ABOVE THIS LINE FOR DIVISION USE ONLY

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

*MAC/L Energy*
~~VED~~ OCD *12837*

2011 OCT 28 P II: 59

# 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]

*Leo State 1 ½ 2*

   [A]   Location - Spacing Unit - Simultaneous Dedication
         ☐ NSL   ☐ NSP   ☐ SD

*30-025- 40243*
*& 40249*

   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

[2]   **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

[3]   **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: Statement must be completed by an individual with managerial and/or supervisory capacity.**

| Jerry W. Sherrell | *Jerry W. Sherrell* | Production Clerk | 10/26/11 |
|---|---|---|---|
| Print or Type Name | Signature | Title | Date |

*PC - 1237*

jerrys@mec.com
e-mail Address

# MACK

*Energy Corporation*

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

October 27, 2011

Mr. Pete Martinez
State Land Office
P.O. Box 1148
Santa Fe, NM 87504-1148

Re: Application for Surface Commingling

Dear Mr. Martinez:

Enclosed is a copy of our C-103 application and our check #16533 in the amount of
$30.00.
Mack Energy Corp. is requesting approval to Surface Commingle the Vacuum;Abo Reef
and the Vacuum;Blinebry pools at the Leo State TB located in the NE/4NE/4 Sec. 18
T18S R35E, Lease VB-1325 Lea County.

Please process the application at your earliest convenience. Should you have any
questions, please call me at the above number.

Sincerely,

MACK ENERGY CORPORATION

Jerry W. Sherrell
Production Clerk
jerrys@mec.com

JWS/

Enclosures

# MEMO

DATE:     October 27, 2011

TO:       NMOCD

FROM:     Travis K. Lanning
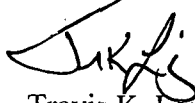
RE:       LEO STATE #1 & 2
          VB-1325-0
          T18S, R35E
          Section 18: Lots 1-4, NE/4; E/2W/2,
          Lea County, New Mexico


Mack Energy Corporation respectfully requests approval to surface commingle production from our Leo State Lease (VB-1325-0). The Leo State #1 will produce from the Blinebry Formation and the Leo State #2 will produce from the Abo Formation. Production would be commingled at the Leo State #1 tank battery.

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

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

Sincerely,
Mack Energy Corporation

Travis K. Lanning
Land Manager