

4/28/2014 DATE IN	SUSPENSE	ENGINEER MAM	4/29/2014 LOGGED IN	PC TYPE	PMAM/4119 29065 APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- 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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [21] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☐ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☒ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

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

[41] **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.

Deana Weaver
 Print or Type Name

Signature

Production Clerk
 Title

Date

dweaver@mec.com
 e-mail Address

PC-1277

4.28.14



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

RECEIVED
OCD

2014 APR 25 PM 2:07

April 25, 2014

Oil Conservation Division
Attn: Phillip R. Goetze
Santa Fe, NM 87505

Re: Surface Commingling:
State BD 36 Lease VB-2157
Sec. 36 T22S R37E
Lea County, New Mexico

Mack Energy Corporation as operator of the aforementioned lease respectfully requests administrative approval for surface commingling.

Mack Energy proposes surface commingling of production on our State BD 36 Lease VB-2157. The lease will produce from the Paddock (49400), Blinebry (06660) and Drinkard-Abo South (7900) pool and will be commingled at a tank battery located in the NW/4 SE/4 Sec.36 T22S R37E. There is currently 1 producing well within the lease. State BD 36 #2 is producing from the Blinebry; paperwork has been sent to down-hole commingle the well in the Paddock and Blinebry. State BD 36 #3 will be completed in the Drinkard-Abo South.

Ownership is common between the State BD 36 Lease.

Allocation for oil and gas will be done using the periodic well tests at the (TB) shown in the facility diagram. Each well will be tested periodically to insure accurate measurement. Should you have any questions please contact me at 575-748-1288.

Sincerely,

Deana Weaver
Production Clerk
dweaver@mec.com

DW/

Enclosures

M E M O

DATE: May 8, 2015

TO: NMOCD

FROM: Travis K. Lanning

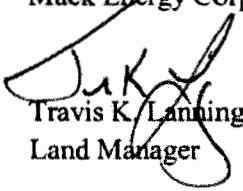
RE: State BD 36
VB-2157
T22S, R37E, NMPM
Section 36: NW4SW4, NW4SE4, SE4SE4,
Lea County, New Mexico

Mack Energy Corporation respectfully requests approval to surface commingle production from our State BD 36 Lease. The State BD 36 #2 produces from the Paddock and Blinbry Formations and the State BD 36 #3 produces from the Drinkard - Abo, South Pool. Production will be commingled at the State BD 36 #3 tank battery with each well tested periodically to insure proper allocation. Facility will be equipped with separate production equipment to measure production prior to combining in a common storage tank. ✓

Both wells have identical working and revenue interests in the zones being commingled.

Please do not hesitate to contact me should you require further information.

Sincerely,
Mack Energy Corporation


Travis K. Lanning
Land Manager

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-6720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1263 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
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

¹ API Number 30-025-41500	² Pool Code 7900	³ Pool Name Brunson; Drinkard-Abo, South
⁴ Property Code 310134	⁵ Property Name STATE BD 36	⁶ Well Number 3
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	⁹ Elevation 3303.8

¹⁰ Surface Location

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	36	22 S	37 E		2250	SOUTH	1590	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

U.I. or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	36	22 S	37 E		2285	SOUTH	1675	EAST	LEA

