

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTCarlsbad Field Office
OCD ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.*Lease Serial No.
Multiple--See Attached

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.
Multiple--See Attached8. Well Name and No.
Multiple--See Attached9. API Well No.
Multiple--See Attached10. Field and Pool or Exploratory Area
NE RED LAKE
RED LAKE11. County or Parish, State
EDDY COUNTY, NM**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator
APACHE CORPORATIONContact: EMILY FOLLIS
E-Mail: Emily.Follis@apachecorp.com3a. Address
303 VETERANS AIRPARK LANE SUITE 3000
MIDLAND, TX 797053b. Phone No. (include area code)
Ph: 432-818-18014. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Multiple--See Attached**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Apache would like to surface Commingle all production from the following wells:

Lago Rosa 4 Federal #4 30-015-30150 L-04-18S-27E 2210 FSL 330 FWL
Red Lake 3 Federal #2 30-015-29802 E-03-18S-27E 2005 FNL 990 FWL
Vermillion 3 Federal #3 30-015-30151 F-03-18S-27E 1650 FNL 1750 FWL
Vermillion 3 Federal #4 30-015-30135 F-03-18S-27E 2310 FNL 2110 FWL
West Red Lake 4 Federal #1 30-015-29990 D-04-18S-27E 990 FNL 990 FWL
West Red Lake 4 Federal #2 30-015-30186 C-04-18S-27E 330 FNL 1650 FWL
West Red Lake 4 Federal #3 30-015-30134 C-04-18S-27E 990 FNL 2310 FWL

This battery is located in the SWNW of Section 4 T18S. R27E. See attached schematics and plats.

BC 12-22-17
Accepted for record - NMOCD**NM OIL CONSERVATION**
ARTESIA DISTRICT

DEC 19 2017

RECEIVED

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #395197 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by PRISCILLA PEREZ on 11/30/2017 (18PP0345SE)

Name (Printed/Typed) EMILY FOLLIS

Title REGULATORY ANALYST

Signature (Electronic Submission)

Date 11/16/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

J. D. Whitlock

Title

TL PET

Date

12/14/17

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFO

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

Additional data for EC transaction #395197 that would not fit on the form

5. Lease Serial No., continued

NMLC028805B
NMLC055465B
NMLC065478A
NMNM29280

Wells/Facilities, continued

Agreement	Lease	Well/Fac Name, Number	API Number	Location
NMNM29280	NMNM29280	LAGO ROSA 4 FEDERAL 4	30-015-30150-00-S1	Sec 4 T18S R27E NWSW 2210FSL 330FWL
NMLC055465B	NMLC055465B	VERMILLION 3 FEDERAL 3	30-015-30151-00-S1	Sec 3 T18S R27E SENW 1650FNL 1750FWL
NMLC055465B	NMLC055465B	VERMILLION 3 FEDERAL 4	30-015-30135-00-S1	Sec 3 T18S R27E SENW 2310FNL 2110FWL
NMLC065478A	NMLC065478A	WEST RED LAKE 4 1	30-015-29990-00-S1	Sec 4 T18S R27E NWNW 990FNL 990FWL
NMLC065478A	NMLC065478A	WEST RED LAKE 4 3	30-015-30134-00-S1	Sec 4 T18S R27E NENW 990FNL 2310FWL
NMLC065478A	NMLC065478A	WEST RED LAKE 4 FEDERAL 2	30-015-30186-00-S2	Sec 4 T18S R27E NENW 330FNL 1650FWL
NMLC028805B	NMLC028805B	RED LAKE 3 FEDERAL 2	30-015-29802-00-C1	Sec 3 T18S R27E SWNW 2005FNL 990FWL
NMLC028805B	NMLC028805B	RED LAKE 3 FEDERAL 2	30-015-29802-00-C2	Sec 3 T18S R27E SWNW 2005FNL 990FWL

32. Additional remarks, continued

NOTE: SEE ORIGINAL 3160-5 ATTACHED RETURNED WITH COA ES#349680 DATED 05/11/17 BY DUNCAN WHITLOCK,
ALSO NOTE THAT THIS HAS BEEN APPROVED ALREADY BY THE NMOC IN THE ATTACHMENTS

**CONSOLIDATED APPLICATION FOR:
CENTRAL TANK BATTERY,
LEASE COMMINGLING,
OFF LEASE MEASUREMENT, SALES, & STORAGE
November 15, 2017**

Apache Corporation is requesting BLM approval for the use of a consolidated tank battery, lease surface commingling, off-lease measurement, sales, and storage, and allocation of production by well test for seven Apache-operated wells on four separate Federal oil and gas leases.

The details for the wells, leases, locations are:

Federal Lease	Well	API 30-015-	Pool	Location
NMNM29280 <i>12.5%</i>	Lago Rosa 4 Federal #4	30150	Redlake; Q-GB-SA (51300)	L-04-18S-27E
NMLC028805B <i>SEC. 4</i>	Red Lake 3 Federal #2	29802 <i>C1 C2</i>	<i>YFSO</i> Redlake; Q-GB-SA (51300)	E-03-18S-27E
NMLC055465B <i>SEC. 4</i>	Vermillion 3 Federal #3	30151	Redlake; Q-GB-SA (51300)	F-03-18S-27E
	Vermillion 3 Federal #4	30135	Redlake; Q-GB-SA (51300)	F-03-18S-27E
NMLC065478A <i>12.5%</i>	West Red Lake 4 Federal #1	29990	Redlake; Q-GB-SA (51300)	D-04-18S-27E
	West Red Lake 4 Federal #2	30186	Redlake; Q-GB-SA (51300)	C-04-18S-27E
	West Red Lake 4 Federal #3	30134	Redlake; Q-GB-SA (51300)	C-04-18S-27E

Description of West Red Lake # 4 Federal Satellite Facility:

The West Red Lake # 4 Federal Satellite facility is located at 32.465056, -104.171859. This satellite facility will process the flow streams from the following wells, all located in Sec 4, 18S-27E:

Federal Lease NMLC065478A <i>12.5%</i>	West Red Lake 4 Federal #1	30-015-29990	D-04-18S-27E
	West Red Lake 4 Federal #2	30-015-30186	C-04-18S-27E
	West Red Lake 4 Federal #3	30-015-30134	C-04-18S-27E
Federal Lease NMNM29280 <i>12.5%</i>	Lago Rosa 4 Federal #4	30-015-30150	L-04-18S-27E

The flow stream comes into a header and is processed by two separators. One is the production separator and the other a test separator. Each vessel has an independent set of oil (2.00" Turbine meter), water (2.00" Turbine meter) and gas (2.067" Total Flow, Orifice 0.875") meters. The liquids are transferred to the Red Lake 3 Battery gun barrel and the gas is sold to Frontier (Meter ID 631057) located at 32.464597, -104.163046.

The test separator is used to perform a test on each well coming into the satellite. The wells are tested at a rate of one per day. One well will be tested daily, with the well rotating testing periods with the other three wells at this facility. The well which is in test production will flow into the 3 phase separator and each phase is metered independently. The gas is sent to Frontier's meter 631057 and the fluids are combined with the fluids coming from the other wells that are not in test and sent to the gun barrel located in the Red Lake 3 Battery.

Oil production will be allocated daily using the turbine meters located in each vessel and using the subtraction method.

Gas production will be allocated daily using the subtraction method (volumes being metered from the test separator and the sales meter).

Description of Red Lake 3 Battery Facility

The Red Lake 3 Battery is located at 32.777859, -104.271043, and processes the flow streams from the following wells, located in Sec 3, 18S-27E:

Sec 3	Federal Lease NMLC028805B	Red Lake 3 Federal #2	30-015-29802	E-03-18S-27E
	Federal Lease NMLC055465B	Vermillion 3 Federal #3	30-015-30151	F-03-18S-27E
		Vermillion 3 Federal #4	30-015-30135	F-03-18S-27E

The flow stream comes into a header and is processed by two separators. One is the production separator and the other a test separator. Each vessel has an independent set of oil (2.00" Turbine meter), water (2.00" Turbine meter) and gas (2.067" Total Flow, Orifice 0.625") meters. The liquids are transferred to the gun barrel and the gas is sold to Frontier (Meter ID 631046) located at 32.464597N, 104.163046W. The oil is then transferred to a set of two, 500 bbl tanks connected to the LACT unit. Oil is sold through the LACT and hauled to market via truck. Holly is currently the purchaser of this oil.

The test separator is used to perform a test on each well coming into the battery. The wells are tested at a rate of one per day. The well which is in test production will flow into the 3 phase separator and each phase is metered independently. The gas is sent to Frontier's meter 631046 and the fluids are combined with the fluids coming from the other wells that are not in test and sent to the gun barrel.

Oil production will be allocated daily using the turbine meters located in each vessel and using the subtraction method.

Gas production will be allocated daily using the deduction method (volumes being metered from the test separator and the sales meter). Gas is gathered by and sold to Frontier. Gas contains approximately 10,000 ppm H₂S, and the information relating to the H₂S plans has been filed previously.

Water production is tanked and hauled to commercial disposal by truck.

