

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED
Engineering Bureau

1220 South St. Francis Drive, Santa Fe, NM 87505

2013 MAY 28 10:22



30-025-40882
Oregon State #1

Mack Energy

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]

30-025-40796
Nevada State #1

- [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 _____

- [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		Production Clerk	5/22/13
Print or Type Name	Signature	Title	Date
		jerrys@mec.com	
		e-mail Address	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
511 S. First St., Artesia, NM 88210
Phone: (575) 745-1283 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 30-025-40882		2 Pool Code 2500		3 Pool Name Arkansas Junction; San Andres	
4 Property Code 39583		5 Property Name OREGON STATE			6 Well Number 1
7 OGRID No. 13837		8 Operator Name MACK ENERGY CORPORATION			9 Elevation 3758.1

10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	18	18 S	37 E		330	SOUTH	330	WEST	LEA

11 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

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.

S89°36'13"W 2635.33 FT		S89°36'13"W 2635.33 FT	
NW CORNER SEC. 18 LAT. = 32°45'18.130"N LONG. = 103°17'57.432"W	N/4 CORNER SEC. 18 COMPUTED	NE CORNER SEC. 18 LAT. = 32°45'17.977"N LONG. = 103°16'55.729"W	
LOT 1			
W/4 CORNER SEC. 18 LAT. = 32°44'51.685"N LONG. = 103°17'57.353"W		E/4 CORNER SEC. 18 LAT. = 32°44'51.783"N LONG. = 103°16'55.646"W	
LOT 2			
SW CORNER SEC. 18 LAT. = 32°44'25.791"N LONG. = 103°17'57.283"W	OREGON STATE #1 ELEV. = 3758.1' LAT. = 32°44'29.048"N (NAD83) LONG. = 103°17'53.429"W		
LOT 3			
LOT 4 - 39.93AC (SVY)			
SURFACE LOCATION 330	S/4 CORNER SEC. 18 LAT. = 32°44'25.722"N LONG. = 103°17'26.528"W	SE CORNER SEC. 18 LAT. = 32°44'25.499"N LONG. = 103°16'55.609"W	
N89°35'27"E 2627.40 FT		N89°55'24"E 2641.62 FT	

17 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.