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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>N89°41'34"E 2640.44 FT</p> <p>NW CORNER SEC. 36 LAT. = 32.3556277°N LONG. = 103.1247565°W NMSP EAST N = 495199.69 E = 873211.06</p> <p>N/4 CORNER SEC. 36 SCALED</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27). NEW MEXICO STATE PLANE EAST COORDINATES ARE SHOWN IN NAD27 DATUM.</p> <p>STATE BD 36 #3 ELEV. = 3303.8 LAT. = 32.3472097°N (NAD27) LONG. = 103.1127925°W NMSP EAST (NAD 27) N = 492179.04 E = 876940.72</p> <p>W/4 CORNER SEC. 36 SCALED</p> <p>SW CORNER SEC. 36 LAT. = 32.3410112°N LONG. = 103.1247270°W NMSP EAST N = 489882.14 E = 873280.19</p> <p>S/4 CORNER SEC. 36 LAT. = 32.3410205°N LONG. = 103.1161790°W NMSP EAST N = 489915.44 E = 875920.40</p> <p>SE CORNER SEC. 36 LAT. = 32.3410341°N LONG. = 103.1076340°W NMSP EAST N = 489950.47 E = 878559.64</p> <p>S89°16'51"W 2640.66 FT</p>		<p>N89°41'34"E 2640.44 FT</p> <p>NE CORNER SEC. 36 LAT. = 32.3555414°N LONG. = 103.1076594°W NMSP EAST N = 495228.32 E = 878491.38</p> <p>S00°44'34"E 2639.42 FT</p> <p>17 OPERATOR CERTIFICATION</p> <p>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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Deana Weaver</i> 4.25.14 Signature Date</p> <p>Deana Weaver Printed Name</p> <p>dweaver@mec.com E-mail Address</p> <p>18 SURVEYOR CERTIFICATION</p> <p>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>NOVEMBER 19, 2013 Date of Survey</p> <p><i>Frank J. Ramirez</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number 0111010 P. J. RAMIREZ, PLS 12797</p> <p>SURVEY NO. 2305A</p>
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				<p>16</p> <p>17 OPERATOR CERTIFICATION</p> <p><i>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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i></p> <p><u>Deana Weaver</u> 424</p> <p>Signature Date</p> <p><u>Deana Weaver</u></p> <p>Printed Name</p> <p><u>dweaver@mec.com</u></p> <p>E-mail Address</p>
				<p>"SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p><u>ON File</u></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
			<p>990'</p> <p>16100'</p>	<p>Certificate Number</p>

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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State of New Mexico
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

¹ API Number 30-025-21456	² Pool Code 06660	³ Pool Name Blinebry
⁴ Property Code 310134	⁵ Property Name State BD 36	⁶ Well Number 2
⁷ OGRID No. 013837	⁸ Operator Name Mack Energy Corporation	⁹ Elevation 3304' GR

" Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	36	22S	37E		990	South	660	East	Lea

