

DATE IN <u>8.9.10</u>	SUSPENSE	ENGINEER <u>WJ</u>	LOGGED IN <u>8.9.10</u>	TYPE <u>DHC</u>	APP NO. <u>1022153877</u>
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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



*Apache*  
(873)

*New Mex State #56*

## ADMINISTRATIVE APPLICATION CHECKLIST 30-025-38120

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]**

4305

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

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

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

[D] Other: Specify \_\_\_\_\_

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

Reesa Holland

Print or Type Name

Reesa Holland  
Signature

Sr. Engineering Tech

Title

7/29/2010

Date

Reesa.Holland@apachecorp.com  
 e-mail Address



July 29, 2010

Will Jones  
New Mexico Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Re: Application for Downhole Commingle  
New Mexico State S #56  
Unit C, Sec 2, T22S, R37E  
Penrose Skelly; Grayburg and Eunice; San Andres, South Pools  
Lea County, New Mexico

Dear Mr. Jones:

Enclosed please find an administrative application form (C-107A) and attachments for downhole commingling the Penrose Skelly; Grayburg and Eunice; San Andres, South pools in the New Mexico State S #56. Apache intends to produce both zones together with an expected rate of 30 BOPD, 150 MCFD and 120 BWPD. The ownership (WI, NRI and ORRI) of these pools are identical in this wellbore. Downhole commingling in this manner will offer an economic method of production while protecting against reservoir damage, waste of reserves and violation of correlative rights. This is a State well. The State of New Mexico Commissioner of Public Lands has been sent a copy of this application.

This well was originally completed to the San Andres in November, 2006. Apache intends to recompleate to the Grayburg and downhole commingle the San Andres and Grayburg production. Offset data from the NM State S Lease was used in determining the attached allocation.

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

Sincerely,

A handwritten signature in black ink that reads "Reesa Holland".

Reesa Holland  
Sr. Engineering Tech

Attachments

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  
☒ Single Well  
☐ Establish Pre-Approved Pools  
EXISTING WELLBORE  
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation 303 Veterans Airpark Lane Suite 3000 Midland TX 79705  
Operator Address  
New Mexico State S 056 C 2 22S 37E Lea  
Lease Well No. Unit Letter-Section-Township-Range County  
OGRID No. 873 Property Code 34816 API No. 30-025-38120 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose Skelly; Grayburg		Eunice; San Andres, South
Pool Code	50350		24170
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3692'-3785' (Est Perf)		4191'-4254' (Act Perf)
Method of Production (Flowing or Artificial Lift)	Artificial Lift		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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.9 API		34.4 API
Producing, Shut-In or New Zone	New Zone		Producing
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: Est Rates: 20 BOPD 140 BOPD 40 BWPD	Date: Rates:	Date: 6/16/2010 Rates: 10 BOPD 10 MCFPD 80 BWPD
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 52 % 50 %	Oil Gas % %	Oil Gas 48 % 50 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐  
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ 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 Holland TITLE Sr. Engineering Tech DATE 8/4/2010  
TYPE OR PRINT NAME Reesa Holland TELEPHONE NO. ( 432 ) 818-1062  
E-MAIL ADDRESS Reesa.Holland@apachecorp.com

