	213	SUSPENSE	ENGINEER PG 05/0/2013 TYPEDHC PPR	G1322736104
			ABOVE THIS LINE FOR DIVISION USE ONLY	
		Ν	NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505)
		l	ADMINISTRATIVE APPLICATION CHECKLIS	Г
Т	HIS CHECKL	IST IS MA	NDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RUL WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE	ES AND REGULATIONS
Appli	[рно]	on-Stan C-Down [PC-Poo [: dard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous hole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Co of Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measu WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] fied Enhanced Oil Recovery Certification] [PPR-Positive Production	ommingling] rement]]
[1]		OF API [A]	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD	RE
		Check [B]	One Only for [B] or [C] Commingling - Storage - Measurement DHC CTB PLC PC OLS OLM	RECEIVED OCD
		[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery	00D
		[D]	Other: Specify DHC - 520 HOB-CR - 11363) 81812013	6
[2]		ICATI [A]	ON REQUIRED TO: - Check Those Which Apply, or Does Not Appl Working, Royalty or Overriding Royalty Interest Owners	30-025-40541
		[B]	Offset Operators, Leaseholders or Surface Owner	State PA#8
		[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	d, 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.

REESA HOLLAND FISHER	Reesa Fisher	SR STAFF REG TECH	8/9/2013
Print or Type Name	Signature	Title	Date

STATE PA #8

Reesa.Holland@apachecorp.com e-mail Address

Apache

August 9, 2013

Mr. Phillip Goetze New Mexico Oil Conservation Division Engineering Bureau 1220 South St Francis Drive Santa Fe, New Mexico 87505

RE: Application for Exception to Rule 303-C – Downhole Commingling Amendment State PA #8 API 30-025-40541 Unit N, Section 18, T22S, R37E Blinebry Oil & Gas (Oil) 6660, Tubb Oil & Gas (Oil) 60240, Drinkard (19190) & Wantz; Abo (62700) Lea County, New Mexico

Dear Mr. Goetze:

Enclosed please find form C-107A and attachments for amending DHC-HOB-520 downhole commingling the captioned well to include the Abo formation. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

Formation allocation for the State PA #8 is based on the State PA #7 & #9, given the well's proximity. Individual well tests on the State PA #7 for the Blinebry, Tubb, and Drinkard indicate similar oil and water production rates for all three formations. As such, we have given an equal allocation percentage to each formation for oil and water. Gas production, however, is lower in the Drinkard than the other two formations and has been allocated accordingly. As for the Abo, it was unproductive in the #7 but has been productive in the recently drilled #9. We recovered over 60 barrels of oil in three days of swabbing from the #9. However, we don't think it is as productive as the BTD based on the fact that it was not productive in the #7 and there is limited production in the surrounding leases. We have estimated allocations accordingly and used the following percentages for the application:

	Oil	Gas	Water	
Blinebry	30%	35%	30%	
Tubb	30%	35%	30%	
Drinkard	30%	20%	30%	
Abo	10%	10%	10%	

If you need additional information or have any questions, please give me a call at (432) 818-1062 or send me an email at <u>Reesa.Holland@apachecorp.com</u>.

Sincerely,

Reeser Fisher

Reesa Holland Fisher Sr. Staff Regulatory Technician

District I

1625 N. French Drive, Hobbs, NM 88240

District II 1301 W. Grand Avenue, 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-107A Revised June 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE <u>X</u> Single Well Establish Pre-Approved Pools EXISTING WELLBORE Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation		303 Veterans Airpark Lane Suite 3000 Midland TX 79705					
Operator		А	ddress				
State PA	008	Ν	18	22S	37E	Lea	
Lease	e Well No. Unit Letter-Section-Township-Range			ge	County		
OGRID No. 873	Property Code 26487	API No. 30-0	25-40541]	Lease Type: _	FederalFee	

