

ABOVE THIS LINE FOR DIVISION USE ONLY

RECEIVED OGD  
20 MAR -2 A 8:31

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 \_\_\_\_\_

- [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  
Print or Type Name

*Jerry W. Sherrell*  
Signature

Production Clerk  
Title

2/25/16  
Date

jerrys@mec.com  
e-mail Address

- PLC 445  
- MARK Energy Corporation  
13837  
Pool  
- Arkansas Junction, SAN Andres  
2500  
- Arkansas Junction Bone Springs  
2340  
Well  
- KANSAS STATE Well #1  
30-025-40653  
- Arkansas State Well #1  
30-025-28495  
- Arkansas State Well #2  
30-025-34078  
- Arkansas Junction State #3 30-025-40563

District I1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720District II811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720District III1000 Rio Brazos Rd., Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170District IV1220 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**

Form C-102  
August 1, 2011

Permit 150849

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-40653	2. Pool Code 2340	3. Pool Name ARKANSAS JUNCTION; BONE SPRING
4. Property Code 39301	5. Property Name KANSAS STATE	6. Well No. 001
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3772

**10. Surface Location**

UL - Lot P	Section 26	Township 18S	Range 36E	Lot Idn	Feet From 330	N/S Line S	Feet From 990	E/W Line E	County LEA
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	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**

			<input type="checkbox"/>

**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(s) 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.*

E-Signed By: Jerry Sherrell

Title: Production Clerk

Date: 6/26/2012

**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.*

Surveyed By: Ronald Eidson

Date of Survey: 6/10/2012

Certificate Number: 3239



API: 30-025-28999

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 14-65

All distances must be from the meter boundaries of the Section

Mack Energy Corporation		Arkansas State		Well No. 1
Lot Letter A	Section 35	Township 18 SOUTH	Range 36 EAST	County LEA
Actual Footage Location of Well:				
660	feet from the	SOUTH	line and	660
				feet from the
				EAST
Ground Level Elev. 3766.0	Producing Formation Bone Spring	Pool Arkansas Junction	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, 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 communization, 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.

Jerry W. Sherrell  
Name  
Jerry W. Sherrell  
Position  
Production Clerk  
Company  
Mack Energy Corporation  
Date  
5-8-2012

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  
OCTOBER 12, 1984  
Registered Professional Engineer and/or Land Surveyor  
John W. West  
Certificate No. John W. West, 876  
RONALD J. SIDOR, 3239

1 of 2 DHC-4569



AP I: 30-025-28999

W (ICO OIL CONSERVATION COMMISS  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-103  
Supersedes C-128  
Effective 1-4-83

All distances must be from the outer boundaries of the Section

Section <b>Mack Energy Corporation</b>		Lease <b>Arkansas State</b>		Well No. <b>1</b>
Well Letter <b>A</b>	Section <b>33</b>	Township <b>18 SOUTH</b>	Range <b>36 EAST</b>	County <b>LEA</b>
Actual Proposed Location of Well:				
660 feet from the <b>NORTH</b> line and		660 feet from the <b>EAST</b> line		
Ground Level Elev. <b>3766.0</b>	Producing Formation <b>San Andres</b>	Pool <b>Arkansas Junction</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 communization, 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 communization, unitization, force-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.

*Jerry W. Sherrill*  
Name  
*Jerry W. Sherrill*  
Position  
*Production Clerk*  
Company  
*Mack Energy Corporation*  
Date  
*5-8-2012*

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  
*OCTOBER 12, 1984*  
Registered Professional Engineer and/or Land Surveyor  
*John W. West*  
Certificate No. *JOHN W. WEST, 678*  
*RONALD J. EIDSON, 3239*

2 of 2 DHC-4569



# RECEIVED

DISTRICT I  
1625 N. FRENCH DR., HOBBBS, NM 87401  
OCT 22 2008

DISTRICT II  
1301 W. GRAND AVENUE, HOBBBS, NM 87401

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39078	Pool Code 2340	Pool Name Arkansas Junction; Bone Spring
Property Code 36929	Property Name ARKANSAS STATE	Well Number 2
GRID No. 013837	Operator Name MACK ENERGY CORPORATION	Elevation 3765'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	35	18-S	36-E		1650	NORTH	990	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
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>GEODETIC COORDINATES NAD 27 NME Y=622297.7 N X=811954.8 E LAT.=32.706693° N LONG.=103.319177° W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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> 10/20/08 Signature Date Jerry W. Sherrell Printed Name</p>
	<p><b>SURVEYOR CERTIFICATION</b></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><i>Ronald J. Eidson</i> 10/19/08 Date Signed Signature &amp; Seal of Professional Surveyor Certificate No. GARY EIDSON 12841 RONALD J. EIDSON 3239</p>



