	OL 2013 SUSPENS	E ENGINEER RE O3/01/2013 TYPE	C PPAG1306058199
6		ABOVE THIS LINE FOR DIVISION USE ONLY	
		NEW MEXICO OIL CONSERVATION DIVISIO - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505	DN
		ADMINISTRATIVE APPLICATION C	HECKLIST
Т	HIS CHECKLIST IS M	ANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTION WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN	
<b> -</b>	[DHC-Down [PC-Po	ndard Location] [NSP-Non-Standard Proration Unit] [Sinhole Commingling] [CTB-Lease Commingling] [PL ol Commingling] [OLS - Off-Lease Storage] [OLM-O [WFX-Waterflood Expansion] [PMX-Pressure Mainten [SWD-Salt Water Disposal] [IPI-Injection Pressur	C-Pool/Lease Commingling] )ff-Lease Measurement] ance Expansion]
[1]	[A]	<ul> <li>PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication</li> <li>NSL NSP SD</li> <li>One Only for [B] or [C] Commingling - Storage - Measurement</li> <li>DHC CTB PLC PC OLS</li> </ul>	30-025-27696 WERTA FED ¥1 30-025-40798 WERTA FED ¥2 S □ OLM 30-025-40799
	[C]	Injection - Disposal - Pressure Increase - Enhanced Oil I WFX PMX SWD IPI EO	
[2]	[D] NOTIFICAT [A]	Other: Specify ON REQUIRED TO: - Check Those Which Apply, or Working, Royalty or Overriding Royalty Interest O	
	[B]	Offset Operators, Leaseholders or Surface Owner	
	[C]	Application is One Which Requires Published Leg	al Notice
	[D]	Notification and/or Concurrent Approval by BLM U.S. Bureau of Land Management - Commissioner of Public Lands, State Land	or SLO d Office
	[E]	For all of the above, Proof of Notification or Public	cation 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.

REESA HOLLAND	Rlosa	Deland	SR STAFF REG TECH	2/25/2013
Print or Type Name	Signature		Title	Date
			Passa Halland@anashaaam	

WERTA FEDERAL #1,2,3

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Reesa.Holland@apachecorp.com e-mail Address <u>District I</u> 1625 N. French Drive, Hobbs, NM 88240 <u>District II</u> 811 S. First St., Artesia, NM 88210 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410 <u>District IV</u> 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 C	Corporation										
OPERATOR ADDRESS: 303 Vete	rans Airpark Lane Mi	dland TX 79705									
APPLICATION TYPE:			WERT	A FEDERAL #'s 1,2	,3						
Pool Commingling Lease Commingling	g Pool and Lease Cor	mmingling Dff-Lease	Storage and Measur	ement (Only if not Surface	e Commingled)						
LEASE TYPE: 🗌 Fee 🔲	State 🛛 Fede										
Is this an Amendment to existing Order Have the Bureau of Land Management ⊠Yes □No					ingling						
		L COMMINGLIN s with the following in									
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes						
House; Blinebry (33230)					See Attached						
House; Tubb, North (33470)					See Attached						
House; Drinkard (33250) See Attached											
<ul> <li>(2) Are any wells producing at top allowal</li> <li>(3) Has all interest owners been notified b</li> <li>(4) Measurement type: Metering [</li> <li>(5) Will commingling decrease the value of t</li></ul>	y certified mail of the pro	LTEST	I ∑Yes □No. be why commingli	ng should be approved							
		SE COMMINGLIN s with the following in			t.						
(1) Pool Name and Code.	Trease actuen sheet	s with the following in									
(2) Is all production from same source of	— —			,							
<ul> <li>(3) Has all interest owners been notified by</li> <li>(4) Measurement type: Metering</li> </ul>		oosed commingling?	□Yes □N	0							
	(C) POOL and	LEASE COMMIN	GLING	<u> </u>							
	Please attach sheet	s with the following in	nformation								
(1) Complete Sections A and E.			<u></u>								
	)) OFF-LEASE ST	ORAGE and MEA	SUREMENT								
		ets with the following									
(1) Is all production from same source of	supply? 🗌Yes 🔲N										
(2) Include proof of notice to all interest of	wners.										
(E) AI		RMATION (for all s with the following in		/pes)							
(1) A schematic diagram of facility, include	ding 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: <u> 20</u> anc