Jerry W. Sherrell 5-22-2013
Signature Date

Jerry W. Sherrell
Printed Name

jerry@mec.com
E-mail Address

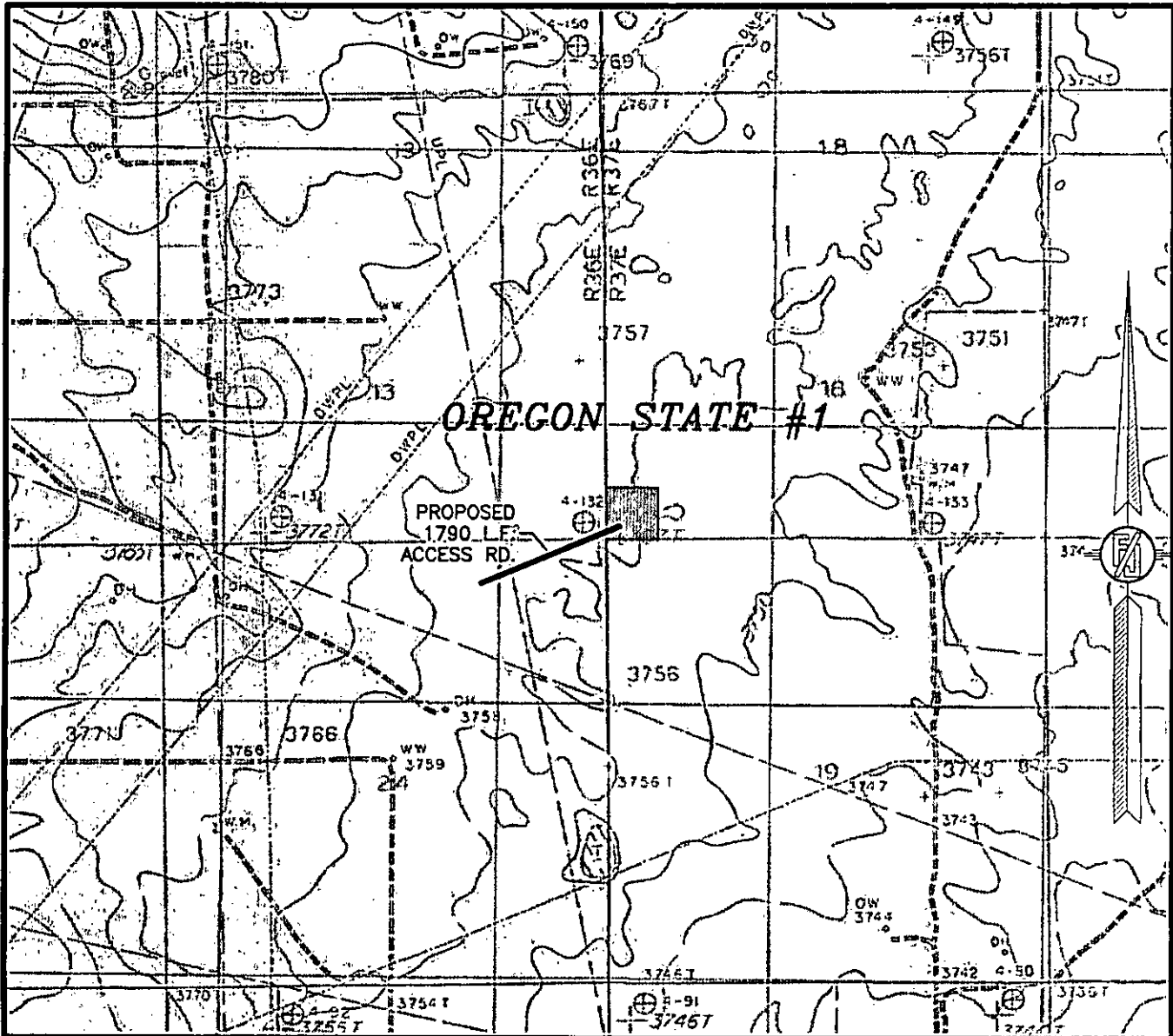
18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 20 2012
Date of Survey

[Signature]
Signature and Seal of Professional Surveyor

Certificate Number FLS 10015 F. J. RAMILLO, PLS 12797
SURVEY NO. 1367

SECTION 18, TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M.
 LEA COUNTY, STATE OF NEW MEXICO
 LOCATION VERIFICATION MAP



USGS QUAD MAP:
 MONUMENT NORTH
 LOVINGTON SE

NOT TO SCALE

MACK ENERGY
OREGON STATE #1
 LOCATED 330 FT. FROM THE SOUTH LINE
 AND 330 FT. FROM THE WEST LINE OF
 SECTION 18, TOWNSHIP 18 SOUTH,
 RANGE 37 EAST, N.M.P.M.
 LEA COUNTY, STATE OF NEW MEXICO

NOVEMBER 20, 2012

SURVEY NO. 1367

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
 (575) 234-3341

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
 District II
 511 S. First St., Artesia, NM 88210
 Phone: (575) 745-1233 Fax: (575) 748-9720
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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 G-102
 Revised August 1, 2011
 Submit one copy to appropriate
 District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-40796	² Pool Code 2500	³ Pool Name Arkansas Junction; San Andres
⁴ Property Code 39477	⁵ Property Name NEVADA STATE	
⁷ OGRID No. 13837	⁸ Operator Name MACK ENERGY CORPORATION	
		⁶ Well Number 1
		⁹ Elevation 3765.1

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	24	18 S	36 E		1650	NORTH	2310	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