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE	
Pool Name	Blinebry Oil & Gas (Oil)	Tubb Oil & Gas (Oil)	Drinkard	
Pool Code	6660 <	60240 -	19190 🕈	
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5508'-5737' -	6214'-6373' -	6534'-6782'	
Method of Production (Flowing or Artificial Lift)				
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)				
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.5 🛫	37.5 -	37.5	
Producing, Shut-In or New Zone	New Zone	New Zone	New Zone	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: See Attached Rates: See Attached	Date: See Attached Rates: See Attached	Date: See Attached Rates: _{See Attached}	
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas	
than current or past production, supporting data or explanation will be required.)	30 % ′ 35 %	30 % 35 %	30 % 20 %	

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes_ Yes_	×	No No
Are all produced fluids from all commingled zones compatible with each other?	Yes_	×	No
Will commingling decrease the value of production?	Yes_		No X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes_	x	No
NMOCD Reference Case No. applicable to this well:			

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication.Production curve for each zone for at least one year. (If not available, attach explanation.)For zones with no production history, estimated production rates and supporting data.Data to support allocation method or formula.Notification list of working, royalty and overriding royalty interests for uncommon interest cases.Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List of all operators within the proposed Pre-Approved Pools Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

I hereby certify that the information above is true and	complete to the best of my knowledge and l	belief.	
SIGNATURE Keesa Lisha	TITLE Sr. Staff Regulatory Tech		<u> २</u> 8/9/2013
		D	
TYPE OR PRINT NAME Reesa Holland Fisher	TELEPHONE NO. (432) 818-1062

E-MAIL ADDRESS Reesa.Holland@apachecorp.com

District I

1625 N. French Drive, Hobbs, NM 88240

District II 1301 W. Grand Avenue, 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-107A Revised June 10, 2003

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE <u>X</u> Single Well Establish Pre-Approved Pools EXISTING WELLBORE Yes X No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation	303 Veterans Airpark Lane Suite 3000 Midland TX 79705 Address						
State PA	008	N	18	22S	37E	Lea	
Lease	Well No.	Unit Letter-Section-Township-Range			County		
OGRID No. 873	Property Code 26487	API No. 30-02	25-40541		Lease Type: _	Federal X State	Fee

DATA ELEMENT	UP	PER Z	ONE		INTE	RMEDI	IATE ZON	E		LOWEI	R ZONI	C
Pool Name										Want	z; Abo	
Pool Code										62	700 -	-
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)										6843'	-6942'	
Method of Production (Flowing or Artificial Lift)										Artific	ial Lift	
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)												
Oil Gravity or Gas BTU (Degree API or Gas BTU)										37	7.5	
Producing, Shut-In or New Zone										New	Zone	
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates:				Date: Rates:					See Atta See Atta		
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil	%	Gas	%	Oil	%	Gas	%	Oil	/ 10 %	Gas	10 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes_ Yes_	×	No No
Are all produced fluids from all commingled zones compatible with each other?	Yes_	×	No
Will commingling decrease the value of production?	Yes_		No ×
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes_	×	No
NMOCD Reference Case No. applicable to this well:			

Attachments:

C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula. Notification list of working, royalty and overriding royalty interests for uncommon interest cases. Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List of all operators within the proposed Pre-Approved Pools Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

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

SIGNATURE Reesa Fisher	TITLE Sr. Staff Regulatory Tech	DATE 8/9/2013	
TYPE OR PRINT NAME Reesa Holland Fisher	TELEPHONE NO. (43	818-1062	

E-MAIL ADDRESS Reesa.Holland@apachecorp.com

DISTRICT I 1825 N. French Dr., Hobba, NM 88240 Phane (870) 884-0403 Fax: (878) 889-0720 DISTRICT II 911 S. First SL., Artasia, NM 88210 Phane (870) 740-1203 Fax: (873) 748-9720 DISTRICT III 1000 Rio Brazos Rd., Arteo, NM 87410 Phane (800) 834-0478 Fax: (800) 834-0470 DISTRICT IV 1220 B. St. Francis Dr., Sants Fa, NM 87805 Friese (800) 5476-3480 Fax: (800) 478-3462

1600'

State of New Mexico Energy, Minerals and Natural Besources Department

Form C-102 Revised August 1, 2011

Submit one copy to appropriate District Office

actual surveys made by ms or under my supervison and that the same is true and correct to the bast of my bellaf.