The test turbine meters and the gas orifice meter will be proven, as per API, NMOCD, and BLM specifications, quarterly. The meter correction factors obtained will be used to allocate the production volumes. Oil will be sold by LACT. Note, the FMP has not been assigned yet. Gas production will be allocated on a daily basis based on the subtraction method from the Frontier sales meter and the gas test meter. The gas production from the production equipment and the test gas meter will commingle and flow through the Frontier sales meter. These meters will be calibrated on a regular basis per API, NMOCD, and BLM specifications. The BLM & OCD will be notified of any future changes in the facilities.

Royalty rates discussion and Economic Factors Leading to this Request:

The production for these properties were averaged over the calendar months of July and August 2017. The production averages, by day are:

Federal Lease	Well	BOPD	Oil Grav	BWPD	MCFD	BTU	Royalty Rate Schedule
NMNM29280	Lago Rosa 4 Federal #4	0.0	NA	1.7	4.6	1395.1	D, 12.5% < 20 BOPD
5CHD NMLC028805B	Red Lake 3 Federal #2	6.2	36.9	12.9	19.5	1314.7	D, 12.5% < 20 BOPD
5CHD NMLC055465B	Vermillion 3 Federal #3	0.0	0.0	0.0	11.3	1314.7	D, 12.5% < 20 BOPD
	Vermillion 3 Federal #4	0.0	0.0	0.8	10.5	1314.7	D, 12.5% < 20 BOPD
NMLC065478A	West Red Lake 4 Federal #1	0.0	0.0	1.9	2.5	1395.0	12.5% Fixed
	West Red Lake 4 Federal #2	2.0	36.9	9.0	5.2	1395.0	12.5% Fixed
	West Red Lake 4 Federal #3	4.0	39.6	26.6	13.0	1395.0	12.5% Fixed
Combined Production		12.2	36.9	52.9	66.6	1355	

During the two month review, three wells made oil and casinghead gas; four wells made only gas. All wells make some water. The BTU content has been calculated based on the net energy value of the gas and the volume of the gas on a well-by-well basis.

Product pricing of this production stream is market-based, and varies month to month. The sales contracts in place for these leases do not fix the price received by oil gravity or BTU content of the gas but are tied to commodities index prices. Additionally, the oil gravities, sulfur content, and gas BTU and H₂S content are similar and there is no benefit to marketing the products separately. The surface commingling as proposed does not affect the revenues received for the production.

As can be seen from the serial registers provided, the royalty rates on the leases vary. One is a fixed rate, and the other three are Schedule D, sliding when daily production exceeds 20 BOPD average. As these wells are truly in their last or salvage stage of production, it is extremely unlikely that any well will ever produce more than 20 bbl oil in any given day. Should this occur, Apache will commit to installing permanent metering for that well to ensure the U.S. is provided the full benefit of the increased production. Based on the low production levels of these wells, the fixed and sliding scale royalty rates will remain the same. Thus there is no loss of royalty income based on the different schedules.

Failure to approve this request will lead to premature abandonment of these wells and leases. The economics of these properties do not justify the capital necessary to upgrade the facilities, which would easily cost \$200,000 per lease, or more.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which shows the lease boundaries, and location of wells, facility, and gas sales meter. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and gas from the federal leases and will reduce environmental impacts by minimizing surface disturbance and emissions. The proposed commingling will reduce operating expenses, as well, and will not adversely affect federal royalty income, production accountability, or the distribution of royalty. The inability to commingle the production from these wells will lead to the premature abandonment of the wells, causing irreparable loss of revenue to the BLM, State of New Mexico, and the U.S.

The surface commingling has been approved by the NM OCD, and a copy of the order is attached.

Apache Corporation understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. No changes in existing facilities or flowlines are planned as a result of this application.

Working, royalty, and overriding interest owners have been notified of this proposal via certified mail and publication (see attached).

Apache respectfully requests consideration of this request. If more information is desired, please contact Emily Follis, regulatory technician, at 432-818-1801 or Emily.follis@apachecorp.com or you may contact me at mark.henkhaus@apachecorp.com or 432-818-1883. Foreman contact is Javier Berdoza, who can be reached at 575-441-5755.

Sincerely,

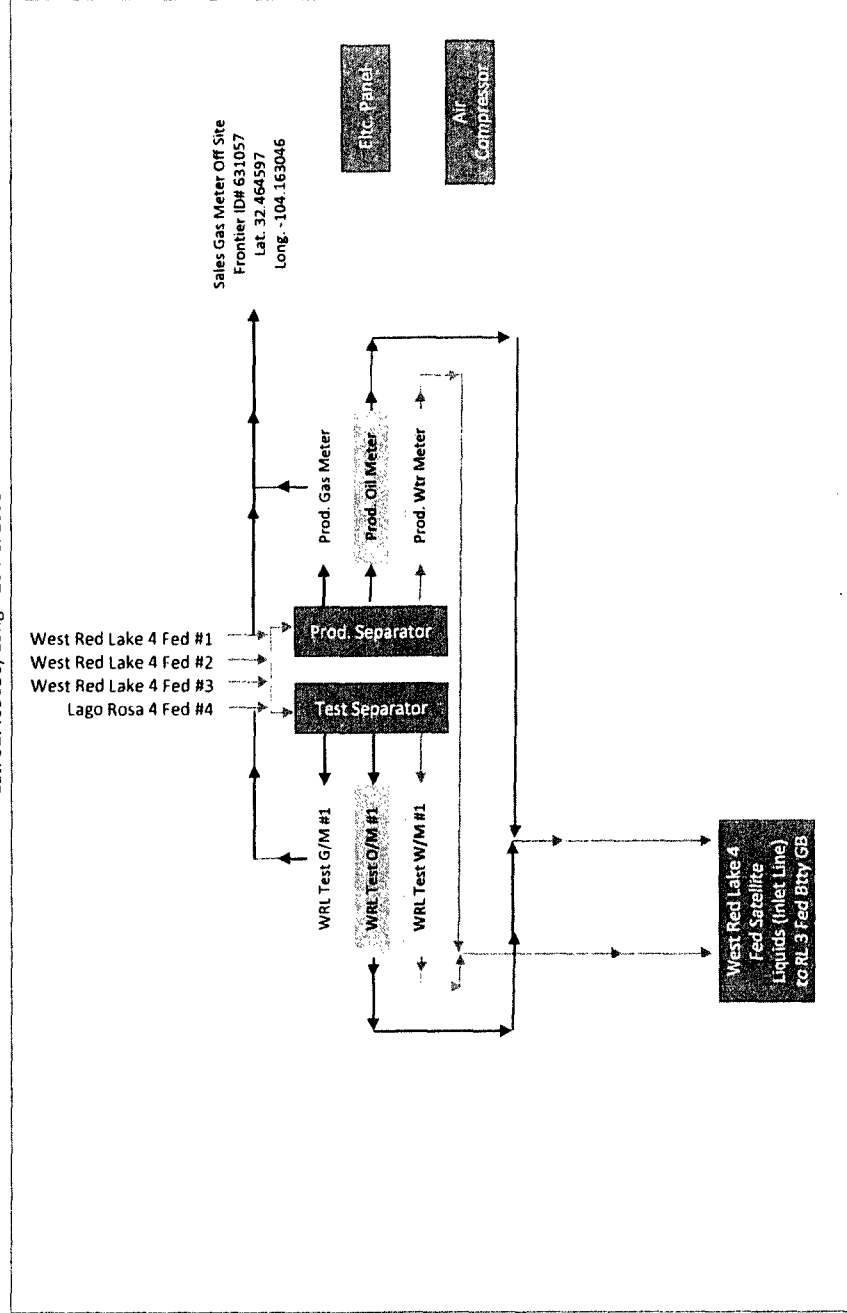
A handwritten signature in black ink, appearing to read 'Mark Henkhaus', written in a cursive style.

R. Mark Henkhaus, PE
Regulatory Manager
Permian Region

Apache Corp.
1945 Bluestem Rd.
Artesia, NM 88210
575-677-3642
Prod. Foreman
Javier Berdoza
Updated 11/14/17

Apache Corporation West Red Lake #4 Federal Satellite

NMNM, Sec. 4, T18S, R27E
Lat. 32.465056, Long. -104.171859



Wells Going To Facility:

West Red Lake 4 Fed #1
API# 30-015-29990
Lot. 8, Sec. 4, T18S-R27E
NMILC065478A
West Red Lake 4 Fed #2
API# 30-015-30186
Lot. 7, Sec. 4, T18S-R27E
NMILC065478A
West Red Lake 4 Fed #3
API# 30-015-30134
Lot. 7, Sec. 4, T18S-R27E
NMILC065478A
Lago Rosa 4 Fed #4
API# 30-015-30150
Lot. 16, Sec. 4, T18S-R27E
NMNM29280