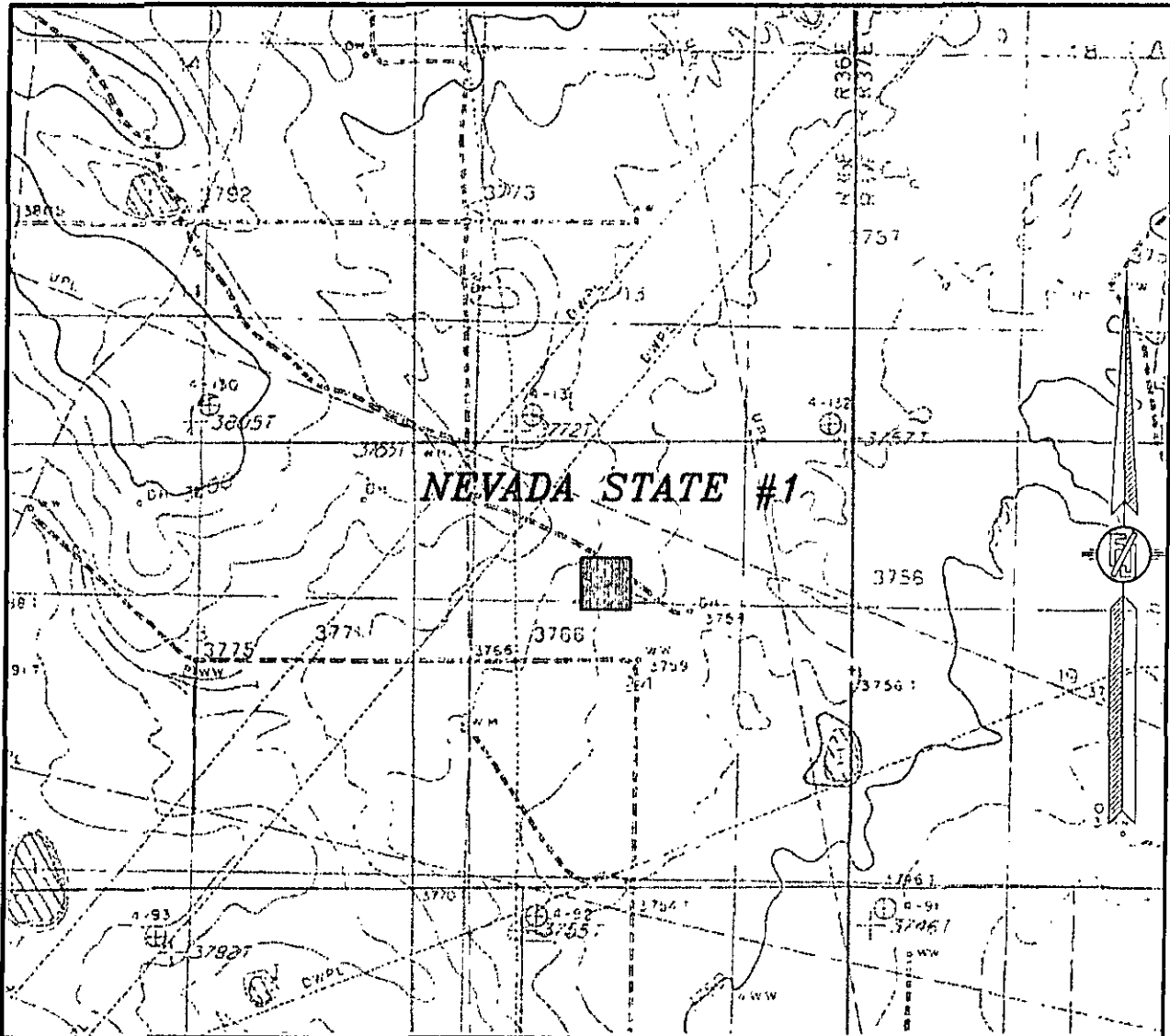
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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.