**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**

Form C-102  
August 1, 2011

Permit 148420

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number <b>40563</b> <b>30-025-34078</b>	2. Pool Code 2340	3. Pool Name ARKANSAS JUNCTION; BONE SPRING
4. Property Code 36929	5. Property Name ARKANSAS STATE	6. Well No. 003
7. OGRID No. 13837	8. Operator Name MACK ENERGY CORP	9. Elevation 3762

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	35	18S	36E		2120	N	330	E	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	35	18S	36E		2285	N	355	E	LEA

12. Dedicated Acres 40.00	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**


**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(s) 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.*

E-Signed By: Jerry Sherrell

Title: Production Clerk

Date: 5/9/2012

**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.*

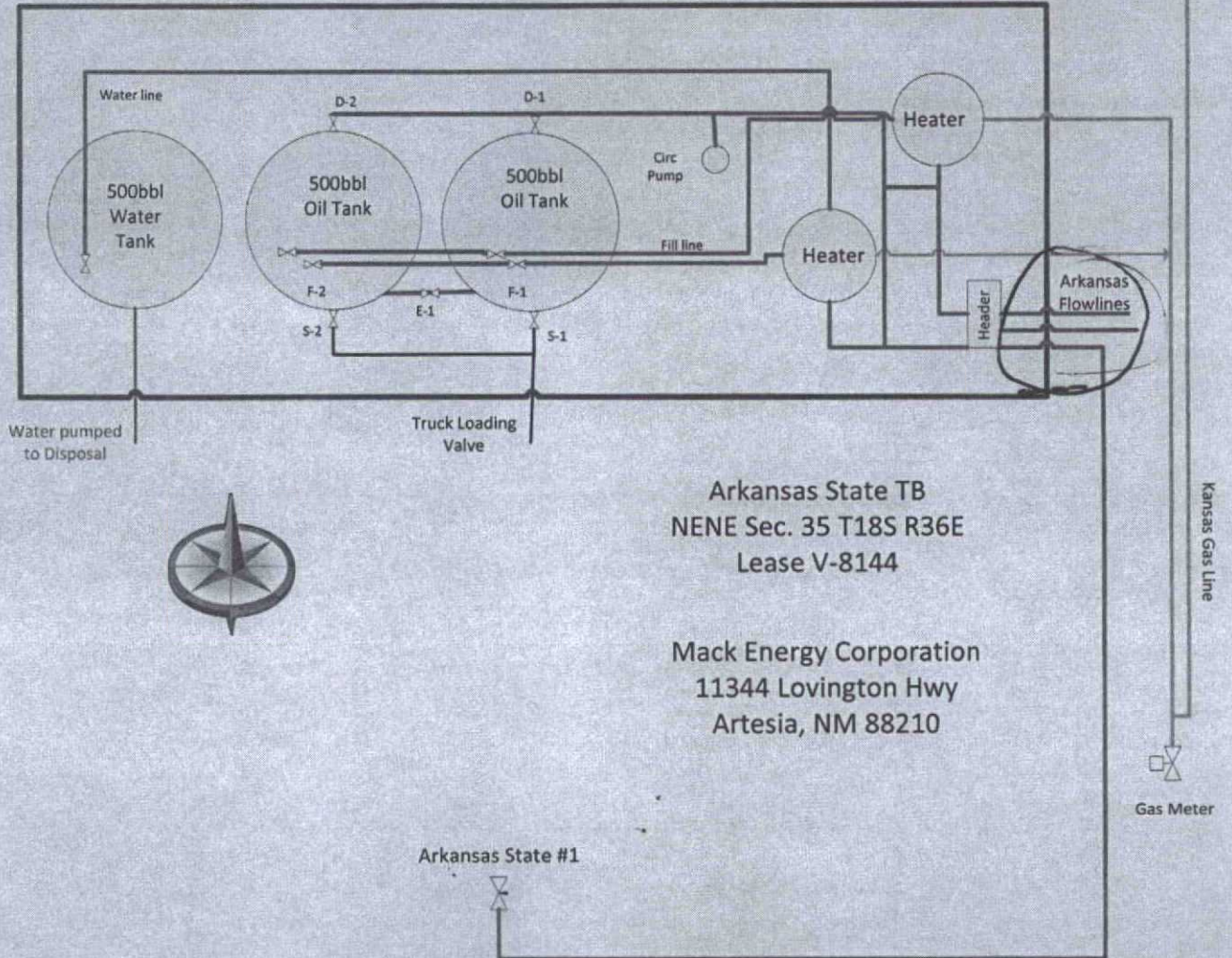
Surveyed By: Ronald Eidson

Date of Survey: 9/16/2008

Certificate Number: 3239



*Find out where the  
mud is?  
Restigouche*





Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
June 19, 2008

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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.)		WELL API NO. Multiple
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Mack Energy Corporation		6. State Oil & Gas Lease No. VO-8143 V-8144
3. Address of Operator P.O. Box 960 Artesia, NM 88210		7. Lease Name or Unit Agreement Name Kansas State & Arkansas State
4. Well Location Unit Letter _____ feet from the _____ line and _____ feet from the _____ line Section 18 & 24 Township 18S Range 36E & 37E NMPM County Lea		8. Well Number Multiple
11. Elevation (Show whether DR, RKB, RT, GP etc.) Multiple		9. OGRID Number 013837
		10. Pool Name or Wildcat Arkansas Junction; San Andres-Bone Spring

12. 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 ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIALWORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Off lease Measurement/Surface Commingle ☒

OTHER: ☐

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation as operator is requesting approval for Off Lease Measurement/Surface Commingling of production. At this time Mack Energy is requesting approval to commingle gas production(only) at one sales meter for the Kansas State Lease and the Arkansas State Lease. Gas meter will be located at the Arkansas State #1 TB located in the NENE of Sec. 35 T18S R36E. Oil Production will not be commingled.