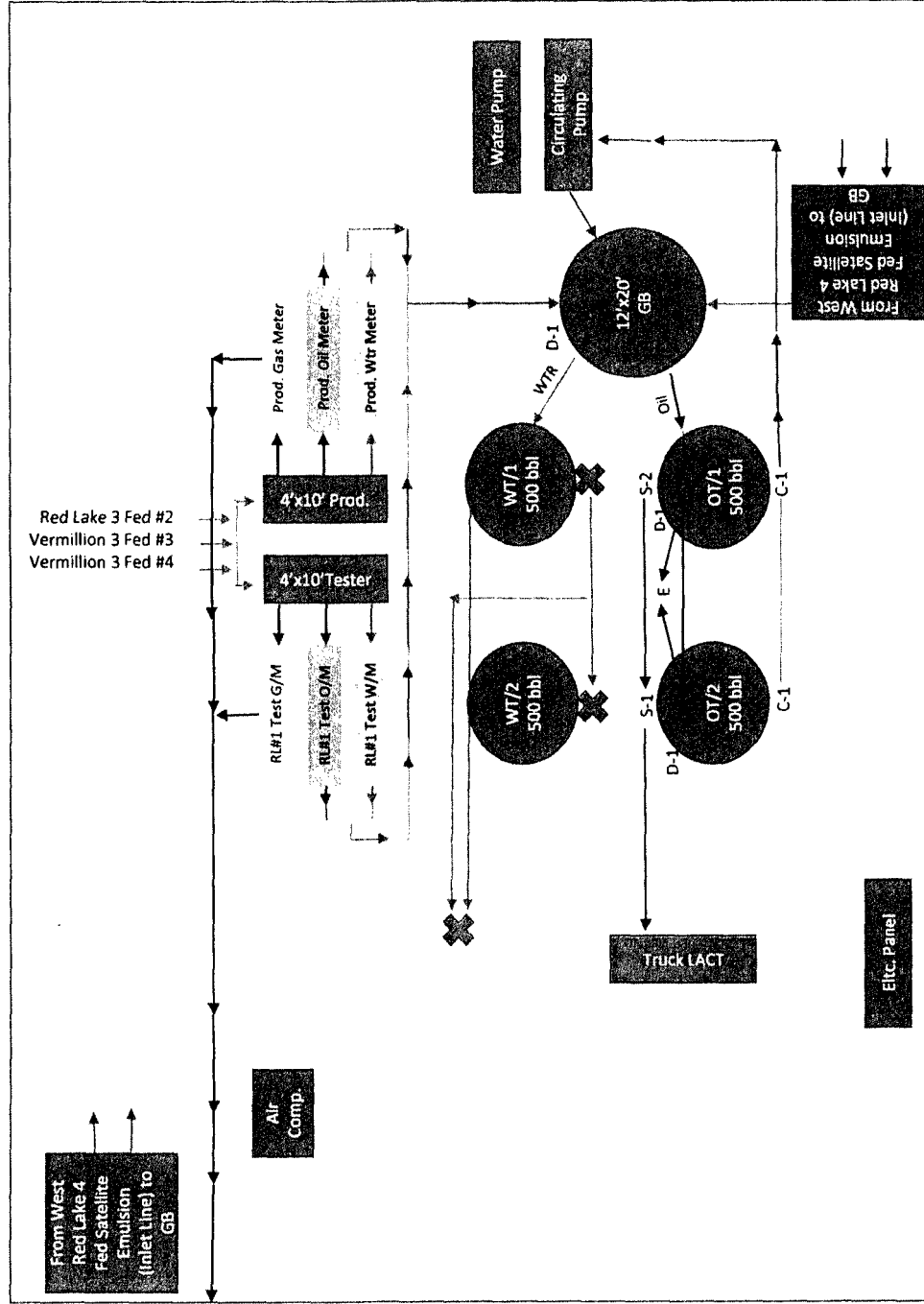
SWNW, Sec. 3, T18S, R27E
Lat. 32.7777859, Long -104.271043

Red Lake 3 Fed #2
 Vermillion 3 Fed #3
 Vermillion 3 Fed #4

Wells Going To Facility:

Vermillion 3 Fed #3
API# 30-015-30151
Lot. F, Sec. 3, T18S-R27E
NMMLC055465B
Vermillion 3 Fed #4
API# 30-015-30135
Lot. F, Sec. 3, T18S-R27E
NMMLC055465B
Red Lake 3 Fed #2
API# 30-015-29802
Lot. E, Sec. 3, T18S-R27E
NMMLC028805B

Sales Gas Meter Off Site
Frontier ID# 631046
Lat. 32.464597
Long. -104.163046



Truck Lact Oil Sales Sealing Requirements

A. Production Phase OT/1

- i. valve F-1 open
- ii. Valve C-1 open
- iii. valve D-1, D-2 sealed closed

B. Sales Phase OT/2

- i. valve F-1 closed
- ii. valve C-1 closed
- iii. valve D-1, D-2 sealed closed

C. Water Tank Load Line Valve Is Locked

- i. WTR Is trucked to a 3rd party public SWD

F = Fill Line Valve

C = Circulating Line Valve

D = Drain Valve

E = Equalizer Line Valve

L = Equalizer Line Valve
S = Oil Sales Line Valve

Apache Corporation
Red Lake 3 Federal Battery

SWNW, Sec. 3, T18S, R27E
Lat. 32.7777859, Long -104.271043

Apache Corp.
1945 Bluestem Rd.
Artesia, NM 88210
575-677-3642
Prod. Foreman
Javier Berdoza
Updated 11/14/17

Equipment Inventory:

Oil Tank Manufacturer: Challenge MFG, Tank #1, Serial # 09956-0101
Oil Tank Manufacturer: Challenge MFG, Tank #2, Serial # 09956-0102
Water Tank Manufacturer: Challenge MFG, Tank #1, Serial # 09956-0103
Water Tank Manufacturer: Challenge MFG, Tank #2, Serial # 09956-0104
Gun Barrel Manufacturer: Maloney Crawford, Serial# 62.3827-1

Separator Manufacturer: FCI Fabrication, Production 3-Phase, Serial# 11014-10
Separator Manufacturer: FCI Fabrication, RL-Tester 3-Phase, Serial# 11014-9

Circ. Pump Manufacturer: Roper, Serial# G-742766
Water Pump Manufacturer: Durco, Serial# 327971
Lact Unit Manufacturer: Smith, Serial/ Skid# Z-4323

Apache Corporation
West Red Lake #4 Federal Satellite

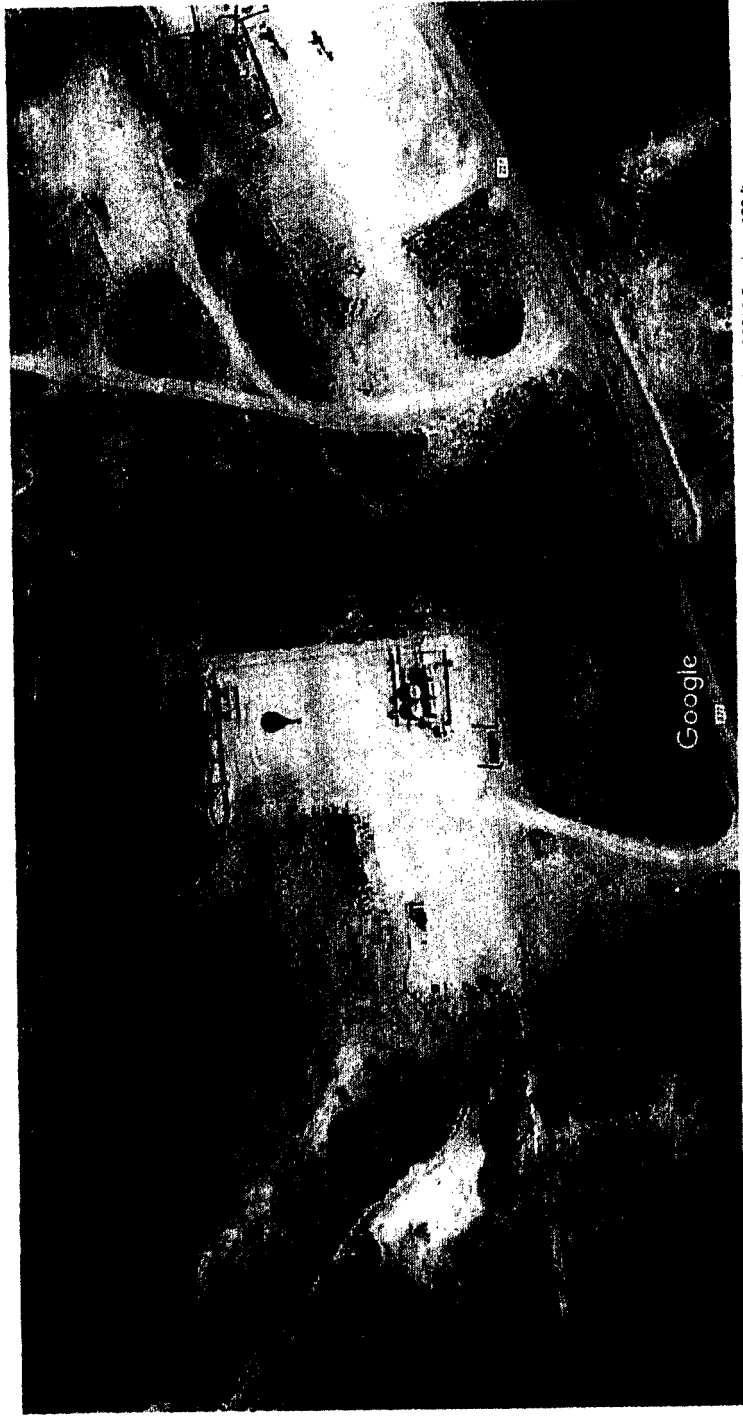
NMNW, Sec. 4, T18S, R27E
Lat. 32.465056, Long. -104.171859

Equipment Inventory:

Separator Manufacturer: FCI Fabrication, Production, Serial# 12058-4
Separator Manufacturer: JW Williams, WRL-Tester, Serial# W1228