<p>S89°21'02"W 2645.39 FT</p> <p>S89°32'02"W 2647.55 FT</p> <p>NW CORNER SEC. 24 LAT. = 32.7403775°N LONG. = 103.3159657°W NMSP EAST (FT) N = 634562.48 E = 812824.99</p> <p>H/4 CORNER SEC. 24 LAT. = 32.7403900°N LONG. = 103.3073646°W NMSP EAST (FT) N = 634592.56 E = 815469.77</p> <p>NE CORNER SEC. 24 LAT. = 32.7403787°N LONG. = 103.2987565°W NMSP EAST (FT) N = 634614.19 E = 818116.79</p> <p>500°39'24"E 2646.10 FT</p> <p>2310'</p> <p>NEVADA STATE #1 ELEV. = 3765.1' LAT. = 32.7358542°N (NAD27) LONG. = 103.3084459°W NMSP EAST (FT) N = 632939.11 E = 815153.25</p> <p>SURFACE LOCATION</p> <p>DNF</p> <p>NOTE: LATITUDE AND LONGITUDE COORDINATES ARE SHOWN USING THE NORTH AMERICAN DATUM OF 1927 (NAD27), AND ARE IN DECIMAL DEGREE FORMAT.</p> <p>SW CORNER SEC. 24 LAT. = 32.7258345°N LONG. = 103.3159345°W NMSP EAST (FT) N = 629271.51 E = 812885.40</p> <p>500°39'24"E 2646.10 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 an interest 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> 5-22-2013 Signature Date</p> <p>Jerry W. Sherrell Printed Name</p> <p>jerry5@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>SEP 14 2013 2:14 PM Date of Survey</p> <p><i>Jerry W. Sherrell</i> Signature and Seal of Professional Surveyor</p> <p>Certificate Number FILIMOS F. JAB. 01110, PLS 12797 SURVEYOR NO. 1265</p>

SECTION 24, TOWNSHIP 18 SOUTH, RANGE 36 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO
LOCATION VERIFICATION MAP



USGS QUAD MAP:
HOBBS WEST

NOT TO SCALE

MACK ENERGY CORPORATION
NEVADA STATE #1
LOCATED 1650 FT. FROM THE NORTH LINE
AND 2310 FT. FROM THE WEST LINE OF
SECTION 24, TOWNSHIP 18 SOUTH,
RANGE 36 EAST, N.M.P.M.
LEA COUNTY, STATE OF NEW MEXICO

SEPTEMBER 21, 2012

SURVEY NO. 1265

MADRON SURVEYING, INC. 301 SOUTH CANAL CARLSBAD, NEW MEXICO
(575) 234-3341

MEMO

DATE: May 16, 2013

TO: NMOCD

FROM: Travis K. Lanning

RE: NEVADA STATE LEASE
V-8262-0
T18S, R36E
Section 24: NW4,
Lea County, New Mexico

OREGON STATE LEASE
V-8274-0
T18S, R37E
Section 18: Lots 3 & 4, E/2SW/4,
Lea County, New Mexico

Mack Energy Corporation respectfully requests approval to surface commingle production from our Nevada State Lease (V-8262-0) and our Oregon State Lease (V-8274-0). The Nevada State #1 and the Oregon State #1 will produce from the San Andres Formation. Production will be commingled at the Nevada State #1 tank battery, with each well having separate production equipment equipped with a meter to measure production prior to combining in a common storage tank.

Both wells have identical working and revenue interests.

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

Sincerely,
Mack Energy Corporation


Travis K. Lanning
Land Manager



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

May 24, 2013

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.
Mack Energy Corp. is requesting approval to Surface Commingle the Oregon State Lease V-8274 at the Nevada State TB V-8262 located in the SE/4NW/4 Sec. 24 T18S R36E 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

A handwritten signature in cursive script that reads "Jerry W. Sherrell".

Jerry W. Sherrell
Production Clerk
jerrys@mec.com

JWS/

Enclosures