" Bottom Hole Location If Different From Surface

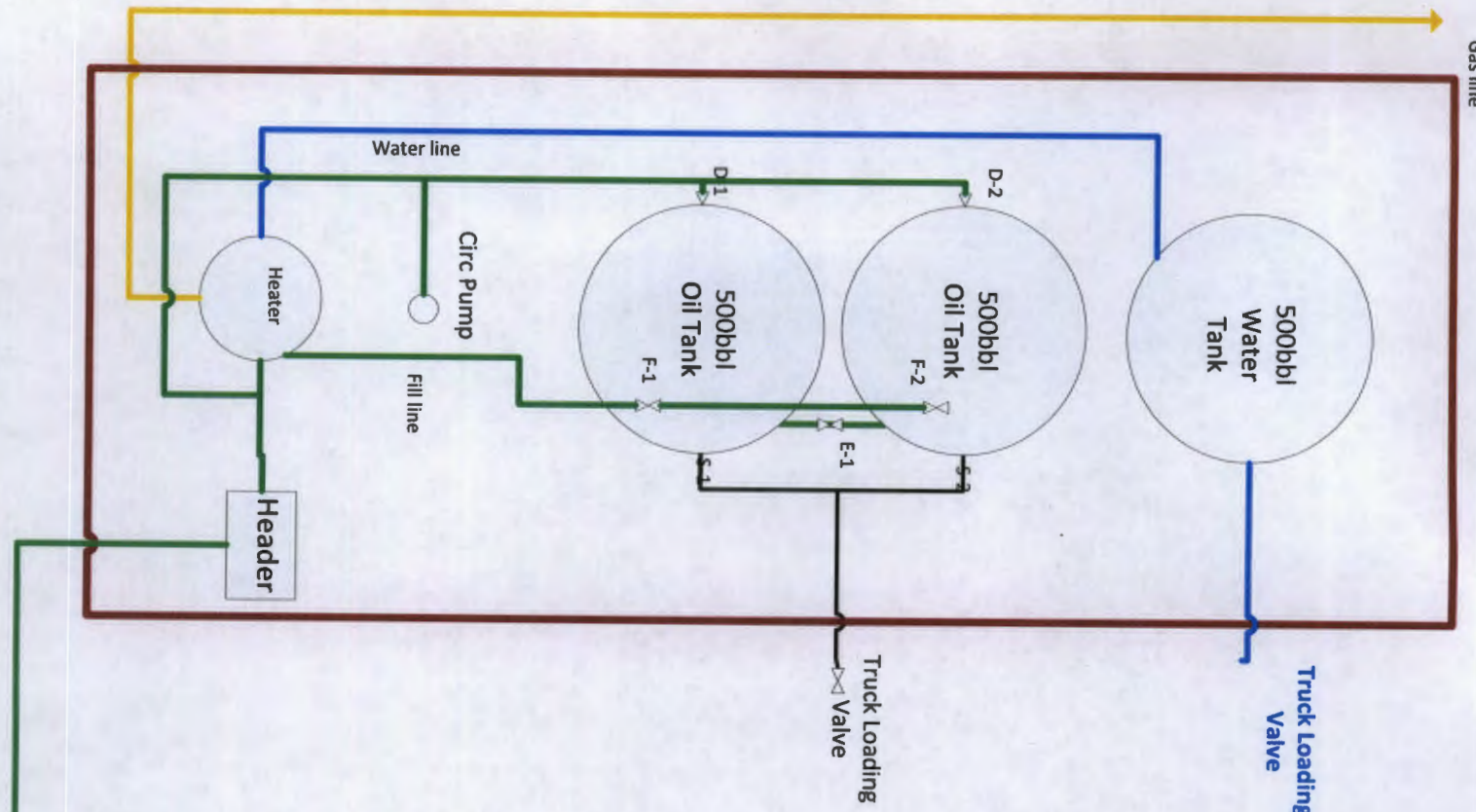
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹⁰ Dedicated Acres 40	¹¹ Joint or Infill	¹² Consolidation Code	¹³ Order No.
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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>" OPERATOR CERTIFICATION 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 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Deana Weaver</i> 4.24.14 Signature Date</p> <p>Deana Weaver Printed Name</p> <p>dweaver@mec.com E-mail Address</p>
				<p>" 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 belief.</p> <p>On File</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

Gas line



Mack Energy Corporation
11344 Lovington Hwy
Artesia, NM 88210

State BD 36 TB ✓
NWSE Sec. 36 T22S R37E
Lease VB-2157

State BD 36 #3



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

April 25, 2014

VIA CERTIFIED MAIL 7013 0600 0001 7892 3573

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 commingling of production on our State BD 36 Lease VB-2157. The lease will produce from the Paddock (49400), Blinebry (06660) and Drinkard-Abo South (7900) pool and will be commingled at a tank battery located in the NW/4 SE/4 Sec.36 T22S R37E. There is currently 1 producing well within the lease. State BD 36 #2 is producing from the Blinebry; paperwork has been sent to down-hole commingle the well in the Paddock and Blinebry. State BD 36 #3 will be completed in the Drinkard-Abo South.

Ownership is common between the State BD 36 Lease.

Allocation for oil and gas will be done using the periodic well tests at the TB shown in the facility diagram. Each well will be tested periodically to insure accurate measurement. Should you have any questions please contact me at 575-748-1288.

