..

Please detail how the interests were notified as the method is not included in the application with the exception of to the SLO.

Dean McClure

Petroleum Engineer, Oil Conservation Division  
New Mexico Energy, Minerals and Natural Resources Department  
(505) 469-8211



**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY MACK ENERGY CORPORATION**

**ORDER NO. PC-1401**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Mack Energy Corporation (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant certified the commingling of oil and gas production from the pools, leases, and wells will not in reasonable probability reduce the value of the oil and gas production to less than if it had remained segregated.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.
2. The oil and gas production for each well identified in Exhibit A shall be allocated by conducting a minimum of one (1) well test per month.

Applicant shall conduct a well test by separating and measuring the oil and gas production from that well for a minimum of twenty-four (24) consecutive hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than thirty (30) days until the well commences production.

3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
4. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.
5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
6. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.



7. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
8. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
9. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**ADRIENNE E. SANDOVAL  
DIRECTOR**

**DATE:** 10/28/2022

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

Order: **PC-1401**

Operator: **Mack Energy Corporation (13837)**

Central Tank Battery: **State 35 Tank Battery**

Central Tank Battery Location: **UL M, Section 35, Township 17 South, Range 33 East**

Gas Title Transfer Meter Location: **UL M, Section 35, Township 17 South, Range 33 East**

### Pools

Pool Name	Pool Code
<b>CORBIN; ABO</b>	<b>13150</b>
<b>CORBIN; QUEEN</b>	<b>13280</b>
<b>MALJAMAR; GRAYBURG-SAN ANDRES</b>	<b>43329</b>

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
<b>KO 03850006</b>	<b>SW/4</b>	<b>35-17S-33E</b>

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
<b>30-025-01415</b>	<b>State 35 #1</b>	<b>M</b>	<b>35-17S-33E</b>	<b>43329</b>
<b>30-025-25387</b>	<b>State 35 #4</b>	<b>L</b>	<b>35-17S-33E</b>	<b>13280</b>
<b>30-025-30548</b>	<b>State 35 #5</b>	<b>K</b>	<b>35-17S-33E</b>	<b>43329</b>
<b>30-025-40319</b>	<b>State 35 #7</b>	<b>K</b>	<b>35-17S-33E</b>	<b>13150</b>



**District I**

1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**

811 S. First St., Artesia, NM 88210  
Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**

1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 115445

**CONDITIONS**

Operator: MACK ENERGY CORP P.O. Box 960 Artesia, NM 882110960	OGRID: 13837
	Action Number: 115445
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	10/31/2022