32°46'41.8"N 104°16'16.0"W - Google Maps

Go gle Maps 32°46'41.8"N 104°16'16.0"W
Red Lake 3 Federal Battery



Imagery ©2016 Google, Map data ©2016 Google 100 ft

[https://www.google.com/maps/place/32°46'41.8"N+104°16'16.0"W/@32.7780347,...](https://www.google.com/maps/place/32°46'41.8) 8/29/2016

Apache Corp, Lago Rosa/Red Lake/Vermillion Area



032	NMLC 0026874F	NMLC 0049648B	NMNM 0033855	NMLC 0067849 034	NMNM 0557370	NMLC 0064050A
033	NMLC 0055383B	NMLC 0026874B	NMNM 0025528	NMLC 0067849 034	NMNM 029279	NMLC 0064050A
034	NMLC 0055383B	NMLC 0026874B	NMNM 0025528	NMLC 0067849 034	NMNM 029279	NMLC 0064050A
035	NMLC 0055383B	NMLC 0026874B	NMNM 0025528	NMLC 0067849 034	NMNM 029279	NMLC 0064050A
036	NMLC 0055383B	NMLC 0026874B	NMNM 0025528	NMLC 0067849 034	NMNM 029279	NMLC 0064050A
037	NMLC 0055383B	NMLC 0026874B	NMNM 0025528	NMLC 0067849 034	NMNM 029279	NMLC 0064050A
038	NMLC 0055383B	NMLC 0026874B	NMNM 0025528	NMLC 0067849 034	NMNM 029279	NMLC 0064050A

August 29, 2016

Sent via certified mail

WORKING AND REVENUE INTEREST OWNERS
(See attached list.)

Sample
Letter to
Interest
Owners

RE: Notice of Intent to Surface Commingle Production from:
Lago Rosa 4 Federal #4, Red Lake 3 Federal #2, Vermillion 3 Federal #3 and 4, and
West Red Lake 4 Federal #1, 2, and 3
Sections 3 and 4, Township 18 South, Range 27 East
Eddy County, New Mexico

Dear Interest Owners,

Apache Corporation ("Apache") hereby requests your approval to surface commingle production from the following existing wells:

- Lago Rosa 4 Federal #4: API 30-015-30150, a vertical well located at 2,210' FSL and 330' FWL, UL L, Section 4, T-18-S, R-27-E, producing from the Red Lake Queen-Grayburg-San Andres pool.
- Red Lake 3 Federal #2: API 30-015-29802, a vertical well located at 2,005' FNL and 990' FWL, UL E, Section 3, T-18-S, R-27-E, producing from the Red Lake Queen-Grayburg-San Andres and Glorieta-Yeso pools.
- Vermillion 3 Federal #3: API 30-015-30151, a vertical well located at 1,650' FNL and 1,750' FWL, UL F, Section 3, T-18-S, R-27-E, producing from the Red Lake Queen-Grayburg-San Andres pool.
- Vermillion 3 Federal #4: API 30-015-30135, a vertical well located at 2,310' FNL and 2,110' FWL, UL F, Section 3, T-18-S, R-27-E, producing from the Red Lake Queen-Grayburg-San Andres pool.
- West Red Lake 4 Federal #1: API 30-015-29990, a vertical well located at 990' FNL and 990' FWL, UL D, Section 4, T-18-S, R-17-E, producing from the Red Lake Queen-Grayburg-San Andres pool.
- West Red Lake 4 Federal #2: API 30-015-30186, a vertical well located at 330' FNL and 1,650' FWL, UL C, Section 4, T-18-S, R-17-E, producing from the Red Lake Queen-Grayburg-San Andres pool.
- West Red Lake 4 Federal #3: API 30-015-30134, a vertical well located at 990' FNL and 2,310' FWL, UL C, Section 4, T-18-S, R-17-E, producing from the Red Lake Queen-Grayburg-San Andres pool.

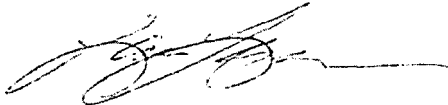
Please be aware that the interest ownership differs slightly between the Lago Rosa 4 Federal, Red Lake 3 Federal, Vermillion 3 Federal, and West Red Lake 4 Federal wells. In order to

commingle production at the surface, production from each of the wells must be metered separately, at the wellhead, to account for the difference in ownership.

Enclosed for your review is a copy of Apache's application requesting approval from the Bureau of Land Management and the New Mexico Oil Conservation Division to surface commingle the referenced wells. To evidence your approval for the surface commingling of production, please execute the signature block below and return one copy of this letter to my attention by e-mail, fax, or using the prepaid return envelope enclosed herewith. Should you have any questions, please don't hesitate to contact me.

Sincerely,

APACHE CORPORATION



Laci Lawrence
Landman
Laci.Lawrence@apachecorp.com
432-818-1846 (office)
432-818-1197 (fax)

The undersigned hereby approves to surface commingle production, as proposed in this letter, subject to further approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

Signature

Printed Name

Title

Service List

Interest Owner	Address	Certified ID #
ZPZ DELAWARE I LLC (OPERATOR)	2000 POST OAK BLVD, STE 100 HOUSTON, TX 77056	
OFFICE OF NATURAL RESOURCES REVENUE	P.O. BOX 25267 DENVER, CO 80225	7016 0340 0000 7028 3957
ALERTA N KEYES	P.O. BOX #461 LA PLATA, NM 87418	7016 0340 0000 7028 3933
ANN ALLISON AKIN	5115 2ND ST #6 LUBBOCK, TX 79416	7016 0340 0000 7028 3902
BALWICK LIMITED PARTNERSHIP	3300 N A ST, BLDG 2-212 MIDLAND, TX 79705	7016 0340 0000 7028 3889
BRUNDEN LIVING TRUST UTA 12 15 9	P.O. BOX AA ARTESIA, NM 88211	7016 0340 0000 7028 3865
CHARLES HENRY GREENE	840 CAMINO DEL REX LAS CRUCES, NM 88001	7016 0340 0000 7028 3858
CHARLOTTE G MEADOR	P.O. BOX #3995 DECATUR, TX 76234	7015 0640 0003 0226 0273
CLEAR FORK MINERALS LLC	309 W 7TH ST, STE 500 FT. WORTH, TX 76102	7015 0640 0003 0226 0280
CONRAD AND JOSEPHINE KEYESREV TR	801 RALEIGH RD LAS CRUCES, NM 88005	7015 0640 0003 0226 0297
DAVIS A COPPEDGE REVOC TR 11/11/14	P.O. BOX 1858 POTTSBORO, TX 75076	7015 0640 0003 0226 0303
DEBORAH T LEARY	443 WELLINGTON AVE ROCHESTER, NY 14619	7015 0640 0003 0226 0310
EDITH COPPEDGE WHEELER	P.O. BOX #64035 LUBBOCK, TX 79464	7015 0640 0003 0226 0327
ERYN GETTYS	301 E. SKYVIEW RD. AUSTIN, TX 78752	7015 0640 0003 0226 0020
FRANKLIN S GREENE	3115 ENCANTO DR. ROSWELL, NM 88201	7015 0640 0003 0226 0037
FREDRIC CHARLES GRIFFIN	P.O. BOX 19204 BOULDER, CO 80308	7015 0640 0003 0226 0044

HELEN MARIE WHITE	P.O. BOX 24492 CINCINNATI, OH 45224	7015 0640 0003 0226 0051
HENRY F THORNE	P.O. BOX 36	7015 0640 0003 0226 0068
JAFFA MILLER	LONG PINE, NE 69217	
	UNKNOWN (IN SUSPENSE)	
JAMES G THORNE	7858 BAY SHORE DR INDIANAPOLIS, IN 46240	7015 0640 0003 0226 0075
JAMES T COPPEDGE	P.O. BOX 43 SPENCER, IN 47460	7015 0640 0003 0226 0082
JANE ANN HUDSON DAVIS	6770 WOLF CREEK CT RIO RANCHO, NM 87124	7015 0640 0003 0226 0099
JANE ARETA RONCA WASHBURN	1400 VASSAR DR NE, APT C ALBUQUERQUE, NM 87106	7015 0640 0003 0226 0105
JOAN ANN HUDSON	660 CAMINO DE LOS MARES, APT 334 SAN CLEMENTE, CA 92673	7016 0340 0000 7028 3735
JOHN E THORNE	2756 TAMARACK DR. ARNOLD, MO 63010	7015 0640 0003 0226 0112
JOHN OLAF AND SHARON L LARSGAARD	7627 146TH AVE E SUMNER, WA 98390	7015 0640 0003 0226 0129
JOHN T PRICE III	11947 MARBON MEADOWS DR JACKSONVILLE, FL 32223	7015 0640 0003 0226 0136
JOHN WIDNEY LODEWICK	3305 WENTWOOD DALLAS, TX 75225	7015 0640 0003 0226 0143
JUSTIN HAMILTON TAUTE	1228 PLUMERIA PL NOLENSVILLE, TN 37135	7015 0640 0003 0226 0150
LAURA PATRICIA LODEWICK	511 NEWELL DALLAS, TX 75223	7015 0640 0003 0226 0167
LEISA G WAYLETT	326 W RIDGE ST DECATUR, TX 76234	7015 0640 0003 0226 0174
MARC E THORNE	37 DICKINSON RD DARIEN, CT 06820	7015 0540 0003 0226 0181
MARTHA M BYRD	9825 ADMIRAL NIMITZ ALBUQUERQUE, NM 87111	7015 0640 0003 0226 0198