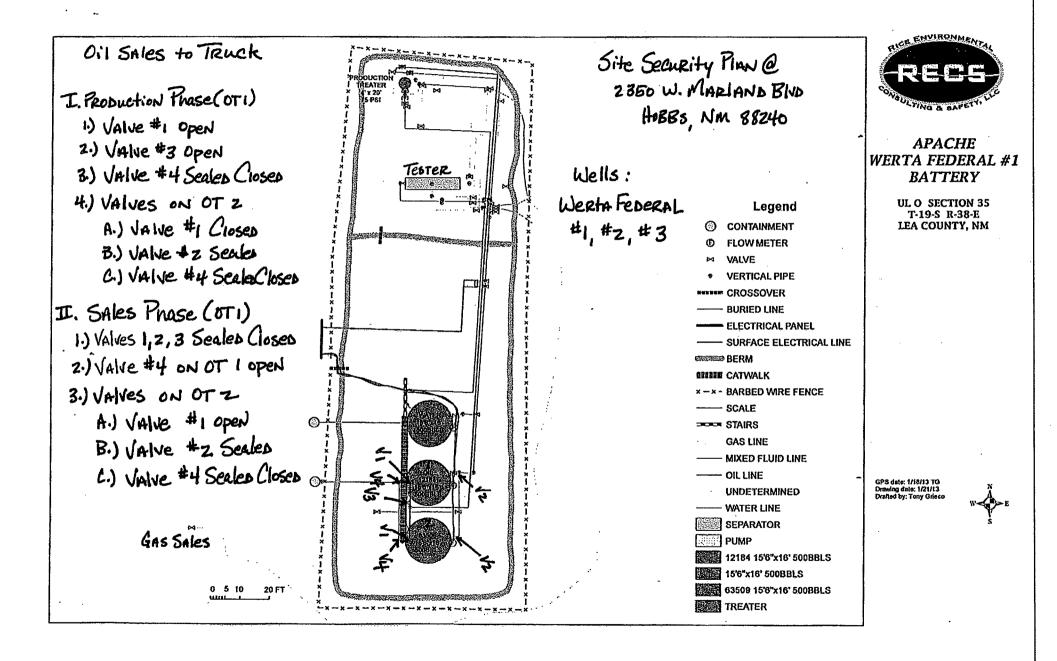
TITLE: Sr Staff Regulatory Tech

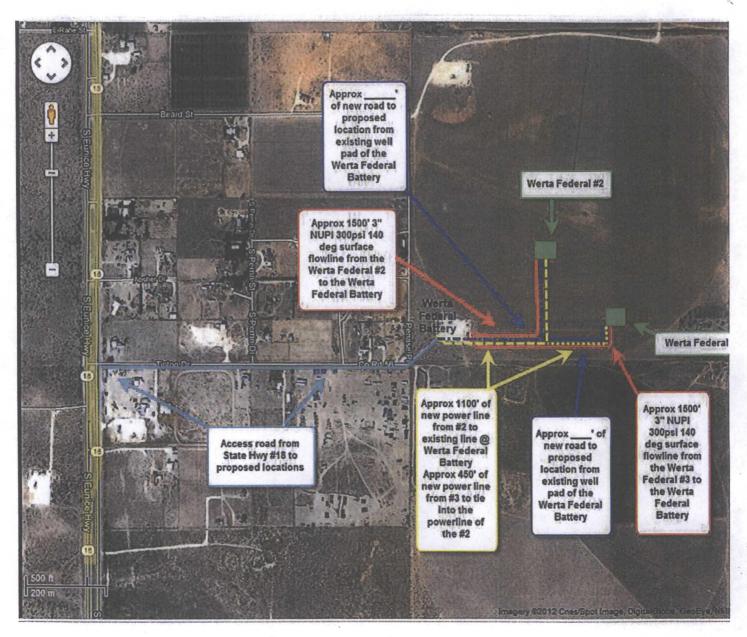
DATE:\_\_\_\_2/20/2013\_

TYPE OR PRINT NAME REESA HOLLAND

E-MAIL ADDRESS: \_\_\_Reesa.Holland@apachecorp.com

TELEPHONE NO .: \_\_\_432-818-1062\_\_





APACHE CORP WERTA FEDERAL BTRY UL O 35-195-38E LEA CO, NM

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Form 3160-5 (August 2007)		UNITED STATE ARTMENT OF THE EAU OF LAND MAN	INTERIOR	·	-	FORM APPROVED OMB No. 1004-0137 Expires: July 31, 2010 5. Lease Serial No.				
	•					NMNM 14812				
Do no	t use this f	OTICES AND REPO form for proposals i Use Form 3160-3 (A	to drill or to	re-enter an		6. If Indian, Allottee o	r Tribe Name			
	SUBMI	T IN TRIPLICATE - Other	r instructions or	n page 2.		7. If Unit of CA/Agree	ment, Name and/or No.			
1. Type of Well Oil Wel	Gas W	Vell Other				8. Well Name and No. Werta Federal #001	. 002 & 003 (OCD 30238)			
2. Name of Operator Apache Corporation	(973)		<u></u>			9. API Well No. Multiple - See Below	· · · · · · · · · · · · · · · · · · ·			
3a. Address 303 Veterans Airpark Lane, Midland, TX 79705		·····	3b. Phone No. 432/818-1062	(include area co	de)	10. Field and Pool or I				
4. Location of Well (F Multiple - See Below	ootage, Sec., T.,I	R.,M., or Survey Description	) )		<u> </u>	11. Country or Parish, Lea County, NM	State			
	12. CHEC	K THE APPROPRIATE BO	DX(ES) TO IND	ICATE NATUR	E OF NOTI	CE. REPORT OR OTH	ER DATA			
TYPE OF SUB		· · · · · · · · · · · · · · · · · · ·			PE OF ACT					
Notice of Intent	、	Acidize		en ure Treat	=	luction (Start/Resume)	Water Shut-Off			
Subsequent Repo	rt	Casing Repair		Construction		omplete	Other SURFACE			