The gas will be allocated based on current production numbers using percentages. Based on production we are proposing a split of 75/25%. We will allocate 75% to the Arkansas State and 25% to the Kansas State. I have attached monthly production for the last six months for both leases. Both wells have identical working and revenue interests, all of which is owned by the Chase Family.

Subsequently drilled wells that produce from the subject pool within the project areas approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

Spud Date:

Rig Release Date:

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

SIGNATURE

*Jerry W. Sherrell*

TITLE Production Clerk

DATE 3/2/16

Type or print name Jerry W. Sherrell

E-mail address: jerrys@mec.com

PHONE: (575)748-1288

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):



## Mack Energy Corporation

### Gas Commingling(only)

Kansas State Lease(VO-8143)-Arkansas State Lease(V-8144)

Mack Energy Corporation is requesting approval to Commingle Gas production from our Kansas and Arkansas State leases. Currently gas is sold through separate sales meters Kansas meter located at the Kansas State #1 TB and Arkansas meter located at the Arkansas State #1 TB.

Gas production will be allocated based on the last six months of production. Gas volumes were averaged based on these numbers and percentages were assigned.

Total gas volume will be paid on Arkansas gas statement and allocation of interest will be paid based on above mentioned percentages.

Oil production will not be commingled. Each lease has its own Tank Battery Facility and production will continue to be measured and sold at those facilities.

There are currently two orders active for the Arkansas State Lease.

PC-1201 was issued on 10/3/2008-Arkansas State #1 was producing Arkansas Junction; San Andres, we drilled the Arkansas State #2 and produced the Arkansas Junction; Bone Spring.

DHC-4569 was issued 5/23/2012-Arkansas State #1 was downhole commingled in the Arkansas Junction; San Andres and the Arkansas Junction; Bone Spring.