MARY J MCWHORTER TRUST	P.O. BOX 1087 ASHLAND, OR 97520	7015 0640 0003 0226 0204
MCWHORTER LIVING TRUST	6140 E VOLTAIRE AVE SCOTTSDALE, AZ 85254	7015 0640 0003 0226 0211
MICHAEL HERD MOORE IRREV TRUST	2929 N CENTRAL EXPRESSWAY #235 RICHARDSON, TX 75080	7015 0640 0003 0226 0228
MICHELLE RUTH WHITE	4036 CAMPTON RD EUREKA, CA 95503	7015 0640 0003 0226 0235
NAKOLE L DAVIDSON	495 HANIVER ST ALAMOSA, CO 81101	7015 0640 0003 0226 0242
NOBLE ROYALTIES INC A TEXAS CORP	P.O. BOX 660082 DALLAS, TX 75266	7015 0640 0003 0226 0259
PATRICIA M MARSHALL	9 SIERRA BLANCA CIRCLE ROSWELL, NM 88201	7015 0640 0003 0226 0266
RAMONA L CLARK	1615 N W 101 ST CLIVE, IA 50325	7016 0340 0000 7028 4046
RICHARD OSCAR GREENE	5404 NOAH WAY SAN DIEGO, CA 92117	7016 0340 0000 7028 4039
ROBERT K MEYER	P.O. BOX 57 ELK MOUNTAIN, WY 82324	7016 0340 0000 7028 4022
SCOTT CHARLES HENSON	9430 POWERHOUSE RD NEWCASTLE, CA 95658	7016 0340 0000 7028 4015
SHAUNA TOMME	7801 BURSEY CT N RICHLAND HILLS, TX 76182	7016 0340 0000 7028 3995
STEVEN MARK HENSON	608 WEST ST VACAVILLE, CA 95688	7016 0340 0000 7028 3964
SUSAN L PRICE	5133 48TH AVE SEATTLE, WA 98105	7016 0340 0000 7028 3940
SUSAN NUGENT	17690 HERON LANE FORT MYERS, FL 33908	7016 0340 0000 7028 3919
TEXAS PRESBYTERIAN FOUNDATION	P.O. BOX 3480 OMAHA, NE 68103	7016 0340 0000 7028 3896
VICKI LYNN OWENS	5100 E CO RD 59 MIDLAND, TX 79705	7016 0340 0000 7028 3872

WILLIAM R BALLARD REV LIV TRUST	11651 E CALLE JAVELINA TUCSON, AZ 85748	7016 0340 0000 7028 4008
YATES BROTHERS PARTNERSHIP	P.O. BOX 1394 ARTESIA, NM 88211	7016 0340 0000 7028 3988
ZANAIDA RUTH GRIFFIN	166 MOUNTAIN BROOK PARK DR BIRMINGHAM, AL 35213	7016 0340 0000 7028 3971

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CASE RECORDATION
(LIVE) SERIAL REGISTER PAGE**

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01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 310781: O&G RENEWAL LEASE - PD

38.850

NMNM-- - 029280

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 029280

Name & Address	Int Rel	%Interest
BP AMERICA PRODUCTION CO PO BOX 3092 HOUSTON TX 772533092	OPERATING RIGHTS	0.000000000
COG OPERATING LLC 600 W ILLINOIS AVE MIDLAND TX 797014882	OPERATING RIGHTS	0.000000000
MERIT ENE MGT PARTNERS I LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.000000000
MERIT ENE MGT PARTNERS II LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.000000000
MERIT ENERGY PTNRS 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.000000000
MERIT ENERGY PTNRS III LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.000000000
MERIT ENERGY PTNRS VII LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.000000000
OCCIDENTAL PERMAN LP 5 E GREENWAY PLAZA #110 HOUSTON TX 770460521	LESSEE	100.000000000
ZPZ DELAWARE I LLC 2000 POST OAK BLVD STE 100 HOUSTON TX 770564497	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- - 029280

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0180S	0270E	004	FF	ALL FORMATIONS;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23	0180S	0270E	004	LOTS	16;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMNM-- - 029280

Act Date	Code	Action	Action Remarks	Pending Office
07/10/1934	387	CASE ESTABLISHED		
07/11/1934	496	FUND CODE	05;145003	
07/11/1934	868	EFFECTIVE DATE	SEC 14	
11/13/1951	314	RENEWAL APLN FILED		
11/28/1961	314	RENEWAL APLN FILED		
01/03/1977	209	CASE CREATED BY SEGR	OUT OF NMNM7717;	
03/16/1977	058	NOTICE SENT-NONPROD STAT		
02/01/1981	246	LEASE COMMITTED TO CA	SCR-202	
11/09/1981	314	RENEWAL APLN FILED		
12/10/1981	660	MEMO OF 1ST PROD-ALLOC	SCR-202	
02/03/1982	102	NOTICE SENT-PROD STATUS		
03/01/1982	242	LEASE RENEWED	THRU 02/28/92;	
01/31/1983	235	EXTENDED	THRU 01/31/85;	
01/31/1983	522	CA TERMINATED	SCR-202 EB	
09/13/1985	817	MERGER RECOGNIZED	ATL RICHFIELD PA/DE	
04/27/1987	932	TRF OPER RGTS FILED	ATL RICHFLD/PETRUS	
05/20/1987	963	CASE MICROFILMED/SCANNED	CNUM 104,629 RW	
06/10/1987	817	MERGER RECOGNIZED	HONDO/ATL RICHFIELD	
08/11/1987	933	TRF OPER RGTS APPROVED	EFF 05/01/87;	
10/14/1987	932	TRF OPER RGTS FILED	PETRUS/PETRUS	
02/18/1988	933	TRF OPER RGTS APPROVED	EFF 11/01/87;	
02/18/1988	974	AUTOMATED RECORD VERIF	BTM/MT	
03/31/1988	111	RENTAL RECEIVED	\$39.00;11/250849	
03/03/1989	111	RENTAL RECEIVED	\$38.85;11/	
03/31/1989	111	RENTAL RECEIVED	\$39.00;11/	

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02/16/1990	111	RENTAL RECEIVED	\$39.00;11/R2598954
10/19/1990	974	AUTOMATED RECORD VERIF	RAO/MT
11/07/1990	932	TRF OPER RGTS FILED	BRIDGE OIL/MERIT ENE
01/28/1991	933	TRF OPER RGTS APPROVED	EFF 12/01/90;
01/28/1991	974	AUTOMATED RECORD VERIF	MRR/JLV
02/19/1991	111	RENTAL RECEIVED	\$39.00;43/2616424
11/19/1991	314	RENEWAL APLN FILED	
02/18/1992	111	RENTAL RECEIVED	\$78.00;43/2625923
03/01/1992	242	LEASE RENEWED	THRU 02/28/12;
03/01/1992	530	RLTY RATE - 12 1/2%	/A/
03/01/1992	868	EFFECTIVE DATE	LAST RENEWAL;
07/06/1992	974	AUTOMATED RECORD VERIF	AMR/TF
02/16/1993	111	RENTAL RECEIVED	\$39.00;21/0000R26316
07/16/1993	974	AUTOMATED RECORD VERIF	GAG
02/17/1994	084	RENTAL RECEIVED BY ONRR	\$39.00;23/0000R26267
02/17/1994	111	RENTAL RECEIVED	\$39.00;21/0000R26267
04/14/1994	058	NOTICE SENT-NONPROD STAT	
05/10/1994	974	AUTOMATED RECORD VERIF	BTM/KRP
07/25/1994	932	TRF OPER RGTS FILED	MERIT/MERIT ENE ETAL
10/04/1994	933	TRF OPER RGTS APPROVED	EFF 08/01/94;
10/04/1994	974	AUTOMATED RECORD VERIF	GSE
02/16/1995	084	RENTAL RECEIVED BY ONRR	\$39.00;21/2639690
02/20/1996	084	RENTAL RECEIVED BY ONRR	\$39.00;21/0000026431
02/21/1997	084	RENTAL RECEIVED BY ONRR	\$39.00;21/0000026428
04/02/1997	140	ASGN FILED	AMOCO/ALTURA ENERGY
04/25/1997	139	ASGN APPROVED	EFF 05/01/97;
04/25/1997	974	AUTOMATED RECORD VERIF	JLV
02/23/1998	084	RENTAL RECEIVED BY ONRR	\$78.00;21/0000001003
07/24/1998	643	PRODUCTION DETERMINATION	/1/
07/24/1998	650	HELD BY PROD - ACTUAL	/1/
07/24/1998	658	MEMO OF 1ST PROD-ACTUAL	/1/#4 LAGO ROSA;
02/18/1999	084	RENTAL RECEIVED BY ONRR	\$78.00;21/0000005003
02/22/2000	084	RENTAL RECEIVED BY ONRR	\$78.00;21/5006
06/12/2000	940	NAME CHANGE RECOGNIZED	ALTURA/OCCIDENTALPER
02/20/2001	084	RENTAL RECEIVED BY ONRR	\$78.00;21/5010
12/11/2001	932	TRF OPER RGTS FILED	ATLANTIC RICHFIELD;1
04/02/2002	933	TRF OPER RGTS APPROVED	EFF 01/01/02;
04/02/2002	974	AUTOMATED RECORD VERIF	MV
04/15/2002	932	TRF OPER RGTS FILED	MERIT PARTNERS LP E;1
06/10/2002	933	TRF OPER RGTS APPROVED	EFF 05/01/02;
06/10/2002	974	AUTOMATED RECORD VERIF	JLV
06/21/2002	940	NAME CHANGE RECOGNIZED	AMOCO/BP AMERICA PROD
11/26/2004	932	TRF OPER RGTS FILED	PERMIAN RES/CHESAPEAKE
12/13/2004	933	TRF OPER RGTS APPROVED	EFF 12/01/04;
12/13/2004	974	AUTOMATED RECORD VERIF	JLV
09/27/2005	940	NAME CHANGE RECOGNIZED	MERIT PTNRS/MERIT MGM
05/01/2006	899	TRF OF ORR FILED	1
04/29/2010	932	TRF OPER RGTS FILED	CHESAPEAKE/THREE RIV;1
06/30/2010	933	TRF OPER RGTS APPROVED	EFF 05/01/2010;
06/30/2010	974	AUTOMATED RECORD VERIF	JS