Final Abandonm	ent Notice	Change Plans	Plug :	and Abandon Back		porarily Abandon er Disposal				
testing has been co determined that the	ompleted. Final e site is ready for mission to surfa	Abandonment Notices must r final inspection.) ace commingle the followi	be filed only afte	er all requirement	ts, including	reclamation, have been	a Form 3160-4 must be filed once completed and the operator has			
Werta Federal #002 Werta Federal #003	30-025-40798	O-35-19S-38E 990 F	SL & 1650 FEL	BTD D	HC-508 HC-509					
	; Blinebry (332; ; Tubb, North ( ; Drinkard (33;	33470)	J							
Supporting.documen treater is being used.	tation attached Each interest	. Per the attached Interes owner will be contacted v	st Owner Letter via letter and ph	from our Land one to seek mo	Dept., inter ore timely a	rests only differ in the approval. (Interest Own	#3 well, where a separate heater her list also attached.)			
14. I hereby certify that	the foregoing is t	rue and correct. Name (Printe	ed/Typed)							
Reesa Holland				Title Sr. Staff	Reg Tech					
Signature	lesa H	dland		Date 02/25/20	013					
		THIS SPACE	FOR FEDE	RAL OR ST	ATE OF	FICE USE				
Approved by		·········								
Conditions of approval, i that the applicant holds 1 entitle the applicant to co	egal or equitable t	d. Approval of this notice doe itle to those rights in the subje thereon.	s not warrant or c ect lease which wo	Title ertify puld Office		<u> </u>	Date			
		U.S.C. Section 1212, make it esentations as to any matter with the sector of the secto			nd willfully	to make to any departmen	t or agency of the United States any false,			
(Instructions on page 2)	·····	· <u></u>					<u> </u>			