Certificato

12

499

Gary L. Jones

BASIN SURVEYS

7977

26499

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

62700 30-025- 4054 Wanta Hbo Property Code Property Name Well Number 26487 STATE PA 8 OGRID No. **Operator** Name Blevation 873 3434' APACHE CORPORATION Surface Location North/South line UL or lot No. Feet from the Bast/West line Section Feet from the County Lot Idn Township Range Ν SOUTH 1600 WEST LEA 18 22 S 37 E 330 Bottom Hole Location If Different From Surface UL or lot No. Section North/South line Lot Idn Feet from the Feet from the East/West line County Township Range Joint or Infill Dedicated Acres Consolidation Code Order No. 40 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 OPERATOR CERTIFICATION I hereby cortify that the information contained hereth is brue and complete to the best of my knowledge and belief, and that is organization alther evens a working interest or unleased mineral interest in the land tholuding the proposed bolion hole location or has a right to drill this well at this location pursuant to a contract with an owner aj such a whered or working interssl, or to a voluntary pooling agreement or a compulsory pooling order heretafore entered by the division. 1242 akemore 4/2 Signature Just Printed Nam Sus m. bla Email Address e and on. com SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field noise of

> SURFACE LOCATION Lot - N 32"23"07.86" Long - W 103"12"18.91" MMSPCE - N 505818.530 E 889567.206 (NAD-83)

> Lat - N 32'23'07.41" Long - W 103'12'17.23" NMSPCE- N 505758.433 E 848382.152 (NAD-27)

Submit 3 Copies To Appropriate District State of New Mexico	Form C-103
District 1 District 1 1625 N. French Dr., Hobbs, NM 88240 Direction U	June 19, 2008 WELL API NO. 30-025-40541
District II 1301 W. Grand Ave., Artesia, NM 88210 District III 1220 South St. Francis Dr.	5. Indicate Type of Lease
1000 Rio Brazos Rd., Aztec, NM 87410 District IV Santa Fe, NM 87505	STATE FEE 6. State Oil & Gas Lease No.
1220 S. Si. Françis Dr., Santa Fe, NM 87505	B0-0934-0040
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	7. Lease Name or Unit Agreement Name State PA
PROPOSALS.) 1. Type of Well: Oil Well Gas Well Other:	8. Well Number 008
2. Name of Operator Apache Corporation (873)	9. OGRID Number 873
3. Address of Operator	10. Pool name or Wildcat
303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705 4. Well Location	Bli O&G(Oil)/Tubb O&G(Oil)/Drinkard
Unit Letter N : 330 feet from the South line and 160	Dfeet_from the <u>Westline</u>
Section 18 Township 22S Range 37E	NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3434' GL	
12. Check Appropriate Box to Indicate Nature of Notice,	Report or Other Data
	SEQUENT REPORT OF:
PERFORM REMEDIAL WORK PLUG AND ABANDON REMEDIAL WORK	
PULL OR ALTER CASING D MULTIPLE COMPL CASING/CEMEN	
OTHER: OTHER:	
 Describe proposed or completed operations. (Clearly state all pertinent details, and of starting any proposed work). SEE RULE 1103. For Multiple Completions: At 	tach wellbore diagram of proposed completion
or recompletion.	
Apache would like to DHC the following pools: K ~ II 363 Pool Names: Estimated Perforations:	AUG 08 2013
Blinebry Oil & Gas (Oil) 6660 Blinebry 5508'-5737'	
Tubb Oil & Gas (Oil) 60240 Tubb 6214'-6373' Drinkard 19190 Drinkard 6534'-6782'	RECEIVED
The allocation method will be as follows based on offset production. (See attached applied OIL GAS WATER	cation for exception to Rule 303-C.)
Blinebry 33% 39% 33%	
Tubb 33% 39% 33% Drinkard 34% 22% 34% 🏠 🔿	
Downhole commingling will not reduce the value of these pools. Ownership is the same	- HOB-52D
Downtole comminging will not reduce the value of these pools. Ownership is the same	tor each of these pools.
Spud Date: 06/11/2013 Rig Release Date:	
I hereby certify that the information above is true and complete to the best of my knowledge	e and belief.
SIGNATURE Geosc Fisher TITLE Sr. Staff Reg Tech	DATE 07/23/2013
Type or print name Reesa Holland Fisher E-mail address: Reesa Holland@apa	phecorp.com PHONE: 432/818-1062
For State Use Only Petroleum Engine	er DATE AUG 0 8 2013
APPROVED BY:	DATE AUG UG 2010