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05/10/2011	932	TRF OPER RGTS FILED	BP AMERIC/ZPZ DELAW;1
08/03/2011	933	TRF OPER RGTS APPROVED	EFF: 06/01/2011;
08/03/2011	974	AUTOMATED RECORD VERIF	MJD
08/14/2012	932	TRF OPER RGTS FILED	THREE RIV/COG OPERA;1
03/01/2013	933	TRF OPER RGTS APPROVED	EFF 09/01/12;
03/01/2013	974	AUTOMATED RECORD VERIF	BTM
05/08/2013	817	MERGER RECOGNIZED	COG EXC PROP/COG OPER
04/07/2015	899	TRF OF ORR FILED	1

Line Nr Remarks

Serial Number: NMNM-- - 029280

0002	/A/ AC 536 ROYALTY RATE 5% EFF 07/11/1934 THRU
0003	2/28/1952. AC 547 RLTY RATE 12.5-25% SCH C EFF
0004	3/1/1952 THRU 2/28/1992.
0005	BONDED OPERATORS/LESSEES:
0006	06/30/2010 - THREE RIVERS ACQUISITION LLC NMB000672
0007	08/03/2011 - APACHE CORP - CO1463/NW
0008	03/01/2013 - COG OPERATING LLC - NMB000740 225K/CFO

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01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 310781: O&G RENEWAL LEASE - PD

40.000

NMLC-- 0 055465B

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMLC-- 0 055465B

Name & Address			Int Rel	%Interest
ABUELO LLC	21 CROOK DR	ARTESIA NM 882109227	OPERATING RIGHTS	0.000000000
ERGODIC RESOURCES LLC	PO BOX 2021	ROSWELL NM 882022021	OPERATING RIGHTS	0.000000000
LOCO HILLS PRODUCTIONS COMPANY LLC	PO BOX 779	ARTESIA NM 882110779	OPERATING RIGHTS	0.000000000
OCCIDENTAL PERMIAN LP	5 E GREENWAY PLAZA #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
OXY USA WTP LP	6 DESTA DR #6000	MIDLAND TX 797055505	OPERATING RIGHTS	0.000000000
SILVERHAIR LLC	1301 LEWIS RD	ARTESIA NM 882109438	OPERATING RIGHTS	0.000000000
THOMAS A CROW TRUSTEE	8210 LOUISIANA BLVD NE STE B	ALBUQUERQUE NM 871131761	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	LESSEE	100.000000000

Serial Number: NMLC-- 0 055465B

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0180S	0270E	003	ALIQ	SENW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC 0055465B

Relinquished/Withdrawn Lands

23 0180S 0270E 703	FF	N2NE,NENW,N2SE,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 709	FF	NW,S2SE,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 055465B

Act Date	Code	Action	Action Remarks	Pending Office
07/11/1934	387	CASE ESTABLISHED		
07/11/1934	496	FUND CODE	05;145003	
07/11/1934	868	EFFECTIVE DATE		
12/03/1937	553	CASE CREATED BY ASGN	OUT OF NMLC028005-B;	
09/01/1946	570	CASE SEGREGATED BY ASGN	INTO NMLC065478-B;	
11/01/1954	570	CASE SEGREGATED BY ASGN	INTO NMNM031186;	
07/09/1959	500	GEOGRAPHIC NAME	ARTESIA/MALJAMAR FLD;	
07/09/1959	510	KMA CLASSIFIED		
11/30/1959	102	NOTICE SENT-PROD STATUS		
11/01/1961	242	LEASE RENEWED	THRU 10/31/71;	
08/10/1966	817	MERGER RECOGNIZED	ATL RFG/ATL RICHFIELD	
08/10/1966	940	NAME CHANGE RECOGNIZED	ATL RFG/ATL RICHFIELD	
03/19/1971	940	NAME CHANGE RECOGNIZED	PAN AMER PETRO/AMOCO	
11/01/1971	242	LEASE RENEWED	THRU 10/31/81;	
11/01/1971	534	RLTY RATE-SLIDING-SCH D		
11/01/1971	868	EFFECTIVE DATE	LAST RENEWAL;	
09/01/1975	232	LEASE COMMITTED TO UNIT	NMNM70945X;EMPIRE ABO	
05/27/1981	932	TRF OPER RGTS FILED		
07/24/1981	314	RENEWAL APLN FILED		
05/27/1983	932	TRF OPER RGTS FILED		
06/10/1983	039	POST AUTH APLN DENIED	RENEWAL LSE APLN	
09/04/1985	933	TRF OPER RGTS APPROVED	EFF 06/01/81;	
09/13/1985	817	MERGER RECOGNIZED	ATL RICHFIELD PA/DE	
03/04/1986	933	TRF OPER RGTS APPROVED	EFF 06/01/83;	
03/17/1986	963	CASE MICROFILMED/SCANNED	CNUM 106,757 EPR	

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01 02-25-1920;041STAT0437;30USC226

Total Acres

Serial Number

Case Type 310781: O&G RENEWAL LEASE - PD

40.000

NMLC-- 0 028805B

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMLC-- 0 028805B

Name & Address			Int Rel	%Interest
ABUELO LLC	21 CROOK DR	ARTESIA NM 882109227	OPERATING RIGHTS	0.000000000
ERGODIC RESOURCES LLC	PO BOX 2021	ROSWELL NM 882022021	OPERATING RIGHTS	0.000000000
LOCO HILLS PRODUCTIONS COMPANY LLC	PO BOX 779	ARTESIA NM 882110779	OPERATING RIGHTS	0.000000000
OCCIDENTAL PERMIAN LP	5 E GREENWAY PLAZA #110	HOUSTON TX 770460521	OPERATING RIGHTS	0.000000000
OXY USA WTP LP	6 DESTA DR #6000	MIDLAND TX 797055505	OPERATING RIGHTS	0.000000000
SILVERHAIR LLC	1301 LEWIS RD	ARTESIA NM 882109438	OPERATING RIGHTS	0.000000000
THOMAS A CROW TRUSTEE	8210 LOUISIANA BLVD NE STE B	ALBUQUERQUE NM 871131761	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	LESSEE	100.000000000

Serial Number: NMLC-- 0 028805B

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0180S	0270E	003	ALIQ	SWNW;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC 0028805B

Relinquished/Withdrawn Lands

23 0180S 0270E 703	FF	S2NE,E2SW,NWNW,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
23 0180S 0270E 710	FF	E2,ASGN;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 028805B

Act Date	Code	Action	Action Remarks	Pending Office
04/28/1924	124	APLN RECD		
07/11/1934	237	LEASE ISSUED		
07/11/1934	496	FUND CODE	05;145003	
07/11/1934	868	EFFECTIVE DATE		
09/01/1946	570	CASE SEGREGATED BY ASGN	INTO NMLC065478-B;	
11/13/1956	102	NOTICE SENT-PROD STATUS		
09/12/1960	650	HELD BY PROD - ACTUAL		
09/12/1960	658	MEMO OF 1ST PROD-ACTUAL		
11/01/1961	242	LEASE RENEWED	THRU 10/31/71;	
08/10/1966	940	NAME CHANGE RECOGNIZED	ATL RFG/ATL RICHFIELD	
03/19/1971	940	NAME CHANGE RECOGNIZED	PAN AMER PETRO/AMOCO	
11/01/1971	237	LEASE ISSUED		
11/01/1971	242	LEASE RENEWED	THRU 10/31/81;	
11/01/1971	534	RLTY RATE-SLIDING-SCH D	/A/	
11/01/1971	868	EFFECTIVE DATE	LAST RENEWAL;	
09/01/1975	232	LEASE COMMITTED TO UNIT	NMNM70945X;EMPIRE ABO	
09/01/1975	501	REFERENCE NUMBER	UA-1408000113801;	
07/24/1981	314	RENEWAL APLN FILED		
01/12/1983	039	POST AUTH APLN DENIED	RENEWAL LSE APLN	
05/27/1983	932	TRF OPER RGTS FILED		
06/20/1983	933	TRF OPER RGTS APPROVED	EFF 06/01/83;	
09/13/1985	817	MERGER RECOGNIZED	ATL RICHFIELD PA/DE	
05/06/1987	974	AUTOMATED RECORD VERIF	RG/VL	
06/18/1987	963	CASE MICROFILMED/SCANNED	CNUM 501,404 DS	
05/26/1988	940	NAME CHANGE RECOGNIZED	CITIES SVC/OXY USA	