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STRICT I 5 N. French Dr., STRICT II 4 W. Grand Avenu STRICT III	le, Artesia, Ni	et 01 s	OIL 011	Energy, Mine	SERVA	(atural ) ATIC	<sup>•</sup> Mexico Resources Departn DN DIVIS Francis Dr.		Revised Ju Submit one copy to	orm C-102 aly 16, 2010 appropriate istrict Office
O Rio Brazos F STRICT IV 9 B. St. Francis 1		NIA 87505		Sant	a Fe, N	'er Me	exico 87505 GE DEDICATI	ON PLAT	EJ AMENDE	D REPORT
	Number 5-41	748		Pool Code	l.		House:	Pool Name Drinkar	d	
Froperty 30238	Code	•_1 •	000		Proper VERTA	ty Name				Number
OGRID N						or Name			Elev	ation
813		<u> </u>		APA	CHE CO				358	36
L or lot No.	Section	Township	Range	Let Idn	Surface Feet from		North/South line	Feet from the	East/West line	County
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L or lot No.	Section	Township	Range	Lot Idn	Feet from	the	North/South line	Feet from the	East/West line	County
		OR A N	NON-STAN	תמוז תסגתו	T DATE IN				BEEN CONSOLII	
				 		JEEN 2	APPROVED BY	OPERA I hereby contained he the best of r the organized interest or w location or h to a volution or to a volution or of suc organized he Signature Signature Sovima. SURVET	TOR CERTIFICA eerity that the trifor read us true and com y travelege and bett tion either owns a wo nleased maneral unitere y the proposed bottom as a right to drill the pursuant to a contra to a contras h a maneral or working dury peeting agreement solving order heretofore <u><i>RHONOS</i></u> <u><i>LEAVES</i></u> mae	mation plete to sl, and that rking st in the hale s will at s will at s will an i or a e entered by <u>a</u> /12 Data Data Data TION

# HOBBS OCD

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Form C-102 DISTRICT I State of New Mexico Energy, Minerals and Natural Resources Department Artesis, NM 85810 1625 N. French Dr., Hobbs, NM 88240 Revised July 16, 2010 DISTRICT II Submit one copy to appropriate District Office 1301 W. Grand Avenue OIL CONSERVATION DIVISION DISTRICT III 1220 South St. Francis Dr. 1000 Rio Brazos Rd., Aztec, NM BTRECENED Santa Fe, New Mexico 87505 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 07505 D AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Pool Name API Number 33230 025- 40 House. Blinebri **Property** Name Well Number Property Code 302.38 WERTA FEDERAL 2 Operator Name Elevation OCRID No. 813 3586 APACHE CORPORATION Surface Location Feet from the North/South line East/West line UL or lot No. Section Lot Idn Feet from the County Township Range 19 S SOUTH 1650 EAST **LEA** 38 E 990 35 0 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 Joint or Infill 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 have by certify that the information contained herean as true and complete to the best of my knowledge and belief, and that thas organization either owns a working unterest or unitesed meneral valuers: in the land including the proposed boltom hole location or has a right to drill thus will at this location pursuant to a contract with en owner of such a mineral or working interest, or to a wowntary pooling agreement or a compulsary pooling order heretofore sniered by the feinston. dineton aring Signature Orina Printed Name Soring flores Bap 0C050.CO 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 supervison, and that the same is true and correct to the best of my behef 174. MEXIC Date Su 3585.7 Signati 61 SURFACE LOCATION Profe veyor Long - N 32'36'43.79" Long - W 103'06'57.82" NMSPCE- N 588582.785 E 916160.323 (NAD-83) 1650 3584.3 3585 5 SURFACE LOCATION Lat - N 32'36'43.39" Long - W 103'06'56.10" NMSPCE- N 588523.873 E 874978.675 Certificate No. Gary 7977 Jones 27106 (NAD-27) BASIN SURVEYS

# OCT 0 2 2012

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DISTRICT I 1825 N. French Dr., H DISTRICT II 1301 W. Grand Avenue DISTRICT III 1000 Rio Brazos R.	, AFLESIS, NA	88210 REC	1 2012 AVEL	Energy, Min CON: 122	SERVAT	ew Mexico al Resources Departm ION DIVIS Francis Dr. Mexico 87505	Sul	Revised July	
DISTRICT IV 1220 S. St. Francis Di	r., Santa Fe, I		VELL LO	CATION	AND ACRE	AGE DEDICATI	ON PLAT	AMENDED	REPORT
30-025	Number 5-46	0798	33	Pool Code 470		House ; -	Tubb, No	rth	
Property C 30238	Code				Property Na WERTA FED	me 🖉		Well Nu	mber
OGRED NO	2.			APA	Operator Na CHE CORP			Bleva 358	
					Surface Lo	cation			
UL or lot No. O	Section 35	Township 19 S	Range 38 E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 1650	East/West line FAST	County LEA
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UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint o	or Infill Co	nsolidation (	Code Or	der No.	- HOB-	508	······································	
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							I haraby can conjective de harai the best of my this ergenisation interest or unit land finctuding i location or has this location pu or where of such co or to a volunta compulsory pool the division. Signature Signature Sering L. Ernisted Nam Soring. Floy Email Addree	PR CERTIFICAT	istion iete to iete to and that trag to the woll at with an of a ter of a misered by Date Op. Com 10N
		SURFACE Lat - N Long - W NNSPCE- H (NAD- SURFACE Lat - N 3 Long - W 10 NMSPCE- N (NAD-	32*36'43.79" 03*06'57.82" 588582.785 916160.323 83) <u>LOCATION</u> 2*36'43.38" 3*06'56.10" 588523.873 874978.675		85.7°		on this plat un actual surveys supervison an correct to th Date Surveye Signature of Professional Certificate No		l notes of under my frue and