AUG 08 2013

Charas that

July 23, 2013

Mr. Paul Kautz New Mexico Oil Conservation Division 1625 N French Drive Hobbs, New Mexico 88240

RE: Application for Exception to Rule 303-C – Downhole Commingling State PA #8 API 30-025-40541 Unit N, Section 18, T22S, R37E Blinebry Oil & Gas (Oil) 6660, Tubb Oil & Gas (Oil) 60240 & Drinkard (19190) Lea County, New Mexico

Dear Mr. Kautz:

Enclosed please find form C-103 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

Due to proximity, the allocation method will be based on the production of the nearby State PA #7 (30-025-40540), which production tested each pool separately. Enclosed is a C-103 and C-102's for each pool.

If you need additional information or have any questions, please give me a call at (432) 818-1062.

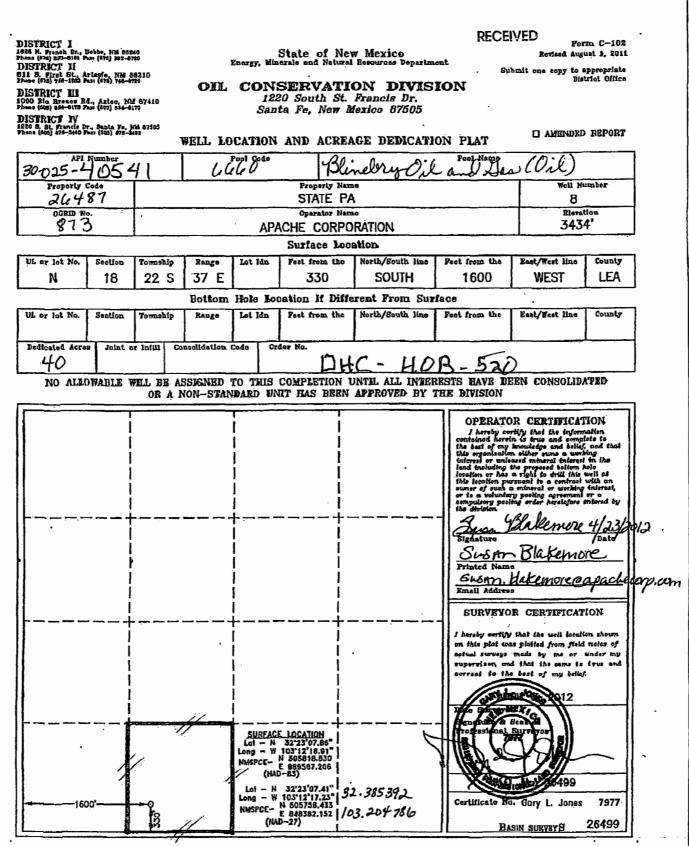
Sincerely,

Lesa Helland Fisher

Reesa Holland Fisher Sr. Staff Regulatory Technician

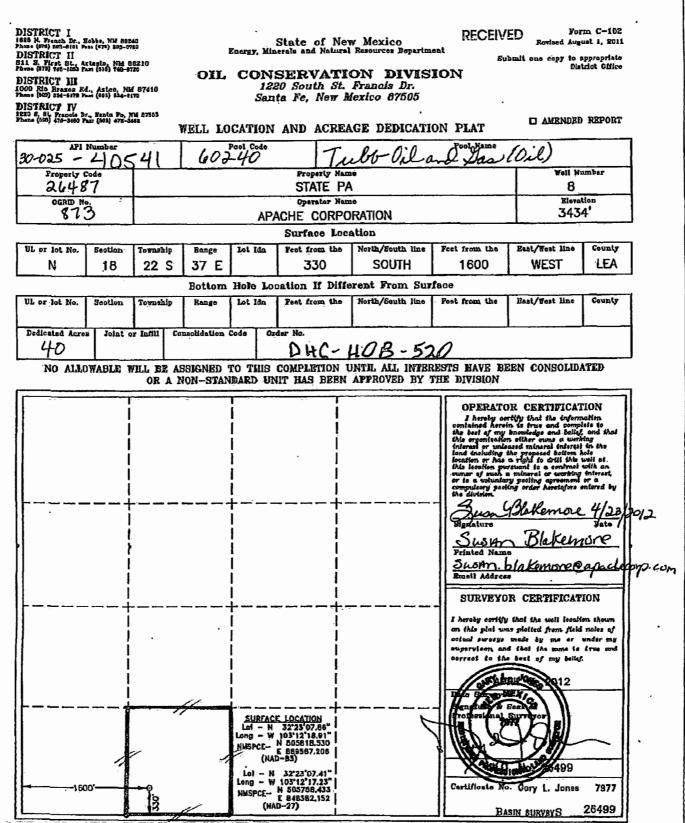
HOBBS OCD

AUG 08 2013



LIC	DDC	OCD
nu	נפטי	

AUG 0 8 2013



HOBSSOCD

AUG 0 8 2013

Form C-102 Bovised August 1, 2011

DECEMBINIE one copy to appropriate District Office

State of New Mexico Energy, Minerale and Natural Bosouroes Department

DISTRICT I 1025 M. Franch Dr., Hobbs, NH 80240 Fhans (073) 680-8161 Fast (075) 892-6725 DISTRICT II

611 S, First St., Artesia, NM 80210 Phana (876) 748-1283 Fazi (575) 748-9720

DISTRICT III 1000 Ria Brezog Rd., Astec, NM 87410 Phone (100) 544-5170 June (109) 534-5170

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

