

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



ADMINISTRATIVE SURFACE COMMINGLING

Administrative Order PC-1269
Administrative Application Reference No. pPRG1328951727

November 26, 2013

Apache Corp.
Attention: Reesa Holland

Apache Corp., ("Apache") is hereby authorized to surface commingle oil and gas from the following Pools:

South Lusk; Bone Spring (Oil) Pool (41460),
East Lusk; Delaware (Oil) Pool (41520),

and from the following wells located on the Southeast Lusk 34 Federal (Property Code 300257) and Lusk 34 Federal (Property Code 39355) leases within Section 34 of Township 19 South, Range 32 East, NMPM, Lea County, New Mexico:

<u>Well Name</u>	<u>API No.</u>	<u>Unit Letter</u>
Lusk 34 Federal #1H	30-025-40797	D
Lusk 34 Federal #2H	30-025-40693	C
Southeast Lusk 34 Federal #1	30-025-36439	E
Southeast Lusk 34 Federal #2	30-025-37357	E
Southeast Lusk 34 Federal #3	30-025-37358	D
Southeast Lusk 34 Federal #5	30-025-37680	C

The commingled oil and gas production from the wells detailed above shall be measured with periodic well tests, except that commingled production from the Lusk Federal #1H will be separately metered prior to commingling with production from the Southeast Lusk Federal wells, and the total production from the Southeast Lusk Federal wells will be determined by the subtraction method, then allocated to the individual wells based on well tests. It is our understanding that all interests in the Lusk Federal #1H and the Lusk Federal #2H are identically owned.

Commingled production will be stored and sold at the Lusk 34 Federal No. 1H Battery in Unit D of Section 34.

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This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. The Operator shall notify the transporter of this commingling authority and the Hobbs district office of the Division prior to implementation of commingling operations. This approval is subject to like approval by the United States Bureau of Land Management.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over the printed name.

JAMI BAILEY
Division Director

JB/db

cc: Oil Conservation Division – Hobbs District Office
United States Bureau of Land Management