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Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

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

#### State of New Mexico lergy, Minerals and Natural Resources Depar. t

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# **OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator						Lesse				Well No.
Drum E	nergy	Corpor	ation			Wert	a Federa	1		1
Jait Letter	Section		Township			Range	· _ ·		County	<u> </u>
0	į	35		19 S		38	E	NMPM	Lea	a.
ctual Footage Loca	ntion of V								<u> </u>	
2310	foot from				line and		330	feet from	the south	line
round level Elev.			g Formation			Pool				Dedicated Acreage:
3577 f	eet	Blin	ebry			House	Blinebr	У		40 Acres
1. Outline	e the acres	age dedicated	to the subje	ct well b	by colored per	cil or hachure	marks on the p	let below.		
2. If mon	e than one	s lease is ded	icated to the	weli, ou	tline each and	identify the c	waemhip therea	of (both as to working	ng interest and i	royalty).
3. If mon	than one	e lease of diff	erent owner	hip is de	edicated to the	well, have th	e interest of all	owners been consol	idated by com	munitization,
	tion, force Yes	-pooling, etc	No	17	ver is "yes" typ	e of controlide	tion			
ليا If answer		at the owner		scription	a which have	actually been	consolidated. (	Use reverse side of	· · · · · · · · · · · · · · · · · · ·	
this form	if necces	HILY		-					·	
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		1					1			n in true and complete to t
		1					1			ledge and belief.
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DISTRICT I 1825 M. French Dr., Hobbs, NY 864	OBBS OCD	Sta Energy, Mineral	ate of Ne	w Mexico t Resources Departm	ent	Revised Jul	
1301 W. Grand Avenue, Arterio, NM 80	10 A 2012	•		ON DIVIS	Sul	bmit one copy to a Dis	appropriate trict Office
1000 Rio Brazos Rd., Aztec, NM	07410	1220	South St.	Francis Dr. Iexico 87505		• .	
DISTRICT IV 1220 S. St. Francis Dr., Sanla Fe, Na	WELL L	እር'ለጥጀርስእር ልነ	ND ACREA	AGE DEDICATI	ON PLAT	AMENDED	REPORT
API Number	.00	Pool Code			Pool Name		
<u> 30-025 - 40</u> Property Code	744 33	230	Property Nan	<u>House;</u>	<u>olinepry</u>	Vell Nu	umber
30238	•	WE	RTA FEDE			3	
OGELD No.		4574.01	Operator Nan			Eleval 357	
L_015	······		HE CORPO		· · · · · · · · · · · · · · · · · · ·		
UL or lot No. Section	Township   Range		eet from the	North/South line	Feet from the	East/West line	County
P 35	19 S 38 E		335	SOUTH	990	EAST	LEA
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UL or lot No. Section	Township   Range		ect from the	North/South line	Feet from the	East/West line	County
Dedicated Acres Joint or	Infill Consolidation	Code Order	No.	UOR -	~		
40	l		DHC	- HUD-2	M_		
NO ALLOWABLE WI	ILL BE ASSIGNED OR A NON-STAI	TO THIS CO NDARD UNIT	MPLETION UNIT	UNTIL ALL INTER APPROVED BY 7	ESTS HAVE BE THE DIVISION	EN CONSOLIDA	ATED
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		                     			I hereby cer contained hereby the best of my this organization futerest or unless land including the location or base that location put enter of such a or to a voluntar compulsory pool the division Signature	R CERTIFICAT they that the sufferm is true and comple- knowledge and belief s wither sums a work used meaned internet a right to drift the reward to a contract imberal or working y pooling agreement ing order heretafore R. Aurus 8	ation lete to , and that the th the sole well of well of determent
					Email Address	researche	esrp.com
	;	SURFACE L Lat - N 32 Long - W 10 NMSPCE- E 9 (NAD-8 SURFACE L Lat - N 32	2'36'37.32" 3'06'50.12" 3'06'50.12" 16826.559 3) <u>OCATION</u> '36'36.91"		on this plat wa actual surveys supervises, and	that the well locati is plotted from field made by one or I that the same us best of my beluf	noies of under my true and
		Long - W 103   NMSPCE- E 8  (NAD-2       	87877.250		Date Surveyer Signature 21 Professional	HEAT CO	
			3578 8	990'	Certificato No	•	7977 27106