DISTRICT IV 1820 S. SL. Francis Dr., Sanda Fe. Hil 07805 Phane (500) 478-8460 Par (508) 478-8450 D AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name API Number Ω_{1} illa 30-025- 4054 19190 Property Name Well Number Property Code 26487 STATE PA 8 OGRID No. 873 Operator Name Blevation 3434' APACHE CORPORATION Surface Location UL or lot No. Fest from the North/South line Feet from the East/West line County Seation Township Range Lot Ida 330 1600 LEA Ν 22 S 37 E SOUTH WEST 18 Bottom Hole Location If Different From Surface UL or lot No. Section Township Bange lot Idn Feet from the North/South Hae Feet from the Bast/Fost line County Dedloated Acres Order No. Joint or Infill Consolidation Code DHC-HOB-52 40 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 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my inevolved and bolly, and that this organisation alther evens a constang interest or unlessed minoral interest in the land including the proposed bollion hale location or has a right to drill this well of this location pursuant is a centrator with an owner of such a minoral or working interest, or fo a voluntary posting agreement or a compulsory posting order hereisfore entered by the division. pulsory pooling division 4/23/2012 Bignaturo Swsitten akomore Printed N susm.blakemore ancleopp.com bht fier SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field rates of notual surveys made by me or under my supervision and that the same is true and correct to the best of my belief. 012 SURFACE LOCATION Loi - N 32'23'07.86" Long - W 103'12'18.91" NMSPCE- N 505918.530 (NAD-83) 499 Lot - N 32'23'07.41" Long - W 103'12'17.23" NMSPCE- N 505758.433 (NAD-27) Cortificato 1600 Gory L. Jones 7977 26499 BASIN SURVEYS