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10/15/1990	974	AUTOMATED RECORD VERIF	GG
01/29/1991	899	TRF OF ORR FILED	
04/15/1991	314	RENEWAL APLN FILED	
04/18/1991	039	POST AUTH APLN DENIED	RENEWAL LSE APLN
04/18/1991	379	REFUND AUTHORIZED	\$155.00;
04/18/1991	974	AUTOMATED RECORD VERIF	CM/MT
09/08/1993	932	TRF OPER RGTS FILED	OXY/ARCO
12/01/1993	933	TRF OPER RGTS APPROVED	EFF 10/01/93;
12/01/1993	974	AUTOMATED RECORD VERIF	SSP/KRP
04/02/1997	932	TRF OPER RGTS FILED	AMOCO/ALTURA ENERGY
04/17/1997	933	TRF OPER RGTS APPROVED	EFF 05/01/97;
04/17/1997	974	AUTOMATED RECORD VERIF	JLV
07/11/1997	575	APD FILED	
08/18/1997	576	APD APPROVED	#1 RED LAKE "3" FED
08/18/1997	576	APD APPROVED	#2 RED LAKE "3" FED
06/12/2000	940	NAME CHANGE RECOGNIZED	ALTURA/OCCIDENTALPER
03/12/2001	932	TRF OPER RGTS FILED	OXY/OXY USA WTP
04/25/2001	933	TRF OPER RGTS APPROVED	EFF 04/01/01;
04/25/2001	974	AUTOMATED RECORD VERIF	JLV
12/11/2001	140	ASGN FILED	ATLANTIC RICHFIELD;1
12/11/2001	932	TRF OPER RGTS FILED	ATLANTIC RICHFIELD;1
04/02/2002	139	ASGN APPROVED	EFF 01/01/02;
04/02/2002	933	TRF OPER RGTS APPROVED	EFF 01/01/02;
04/02/2002	974	AUTOMATED RECORD VERIF	MV
06/21/2002	940	NAME CHANGE RECOGNIZED	AMOCO/BP AMERICA PROD
04/11/2005	246	LEASE COMMITTED TO CA	NMNM112755;
03/24/2011	140	ASGN FILED	BP AMERIC/ZPZ DELAW;1
05/10/2011	932	TRF OPER RGTS FILED	BP AMERIC/ZPZ DELAW;1
05/12/2011	139	ASGN APPROVED	EFF: 04/01/2011;
05/12/2011	974	AUTOMATED RECORD VERIF	MJD
07/25/2011	933	TRF OPER RGTS APPROVED	EFF: 06/01/2011;
07/25/2011	974	AUTOMATED RECORD VERIF	MJD
05/11/2016	932	TRF OPER RGTS FILED	ESTATE OF/ERGODIC R;1
05/11/2016	932	TRF OPER RGTS FILED	ESTATE OF/ERGODIC R;2
06/23/2016	933	TRF OPER RGTS APPROVED	EFF 06/01/16;1
06/23/2016	933	TRF OPER RGTS APPROVED	EFF 06/01/16;2
06/23/2016	974	AUTOMATED RECORD VERIF	JA

Line Nr Remarks

Serial Number: NMLC-- 0 028805B

0002	/A/AC 535 RLTY RATE 5% EFF 7/11/1934 THRU 10/31/1961
0003	AC 534 RLTY RATE SLIDING SCH D EFF 11/1/1961 THRU
0004	THE PRESENT.
0005	11/01/1971 LAST RENEWAL
0006	BONDED OPERATORS/LESSEES/TRANSFEREES:
0007	04/02/2002 - LESSEE WY2924 N/W
0008	05/12/2011 - OPERATOR NMB000736 S/W
0009	06/23/2016 - APACHE CORP NMB000736 S/W;

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
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West Red Lake 4 Federal

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01 02-25-1920;041STAT0437;30USC226

Total Acres
79.290

Serial Number
NMLC-- 0 065478A

Case Type 310781: O&G RENEWAL LEASE - PD

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMLC-- 0 065478A

Name & Address	Int Rel	%Interest
BP AMERICA PRODUCTION CO PO BOX 3092 HOUSTON TX 772533092	OPERATING RIGHTS	0.00000000
COG OPERATING LLC 600 WILLINOIS AVE MIDLAND TX 797014882	OPERATING RIGHTS	0.00000000
EOG RESOURCES ASSETS LLC 105 S 4TH ST ARTESIA NM 882102177	OPERATING RIGHTS	0.00000000
MERIT ENE MGT PARTNERS I LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.00000000
MERIT ENE MGT PARTNERS II LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.00000000
MERIT ENERGY PTNRS 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.00000000
MERIT ENERGY PTNRS III LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.00000000
MERIT ENERGY PTNRS VII LP 13727 NOEL RD #500 DALLAS TX 75240	OPERATING RIGHTS	0.00000000
OCCIDENTAL PERMIAN LP 5 E GREENWAY PLAZA #110 HOUSTON TX 770460521	LESSEE	100.00000000
ZPZ DELAWARE I LLC 2000 POST OAK BLVD STE 100 HOUSTON TX 770564497	OPERATING RIGHTS	0.00000000

Serial Number: NMLC-- 0 065478A

Mer Twp	Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County	Mgmt Agency
23	0180S	0270E	004	LOTS	7,8;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT

Serial Number: NMLC 0065478A

Relinquished/Withdrawn Lands

23 0180S 0270E 704	FF	L12 SEGR;	CARLSBAD FIELD OFFICE	EDDY	BUREAU OF LAND MGMT
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Serial Number: NMLC-- 0 065478A

Act Date	Code	Action	Action Remarks	Pending Office
03/08/1932	387	CASE ESTABLISHED		
03/08/1932	496	FUND CODE	05;145003	
03/08/1932	868	EFFECTIVE DATE		
03/12/1947	553	CASE CREATED BY ASGN	OUT OF NMLC028805-A;	
11/20/1951	314	RENEWAL APLN FILED		
03/01/1952	242	LEASE RENEWED	THRU 02/28/62;	
12/28/1955	700	LEASE SEGREGATED	INTO NMNM025530;	
12/29/1955	232	LEASE COMMITTED TO UNIT	CHALK BLUFF DRAW;	
09/17/1959	940	NAME CHANGE RECOGNIZED	MALCO RFG/HONDO OG	
12/12/1960	139	ASGN APPROVED	EFF 01/01/61;	
12/12/1960	140	ASGN FILED	HONDO/PAN AM PETRO	
08/01/1961	226	ELIM BY CONTRACTION	CHALK BLUFF DRAW;	
09/25/1961	102	NOTICE SENT-PROD STATUS		
11/28/1961	314	RENEWAL APLN FILED		
03/01/1962	058	NOTICE SENT-NONPROD STAT		
03/01/1962	242	LEASE RENEWED	THRU 02/28/72;	
03/19/1971	940	NAME CHANGE RECOGNIZED	PAN AMER PETRO/AMOCO	
09/13/1971	314	RENEWAL APLN FILED		
03/01/1972	242	LEASE RENEWED	THRU 02/28/82;	
02/01/1981	246	LEASE COMMITTED TO CA	SCR202;	
02/17/1981	660	MEMO OF 1ST PROD-ALLOC	/1/ SCR202;	
11/12/1981	314	RENEWAL APLN FILED		
03/01/1982	242	LEASE RENEWED	THRU 02/28/92;	
01/31/1983	058	NOTICE SENT-NONPROD STAT		