MACK ENERGY CORPORATION		Monthly Production	Oil Produced	Gas Prod.	Water Produced
Jul-15	Kansas State 1		569	255	1459
Aug-15	Kansas State 1		296	217	964
Sep-15	Kansas State 1		236	194	641
Oct-15	Kansas State 1		230	139	541
Nov-15	Kansas State 1		226	194	584
Dec-15	Kansas State 1		184	168	506
Monthly Average			<u>290.1666667</u>	<u>194.5</u>	<u>782.5</u>
Jul-15	Arkansas State		588	642	2151
Aug-15	Arkansas State		525	612	1387
Sep-15	Arkansas State		509	582	1546
Oct-15	Arkansas State		526	579	1620
Nov-15	Arkansas State		504	523	1530
Dec-15	Arkansas State		428	503	1338
Monthly Average			<u>513.3333333</u>	<u>573.5</u>	<u>1595.333333</u>



Operator Name:	MACK ENERGY CORP	County:	
Well_Name:	ARKANSAS STATE #1	API: 30-025-28999	
Location:	A-35-18.0S-36E 660 FNL 660 FEL		
Year:	2015		
Pool Name:	ARKANSAS JUNCTION;BONE SPRING		
Month	Oil(BBLS)	Gas(MCF)	Days Produced
July	131	143	30
August	119	139	31
September	116	133	30
October	145	160	31
November	134	139	30
December	164	194	31
Year:	2015		
Pool Name:	ARKANSAS JUNCTION;SAN ANDRES		
Month	Oil(BBLS)	Gas(MCF)	Days Produced
July	52	57	30
August	48	56	31
September	46	53	30
October	48	53	31
November	53	55	30
December	66	77	31
CUM-SA	10398	11018	
CUM-BS	14367	13534	



<b>Well_Name:</b>	<b>ARKANSAS STATE # 2</b>	<b>API: 30-025-39078</b>	
Location:	H-35-18.0S-36E 1650 FNL 990 FEL		
Operator Name:	MACK ENERGY CORP	County:	
Land Type:	State	Well Type:	
Spud Date:	8/20/2008	Plug Date:	
Elevation GL:	3765	Depth TVD:	
July	324	354	31
August	286	334	31
September	277	317	30
October	260	286	31
November	237	246	30
December	99	116	31
Cum SA	10735	7347	
Cum BS	23347	20308	



Operator Name:	MACK ENERGY CORP	County:	
Well Name:	ARKANSAS STATE # 3	API: 30-025-40563	
Location:	H-35-18.0S-36E 2120 FNL 330 FEL		
Land Type:	State	Well Type:	
Spud Date:	5/31/2012	Plug Date:	
Elevation GL:	3762	Depth TVD:	
Pool Name:	ARKANSAS JUNCTION;BONE SPRING		
July	81	88	31
August	72	83	31
September	70	79	30
October	73	80	31
November	80	83	30
December	99	116	31
Cum BS	6481	6680	



Well Name:	KANSAS STATE # 1	API: 30-025-40653	
Location:	P-26-18.0S-36E 330 FSL 990 FEL		
Operator Name:	MACK ENERGY CORP	County:	
Land Type:	State	Well Type:	
Year:	2015		
Pool Name:	ARKANSAS JUNCTION;BONE SPRING		
Month	Oil(BBLS)	Gas(MCF)	Days Produced
July	569	255	25
August	296	217	31
September	236	194	30
October	230	139	31
November	226	194	30
December	184	168	31
Cum BS	13515	7146	



## McMillan, Michael, EMNRD

---

**From:** Travis Lanning <travis@mec.com>  
**Sent:** Wednesday, March 02, 2016 11:43 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Jerry Sherrell  
**Subject:** RE: Arkansas State surface commingle application

Yes, both leases are identical.

Travis

---

**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Wednesday, March 02, 2016 11:37 AM  
**To:** Travis Lanning  
**Cc:** Jerry Sherrell  
**Subject:** RE: Arkansas State surface commingle application

How about the Kansas lease? Does Mack Energy and affiliates have identical ownership to the Arkansas lease?  
Mike

---

**From:** Travis Lanning [mailto:travis@mec.com]  
**Sent:** Wednesday, March 02, 2016 10:48 AM  
**To:** McMillan, Michael, EMNRD  
**Cc:** Jerry Sherrell  
**Subject:** FW: Arkansas State surface commingle application

Mike, the interest(s) has not changed in our Arkansas Lease.