OCT Q 2 2012

DISTRICT II SOI W. Grand Avenue DISTRICT III 000 Bio Brazos Re DISTRICT IV	3 M. French Dr., Hobby, Not 85240       State of New Mexico       Revised July 16, 2010         STRICT II       No BBS OCD       Energy, Minerols and Netural Resources Department       Submit one copy to appropriate         STRICT II       No Bobs OCD       State of New Mexico       Submit one copy to appropriate         STRICT II       OR SECTION OF Section       DIVISION       Submit one copy to appropriate         STRICT II       Division       Division       Division         STRICT II       Santa Fe, New Mexico 87505       Division         STRICT IV       O a strate in the Number       Pool Scate         State Of New Mexico       Brogety Name       Division         30 - 0.25 - 40.799       33470       House; Tubb, North         Property Code       Pool Code       Pool Name         30 - 0.25 - 40.799       33470       Property Name         Broget Code       Property Name       Weil Number         30 - 0.25 - 40.799       Surface Location       Surface Location         Broget Code       Property Name       Belevation         30 - 0.25 - 40.799       Surface Location       Surface Location         Broget Code       Surface Location       Surface Location         Botton No.       Section       Township       Range <td< th=""></td<>									
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000 Bio Brazos Ro ISTRICT IV	PRETE 1     Preserve the definition of the stand of the s									
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API Number 30-0254/ Property Code	0199 .	Pool Code 33250	House ;	Drinkard		(umber
30 23 8		WERTA	FEDERAL		3	
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UL or lot No. Section P 35		RangeLot IdnFeet from38E335		Feet from the 990	East/West Line EAST	LEA
· · · · · · · · · · · · · · · · · · ·	Bo	Bottom Hole Location If	Different From Sur	face	<u></u>	
UL or lot No. Section	Township Re	Range Lot Idn Feet from	the North/South line	Feet from the	East/Fest line	County
Dedicated Acres Joint	or Infill Consolid	olidation Code Order No.	+C-HOB	-5719	<u> </u>	
		IGNED TO THIS COMPLET			EN CONSOLIE	ATED
		SURFACE LOCATION Lot - N 32'36'37.3 Long - W 103'06'50.1 NHSPCE- N 53736'35.9 SURFACE LOCATION Lot - N 32'36'35.9 Lot - N 32'36'35.9 Long - W 103'06'48.4 NMSPCE- N 537877.2 NMSPCE- N 537877.2 (NAD-27)	2"   2"   59   	I hereby cer contained hereby the set of my i location or has location or has computery pools of a webuntar computery of a webuntar computery of a webuntary control a webuntary control a webuntary correct to the pools of a webuntary control a web	R CERTIFICA shat the well loca s plotted from ful made by me or t that the ser best of my bulk	mation plate to plate to the plate to the plate to plate to the plate to plate to plate to plate pla

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#### February 21, 2013

# OVERRIDING ROYALTY INTEREST OWNERS (See attached list)

RE: Request for Approval to surface commingle production Werta Federal #1, #2 and #3 Wells Blinebry, Tubb and Drinkard formations Section 35, Township 19 South, Range 38 East Lea County, New Mexico

Dear Interest Owners,

Apache Corporation ("Apache") hereby requests your approval to surface commingle production from the Werta Federal #1 (API No. 30-025-27696), located in the SW¼SE¼, the Werta Federal #2 (API No. 30-025-40798), also located in the SW¼SE¼, and the Werta Federal #3 (API No. 30-025-40799), located in the SE¼SE¼, all in Section 35, Township 19 South, Range 38 East, Lea County, New Mexico. Apache plans to set a heater treater for the #3 well and will test the well separately prior to sending production to the existing battery. Additionally, Apache requests your approval to commingle production from any future well(s) drilled by Apache, or its successors and assigns, in the E½SE¼ or SW¼SE¼ of Section 35. Should Apache drill additional wells located in the E½SE¼, Apache plans to utilize the heater treater for the #3 and allocate production among the wells located in the E½SE¼ using monthly wells tests.