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

**BUREAU OF LAND MANAGEMENT
CASE RECORDATION
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01/31/1983	522	CA TERMINATED	SCR-202	EB
01/31/1983	647	MEMO OF LAST PROD-ALLOC	/1/	
09/13/1985	817	MERGER RECOGNIZED	ATL RICHFIELD PA/DE	
04/03/1987	963	CASE MICROFILMED/SCANNED	CNUM 104,252	DS
04/27/1987	932	TRF OPER RGTS FILED		
06/10/1987	817	MERGER RECOGNIZED	HONDO NM/ARCO DELA	
08/14/1987	933	TRF OPER RGTS APPROVED	EFF 05/01/87;	
10/14/1987	932	TRF OPER RGTS FILED		
02/22/1988	933	TRF OPER RGTS APPROVED	EFF 11/01/87;	
02/22/1988	974	AUTOMATED RECORD VERIF		BTM/MT
11/29/1988	932	TRF OPER RGTS FILED		
01/30/1989	111	RENTAL RECEIVED	\$80.00;24/R2536509	
02/01/1989	933	TRF OPER RGTS APPROVED	EFF 01/01/89;	
02/01/1989	974	AUTOMATED RECORD VERIF		GLC/MT
03/03/1989	111	RENTAL RECEIVED	\$79.29;22/	
02/15/1990	111	RENTAL RECEIVED	\$80.00;24/2597829	
10/24/1990	974	AUTOMATED RECORD VERIF		TF/MT
11/07/1990	932	TRF OPER RGTS FILED	BRIDGE/MERIT ENE ETAL	
01/17/1991	111	RENTAL RECEIVED	\$80.00;24/2615816	
01/24/1991	933	TRF OPER RGTS APPROVED	EFF 12/01/90;	
01/24/1991	974	AUTOMATED RECORD VERIF		GLC/JLV
11/19/1991	314	RENEWAL APLN FILED		
01/21/1992	111	RENTAL RECEIVED	\$80.00;41/2625568	
02/06/1992	111	RENTAL RECEIVED	\$80.00;41/9550	
03/01/1992	530	RLTY RATE - 12 1/2%	/A/	
03/01/1992	868	EFFECTIVE DATE	LAST RENEWAL;	
07/07/1992	974	AUTOMATED RECORD VERIF		LO/MV
08/19/1992	974	AUTOMATED RECORD VERIF		TF/JS
08/24/1993	242	LEASE RENEWED	THRU 02/28/12;	
08/24/1993	974	AUTOMATED RECORD VERIF		TF/KRP
07/25/1994	932	TRF OPER RGTS FILED	MERIT/MERIT ENE ETAL	
10/04/1994	933	TRF OPER RGTS APPROVED	EFF: 08/01/94;	
10/04/1994	974	AUTOMATED RECORD VERIF		GSB
04/02/1997	140	ASGN FILED	AMOCO/ALTURA ENERGY	
04/25/1997	139	ASGN APPROVED	EFF 05/01/97;	
04/25/1997	974	AUTOMATED RECORD VERIF	JLV	
12/04/1997	575	APD FILED		
12/24/1997	576	APD APPROVED	1 W RED LAKE 4 FED	
01/27/1998	084	RENTAL RECEIVED BY ONRR	\$80.00;23/0000001002	
02/23/1998	084	RENTAL RECEIVED BY ONRR	\$80.00;21/0000001003	
07/20/1998	643	PRODUCTION DETERMINATION	/2/WEST RED LAKE 4-1;	
07/20/1998	650	HELD BY PROD - ACTUAL	/2/	
07/20/1998	658	MEMO OF 1ST PROD-ACTUAL	/2/#4-1;	
01/20/1999	084	RENTAL RECEIVED BY ONRR	\$80.00;23/0000005002	
01/24/2000	084	RENTAL RECEIVED BY ONRR	\$80.00;23/5006	
06/12/2000	940	NAME CHANGE RECOGNIZED	ALTURA/OCCIDENTALPER	
06/13/2000	932	TRF OPER RGTS FILED	MERIT PTNRS/PERMIAN	
08/10/2000	933	TRF OPER RGTS APPROVED	EFF 07/01/00;	
08/10/2000	974	AUTOMATED RECORD VERIF	MV/MV	
08/11/2000	084	RENTAL RECEIVED BY ONRR	\$80.00;21	

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 31, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-457
Administrative Application Reference No. pMAM1625136990

Apache Corporation
Attention: Ms. Isabel Hudson

Pursuant to your application received on October 6, 2016, Apache Corporation (OGRID 873) is hereby authorized to surface commingle oil and gas production from the following pools:

Red Lake; Queen-Grayburg-SA (51300)
Red Lake; Glorieta-Yeso, Northeast (96836)

and from the following diversely owned federal wells and leases in said Section, Township, and Range in Eddy County, New Mexico.

Lease: Federal Lease NMLC-065478-A
Description: Lot 7 and Lot 8 (N/2 NW/4 equivalent) of Irregular Section 4, Township 18 South, Range 27 East
Well: West Red Lake 4 Federal Well No. 1 30-015-29990
West Red Lake 4 Federal Well No. 2 30-015-30186
West Red Lake 4 Federal Well No. 3 30-015-30134
Pool: Red Lake; Queen-Grayburg-SA

Lease: Federal Lease NMNM-29280
Description: Lot 16 (NW/4 SW/4 equivalent) of Irregular Section 4, Township 18 South, Range 27 East
Well: Lago Rosa 4 Federal Well No. 4 30-015-30150
Pool: Red Lake; Queen-Grayburg-SA

Lease: Federal Lease NMLC-055465-B
Description: SE/4 NW/4 of Section 3, Township 18 South, Range 27 East
Wells: Vermillion 3 Federal Well No. 3 30-015-30151
Vermillion 3 Federal Well No. 4 30-015-30135
Pool: Red Lake; Queen-Grayburg-SA

Lease: Federal Lease NMLC-028805-B
Description: SW/4 NW/4 of Section 3, Township 18 South, Range 27 East
Wells: Red Lake 3 Federal Well No. 2 30-015-29802
Pool: Red Lake; Queen-Grayburg-SA and Red Lake; Glorieta-Yeso, Northeast

The commingled oil and gas production from the West Red Lake 4 Federal Well No. 1, West Red Lake 4 Federal Well No. 2, West Red Lake 4 Federal Well No. 3, and the Lago Rosa 4 Federal Well No. 4 shall be measured and sold at the West Red Lake 4 Federal Well No. 1 central tank battery (West Lake 4 CTB) located in Lot 8 (NW/4 NW/4 equivalent) of Irregular Section 4, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the Vermillion 3 Federal Well No. 3, Vermillion 3 Federal Well No. 4, and the Red Lake 3 Federal Well No. 2 shall be measured and sold at the West Vermillion 3 Federal Well No. 3 central tank battery (Vermillion CTB) located in Unit E of Section 3, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

Oil and gas production from these wells shall be measured at each of the satellites as follows: The daily oil and gas production from each well shall be tested at each satellite on a rotating basis. The gas production shall then be combined from all wells serving that satellite, measured and sold at those sales points. The oil production from the West Red Lake 4 CTB shall be measured continuously by Coriolis meters prior to leaving the satellite, then transported by pipeline to the Vermillion CTB where oil from the two satellites shall be combined, measured for sales, and sold at that sales point. All allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C(2).


After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

Administrative Order PLC-457
Apache Corporation
October 31, 2016
Page 3 of 2


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Artesia
Bureau of Land Management – Carlsbad

DATE IN <i>9/16/2016</i>	SUSPENSE	ENGINEER <i>MLC</i>	LOGGED IN <i>9/07/2016</i>	TYPE <i>PLC</i>	APP NO. <i>PLM16253L930</i>
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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]

*20 day
clock
starts
10-26-2016*

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

*- PLC 457
- Apache corp
873*

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM

*WEL
- Red Lake 3 Fed 42
30-015-21802*

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

+ 6 wells

- [D] Other: Specify _____

POU

*- Red Lake, Glendon
YES NO*

- [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

*96836
- Red Lake, Green
Gray 444-SA
5130*

- [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.

Isabel Hudson
Print or Type Name

Isabel Hudson
Signature

REG ANALYST
Title

8/29/2016
Date

RED LAKE BATTERY

Isabel.Hudson@apachecorp.com
e-mail Address

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: Apache Corporation
OPERATOR ADDRESS: 303 Veterans Airpark Lane Midland TX 79705
APPLICATION TYPE: RED LAKE BATTERY
☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ 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
☒ 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
Red Lake; Glorieta-Yeso Northeast (96836)	37				See
Red Lake; Queen-Grayburg-San Andres (51300)	36				Well
					Tests
					Attached

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.
(4) Measurement type: ☒ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☒ 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: Isabel Hudson

TITLE: Regulatory Analyst

DATE: 8/29/2016

TYPE or PRINT NAME: ISABEL HUDSON TELEPHONE NO.: 432-818-1142 E-MAIL ADDRESS: Isabel.Hudson@apachecorp.com

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

See list of wells below

Apache Corporation
December 14, 2017

Condition of Approval

Commingling of lease & Pool production, and Off lease Storage, Measurement, & Sales of production

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Onshore Order #5 or 43 CFR 3175 and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer. These volumes are royalty bearing and shall be reported on OGOR "B" as disposition code "33".
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter proving to allow time for an inspector to witness.
11. Submit meter numbers, (to include turbine) within 30 days of this approval and provide updated facility diagram with meters numbers.
12. If a well is added to Federal Leases NMLC028805B or NMLC055465B or if a well which is presently on one of the Federal Leases is, not limited to, recompleted, worked over, stimulated, fractured so as to enhance the recovery of production above a rate of 20 bbls per day per well. This approval will no-longer be valid until it has been reevaluated and the Royalty Rate is address as per the allocation of production determined to still fall within acceptable limits at which this approval is being approved.

**Lago Rosa 4 Federal #4,
West Red Lake 4 #1,
West Red Lake 4 #3,**

**3001530150, Q-GB-SA
3001529990, Q-GB-SA
3001530134, Q-GB-SA**

**Federal Lease NMNM29280 Royalty Rate 12.5%
Federal Lease NMLC065478A Royalty Rate 12.5%
Federal Lease NMLC065478A Royalty Rate 12.5%**

West Red Lake 4 Federal #2,
Red Lake 3 Federal #2,
Red Lake 3 Federal #2,
Vermillion 3 Federal #3,
Vermillion 3 Federal #4,

3001530186, Q-GB-SA
3001529802 C1, Yeso
3001529802 C2, Q-GB-SA
3001530151, Q-GB-SA
3001530135, Q-GB-SA

Federal Lease NMLC065478A Royalty Rate 12.5%
Federal Lease NMLC028805B Royalty Rate Sch. D
Federal Lease NMLC028805B Royalty Rate Sch. D
Federal Lease NMLC055465B Royalty Rate Sch. D
Federal Lease NMLC055465B Royalty Rate Sch. D