If you have any questions or need additional info, let me know.

Travis Lanning  
Land Manager  
Mack Energy Corporation  
575-748-1288 Office  
575-748-7374 Fax  
575-703-6004 Wireless

---

**From:** Jerry Sherrell  
**Sent:** Wednesday, March 02, 2016 10:41 AM  
**To:** Travis Lanning  
**Subject:** FW: Arkansas State surface commingle application

Travis,

Would you please email Michael regarding the ownership?

## McMillan, Michael, EMNRD

---

**From:** Jerry Sherrell <jerrys@mec.com>  
**Sent:** Wednesday, March 02, 2016 12:50 PM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Arkansas State surface commingle application  
**Attachments:** 03022016arkansas facility015136.pdf

Mike,

Yes to your question regarding lease size. The correct diagram is attached.

---

**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Wednesday, March 02, 2016 12:32 PM  
**To:** Jerry Sherrell  
**Subject:** RE: Arkansas State surface commingle application

The surface facility is for the Condor and not Arkansas State lease.  
Is the Kansas Lease the S/2 of Section 26, and the Arkansas lease the Ne/4 of Section 35?  
Mike

---

**From:** Jerry Sherrell [mailto:jerrys@mec.com]  
**Sent:** Wednesday, March 02, 2016 10:44 AM  
**To:** McMillan, Michael, EMNRD  
**Subject:** RE: Arkansas State surface commingle application

Please see the attached.

---

**From:** McMillan, Michael, EMNRD [mailto:Michael.McMillan@state.nm.us]  
**Sent:** Wednesday, March 02, 2016 9:50 AM  
**To:** Jerry Sherrell  
**Subject:** Arkansas State surface commingle application

Jerry:

I need the following

- C-102 for each of the wells
- Site diagram
- Brief engineering description of how wells will be measured
- Is this an amendment to PC 1201?
- Statement by landman stating identical ownership

Thanks  
Mike



## MEMO

DATE: September 17, 2008

TO: NMOCD

FROM: Ronald W. Lanning  
Mack Energy Corporation

SUBJECT: 1904 – ARKANSAS STATE LEASE

Our Arkansas State Lease is State of New Mexico Lease # V-8144. We purchased this lease at the October, 2007 State of New Mexico Lease Sale. The lease covers all depths under the NE/4 of Section 35, T18S, R36E. Chase Oil Corporation and various members of the Chase family (all affiliates of Mack Energy Corporation) own 100% of the working interest under the lease.



RWL:

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-103  
June 19, 2008

WELL API NO. Multiple	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. V-8144	
7. Lease Name or Unit Agreement Name Arkansas State	
8. Well Number 1-4	
9. OGRID Number 013837	
10. Pool Name or Wildcat Arkansas Junction; San Andres & Bone Spring	
11. Elevation (Show whether DR, RKB, RT, GP etc.)	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIALWORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Surface Commingle <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Mack Energy Corporation as operator respectfully requests administrative approval to surface commingle and measurement of production. It is requested that surface commingling of Arkansas Junction; San Andres and Arkansas Junction; Bone Spring pools be approved for the following lease: Arkansas State(V-8144) Sec. 35, T18S, R36E

The tank battery is located in the NE/4 NE/4, Sec. 35 T18S R36E. Proper allocation for production will be measured using periodic well tests. Mack Energy has made notification to all parties owning an interest in this lease, including the oil purchaser, of the intent to commingle. Interests in all pools on this lease are common.

Mack Energy is currently producing the Arkansas State #1 in the San Andres and completing the Arkansas State #2 in the Bone Spring formation. Two more wells have been staked for future drilling. At this time we are requesting approval to add the Bone Spring to this production. Production is stabilized therefore allocation of added Bone Spring formation will be easily achieved.

Spud Date:

Rig Release Date:

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

SIGNATURE

*Jerry W. Sherrell*

TITLE Production Clerk

DATE 9/18/08

Type or print name Jerry W. Sherrell

E-mail address: jerrys@mackenergycorp.com

PHONE: (575)748-1288

For State Use Only

APPROVED BY:

*Will Jones*

TITLE

*Ergun*

DATE

*10/3/08*

Conditions of Approval (if any):