All three (3) Werta Federal wells are located on the same Federal Oil and Gas Lease (NMNM-14812) and are burdened by a 1/8<sup>th</sup> federal royalty interest; however, please be aware that the overriding royalty interest ownership in the Werta Federal #1 and #2 wells differ from the ownership in the Werta Federal #3 well. Therefore, in order to commingle production from all three (3) wells at the surface and account for each well's production in the manner proposed above, Apache must first obtain approval from the overriding royalty interest owners.

Apache believes that commingling will not decrease the value of production from each well. Further, Apache believes commingling will prevent waste and promote conservation by utilizing the existing tank battery equipment, located in the SW4SE4 of same Section 35, to process oil and gas, thereby reducing the incremental investment capital that would be needed to build a separate facility for the Werta Federal #3 well, and the same for any additional wells drilled in the E2SE4, and as a result will extend the economic life of the wells and lease.

Please evidence your approval of Apache's proposal by executing below and returning one (1) copy to my attention using the enclosed prepaid envelope provided for your convenience. Should you have any questions, please do not hesitate to contact me at (432) 818-1093.

Sincerely, APACHE CORPORATIO JUN

Michelle Hanson Landman (432) 818-1190 fax Michelle.hanson@apachecorp.com

The undersigned hereby approves to surface commingle production from the Werta Federal #1, #2 and #3 wells, and any future wells drilled, as provided for above, and further approves to account for each well's production in the manner set forth above, all subject to further approval by the Bureau of Land Management and the New Mexico Oil Conservation Division.

Company:		· · · · · · · · · · · · · · · · · · ·		
By:	<u> </u>	· · · · · · · · · · · · · · · · · · ·	·	
Title:				
Date:				

## **OVERRIDING ROYALTY INTEREST OWNERS**

## Section 35, Township 19 South, Range 38 East, Lea County, New Mexico:

## <u>E½SE¼:</u>

DOH Oil Company Madison M. and Susan M. Hinkle Rolla R. Hinkle III Morris E. Schertz JTD Resources, LLC Worrall Investment Corporation Eureka Gas Company, Inc.

### SW1/SE1/2:

DOH Oil Company Jase Family Ltd. Northern Oil Marian Mussett Marshall A. Lerner Robert W. Lansford