JK

Sincerely,

Deana Weaver

Deana Weaver
Production Clerk
dweaver@mec.com

DW/

Enclosures

Operated Monthly Production - State/Field/State ID

October 2013

Field Name	State Lease #	Oil Beg Inv	Oil Prod	Oil Sales	Oil Other Disp	Oil End Inv	Gas Prod	Gas Sales	Gas other Disp	Gas Lift	Water Prod
Nam MACK ENERGY CORPORATION											
State Lease Na STATE BD 36											
Blinebry Oil And Gas (Oil)	310134	160	90	174	0	76	582	582	0	0	97
Totals for Lease			90	174	0		582	582	0	0	97
Company Total			90	174	0		582	582	0	0	97
Report Totals			90	174	0		582	582	0	0	97

Operated Monthly Production - State/Field/State ID

November 2013

Field Name	State Lease #	Oil Beg Inv	Oil Prod	Oil Sales	Oil Other Disp	Oil End Inv	Gas Prod	Gas Sales	Gas other Disp	Gas Lift	Water Prod
Nam MACK ENERGY CORPORATION											
State Lease Na STATE BD 36											
Blinebry Oil And Gas (Oil)	310134	76	91	0	0	167	545	545	0	0	112
Totals for Lease			91	0	0		545	545	0	0	112
Company Total			91	0	0		545	545	0	0	112
Report Totals			91	0	0		545	545	0	0	112

Operated Monthly Production - State/Field/State ID

December 2013

Field Name	State Lease #	Oil Beg Inv	Oil Prod	Oil Sales	Oil Other Disp	Oil End Inv	Gas Prod	Gas Sales	Gas other Disp	Gas Lift	Water Prod
Nam MACK ENERGY CORPORATION											
State Lease Na STATE BD 36											
Blinebry Oil And Gas (Oil)	310134	167	88	164	0	91	608	608	0	0	99
Totals for Lease			88	164	0		608	608	0	0	99
Company Total			88	164	0		608	608	0	0	99
Report Totals			88	164	0		608	608	0	0	99

Operated Monthly Production - State/Field/State ID

January 2014

Field Name	State Lease #	Oil Beg Inv	Oil Prod	Oil Sales	Oil Other Disp	Oil End Inv	Gas Prod	Gas Sales	Gas other Disp	Gas Lift	Water Prod
Nam MACK ENERGY CORPORATION											
State Lease Na STATE BD 36											
Blinebry Oil And Gas (Oil)	310134	91	91	0	0	182	596	596	0	0	210
Totals for Lease			91	0	0		596	596	0	0	210
Company Total			91	0	0		596	596	0	0	210
Report Totals			91	0	0		596	596	0	0	210

Operated Monthly Production - State/Field/State ID
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February 2014

Field Name	State Lease #	Oil Beg Inv	Oil Prod	Oil Sales	Oil Other Disp	Oil End Inv	Gas Prod	Gas Sales	Gas other Disp	Gas Lift	Water Prod
Nam MACK ENERGY CORPORATION											
State Lease Na STATE BD 36											
Blinbry Oil And Gas (Oil)	310134	182	84	177	0	89	503	503	0	0	140
Totals for Lease			84	177	0		503	503	0	0	140
Company Total			84	177	0		503	503	0	0	140
Report Totals			84	177	0		503	503	0	0	140

Operated Monthly Production - State/Field/State ID

March 2014

Field Name	State Lease #	Oil Beg Inv	Oil Prod	Oil Sales	Oil Other Disp	Oil End Inv	Gas Prod	Gas Sales	Gas other Disp	Gas Lift	Water Prod
Nam MACK ENERGY CORPORATION											
State Lease Na STATE BD 36											
Blinebry Oil And Gas (Oil)	310134	89	75	0	0	164	559	559	0	0	142
Totals for Lease			75	0	0		559	559	0	0	142
Company Total			75	0	0		559	559	0	0	142
Report Totals			75	0	0		559	559	0	0	142