# Well Test History Report

Select By: Field

Display: All well tests between 01/01/2012 - 02/18/2013

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Test	Effective	Measured	Гуре	· · · · · · · · · · · · · · · · · · ·		24 Hour Volume	S		······································		Ratios			Fluid
Date	Date	Hours	rype	Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	Level
ield: HOUSE										·····		<u>,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,</u>		****
WERTA FED	ERAL #1	BUNEBRY	1					•						
1/27/2012	1/27/2012	24	Α	12	6	28	6	0	4,667	2,333	0	0	2,333	
2/24/2012	2/24/2012	24	Â	12	6	27	6	0	4,500	2,250	0	0	2,250	
3/24/2012	3/24/2012	24	A	12	6	27	6	0	4,500	2,250	0	0	2,250	
4/27/2012	4/27/2012	24	Α	12	6	28	6	0	4,667	2,333	0	0	2,333	
5/21/2012	5/21/2012	24	A	12	6	28	6	0	4,667	2,333	0	0	2,333	
6/28/2012	6/28/2012	24	A	12	6	27	6	0	4,500	2,250	0	0	2,250	
7/20/2012			A	12	6	27	6	0	4,500	2,250	0	• 0	2,250	
8/24/2012			A	12	6	29	6	0	4,833	2,417	0	0	2,417	
9/22/2012			A	12	5	29	7	0	5,800	2,417	0	0	2,417	
	10/22/2012		A	13	5	28	8	0	5,600	2,154	0	0	2,154	
	11/19/2012		A	12	5	27	7	0	- 5,400	2,250	0	0	2,250	
	12/17/2012		A	12	5	27	7	0	5,400	2,250	0	0	2,250	
	1/29/2013		A	12	6	26	6	0	4,333	2,167	0	0	2,167	
Averages by C		-		12	6	28	6	0						
	ERAL #2 (#	2 · 24	<b>6770</b> А	223	0	0	223	0		0	·	0	0	
	12/13/2012		A		õ	0 0	232	0		0		0	. 0	
	12/15/2012		A	<b>-</b>	0	Ő	247	0		0		0	0	
	12/16/2012		A		0	ů	226	. 0		. 0		0	0	
	12/17/2012		A		0.	Ő	242	0		0		0	0	
	12/18/2012		A		0	5	240	ů		21		0	21	
	12/19/2012		A		ů 0	7	199	ů		36		0	36	
	12/19/2012				0	3	261	0		11		. 0	11	
	12/20/2012		A A		0	0	255	0		0		0 0	0	
	12/21/2012				0	5	225	0		22		õ	22	
	12/22/2012		A A		0	3	245	0		12		0	12	
	12/23/2012				22	14	245	0	636	56	0	Ő	56	
	12/24/2012		A		49	28	193	0	571	116	0	0	116	
	12/25/2012		A		49 52	28	213	0	558	109	ő	0	109	
	12/28/2012		A	·	82	36	186	0	439	134	ů 0	Ő	134	
			A		109	115	173	0	1,055	408	0	Ő	408	
	12/29/2012		A			76	204	0	691	408	0	0.	242	
	12/30/2012		A		110 56	63	204 220	0	1,125	242	0	0	242	
	12/31/2012		A		50 60	63 49	220	0	817	166	0	0	166	
1/2/2013			A					-			0	0		
1/10/2013			A		71	65	210	0	915	231			231	

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\*\* All values are recorded using imperial units.

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Page 1 of 2 2/20/2013 2:29:37 pm

## Well Test History Report

Select By: Field

Display: All well tests between 01/01/2012 - 02/18/2013

Test Date	Effective Date	Measured Hours	Туре	24 Hour Volumes					Ratios					Fluid
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	Level
Field: HOUSE		·····					·····							
WERTA FEDERAL #2 (BLINEDRY) BTD														
1/11/2013	1/11/2013	24	А	271	71	69	200	0	972	255	0	0	255	
1/12/2013	1/12/2013	24	Α	308	72	108	236	0	1,500	351	0	0	351	
1/13/2013	1/13/2013	3 24	Α	314	75	101	239	0	1,347	322	0	0	322	
1/14/2013	1/14/2013	3 24	Α	261	61	78	200	0	1,279	299	0	0	299	
1/25/2013	1/25/2013	3 24	A	256	55	· 99	201	0	1,800	387	0	0	387	
1/26/2013	1/26/2013	3 24	Α	226	52	77	174	0	1,481	341	0	0	341	
1/29/2013	1/29/2013	3 24	Α	271	63	89	208	0	1,413	328	0	0	328	
2/3/2013	2/3/2013	3 24	Α	268	80	40	188	0	500	149	0	0	149	
2/4/2013	2/4/2013	3 24	Α	283	85	45	198	0	529	159	0	0	159	
2/5/2013	2/5/2013	3 24	Α	275	70	45	205	0	643	164	0	0	164	
2/12/2013	2/12/2013	24	A	254	60	65	194	0	1,083	256	0	0	256	
2/13/2013	2/13/2013	3 24	Α	251	70	56	181	0	800	223	0	0	223	
2/14/2013	2/14/2013	3 24	Α	225	63	54	162	0	857	240	0	0	240	
2/15/2013	2/15/2013	3 24	A	209	52	63	1 <b>57</b>	0	1,212	301	0	0	301	
2/16/2013	2/16/2013	3 24	Α	208	46	72	162	0	1,565	346	0	0	346	
2/17/2013	2/17/2013	3 24	Α	181	52	74	129	0	1,423	409	0	0	409	
Averages by Completion				254	46	45	208	0						

AVG CORR GRAV = 37.6

\*\* All values are recorded using imperial units.

Page 2 of 2 2/20/2013 2:29:37 pm