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Grayburg	San Andres	Grayburg	San Andres	Grayburg	San Andres
EVA OWEN B	1	3002506996	34M 21S 37E	52692					
EVA OWEN B	2	3002506997	34L 21S 37E	48788					
EVA OWEN B	3	3002506998	34K 21S 37E	45840					
EVA OWEN B	4	3002506999	34N 21S 37E	35096					
OWEN B	5	3002507000	34L 21S 37E		11734		29651		32533
MARK OWEN	1	3002507001	34J 21S 37E C NW SE	163650		725764		297876	
MARK OWEN	2	3002507002	34O 21S 37E	66301		24431		3988	
MARK OWEN	6	3002507005	34J 21S 37E SW SW SE	36591		339232		206128	
MARSHALL COM	2	3002507012	34F 21S 37E SE NW	55197					
MARSHALL COM	1	3002507013	34E 21S 37E E2 SW NW	53817					
MARSHALL COM	3	3002507014	34D 21S 37E	36026					
MARSHALL COM	4	3002507015	34C 21S 37E	65714		60510			
MARK OWEN	3	3002507022	34I 21S 37E	18132		184260		110960	
ALICE PADDOCK	2	3002509939	1J 22S 37E C NW SE	995	248	12584	1063	10240	9742
NEW MEXICO S STATE	104	3002509954	2O 22S 37E		38935		98581		546928
NEW MEXICO S	4	3002509959	2M 22S 37E		86877		57074		3350047
STATE C	1	3002509972	2M 22S 37E	13722					
R L BRUNSON TR 2	5	3002509974	3K 22S 37E NE SW	150731		1043797		787863	
MARK	1	3002509979	3 22S 37E	83661		741383		197826	
BRUNSON	2	3002509983	3L 22S 37E	98550		836337		45940	
MARK	2	3002509991	3G 22S 37E	6822		15812		65283	
OWEN A	2	3002509992	3F 22S 37E	94410		548016		384780	
MARK	3	3002509995	3H 22S 37E C SW NE	14568		245238		210404	
MARK	4	3002509996	3H 22S 37E	11056		58332		28314	
EVA OWEN	1	3002509999	3 22S 37E C NW NW	31171		61829		15623	
OWEN	2	3002510000	3C 22S 37E	12684					
EVA OWEN	3	3002510001	3 22S 37E NE NE NW	8601		93591		25205	
R L BRUNSON TR 2	3	3002510002	3M 22S 37E SW SW	120069		931869		130946	
R L BRUNSON TR 2	4	3002510003	3N 22S 37E SE SW	68089		3379182		15027	
OWEN A	1	3002510005	3E 22S 37E SW NW	57334					
ROLLON BRUNSON	5	3002510156	10G 22S 37E NE SW NE		17483		734024		435605
ROLLON BRUNSON	1	3002510159	10B 22S 37E	69368		61829		1691	
ROLLON BRUNSON	6	3002510162	10B 22S 37E NW NW NE	15126	1973	528679	2982	149481	2459
EAVES	1	3002510163	10A 22S 37E C NE NE		15393		554583		74611
SKELLY UNIT	167	3002510164	10H 22S 37E	75851		703412		745	
EAVES	4	3002510167	10H 22S 37E		64044		2168766		707969
EAVES	1	3002510169	10A 22S 37E	131154		484068		10353	
BRUNSON ARGO B	3	3002510170	10D 22S 37E	145876		850411		25381	
SKELLY UNIT	166	3002510171	10G 22S 37E	31615					
BRUNSON ARGO B	4	3002510172	10C 22S 37E	110870		706140		22275	
BRUNSON ARGO	5	3002510173	10F 22S 37E	36680					
BRUNSON ARGO	6	3002510174	10E 22S 37E	37625					
BAKER B	1	3002510182	10M 22S 37E	62044		176123		16420	
BAKER B	2	3002510183	10K 22S 37E	58342		213799		17418	
BAKER B	3	3002510184	10L 22S 37E	47312		168875		1670	
BAKER B	4	3002510185	10O 22S 37E C SW SE		6308		397474		64919
BAKER B	10	3002510190	10J 22S 37E		23273		492461		607882
BAKER B	12	3002510192	10K 22S 37E NE SW		11521		721548		330199
BAKER B	14	3002510194	10M 22S 37E		5559		320078		115730
LOU WORTHAM	1	3002510196	11D 22S 37E W2 NW NW	195335		1329434		201646	
LOU WORTHAM	3	3002510197	11C 22S 37E W2 NE NW	194539		1599789		552882	
LOU WORTHAM	4	3002510198	11F 22S 37E NE SE NW	141164		1524547		285214	
LOU WORTHAM	2	3002510200	11E 22S 37E NE SW NW	202848		1714045		214323	
S E LONG	2	3002510202	11J 22S 37E	13375		24704		49777	
S E LONG	8	3002510209	11J 22S 37E	2336		49102		29261	
LOU WORTHAM A	1	3002510210	11A 22S 37E	22578		107998		46939	
LOU WORTHAM C	4	3002510211	11H 22S 37E C SE NE		158397		869246		1327873
LOU WORTHAM	20	3002510216	11D 22S 37E NW NW		98704		736537		1285449
THOMAS LONG	1	3002510226	11L 22S 37E	87052		432131		2535	
THOMAS LONG	5	3002510229	11N 22S 37E C SE SW	2138		16656		18371	
ELLIOTT B 12	1	3002510232	12D 22S 37E		115902		312757		33194
ELLIOTT B-12-2	2	3002510234	12E 22S 37E		34894		217320		27174
HINTON	7	3002510240	12L 22S 37E		35607		1154364		315235
SKELLY UNIT	168	3002512574	10I 22S 37E	27933		190869		8744	
THOMAS LONG	6	3002520147	11K 22S 37E	71758		447890		279405	
NEW MEXICO S	25	3002520283	2N 22S 37E	8630		41646		21126	
NEW MEXICO S STATE	24	3002520390	2J 22S 37E S2 NW NE	2629		16467		12428	
LOU WORTHAM B	1	3002521785	11B 22S 37E	63283		317454		175297	
LOU WORTHAM C	3	3002522070	11A 22S 37E NE NE		168660		851772		1017059

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Grayburg	San Andres	Grayburg	San Andres	Grayburg	San Andres
LOU WORTHAM A	2	3002522134	11H 22S 37E W2 SE NE	15878		90665		80016	
LOU WORTHAM B	2	3002522135	11G 22S 37E W2 SW NE	44947		688637		199146	
NEW MEXICO S STATE	26	3002523211	2L 22S 37E		153				
LOU WORTHAM C	1	3002523422	11B 22S 37E NE NW NE		293690		924852		1554458
BRUNSON C	9	3002523425	3J 22S 37E	95892		346211		103450	
LOU WORTHAM C	2	3002523473	11G 22S 37E NW SW NE		153611		579879		1120996
BRUNSON C	10	3002523486	3Q 22S 37E	76145		352529		74866	
BRUNSON C	11	3002523523	3P 22S 37E	110326		407270		101145	
BRUNSON C	12	3002523549	3I 22S 37E	83563		370966		139419	
LOU WORTHAM	5	3002523606	11C 22S 37E SW NE NW		308352		1065152		433903
LOU WORTHAM	6	3002523756	11E 22S 37E SW SW NW		56999		1878747		180946
MARK	9	3002524584	3G 22S 37E	88504		1373462		274833	
MARK OWEN	7	3002525130	35N 21S 37E E2 SE SW	5036	395	38636	7154	27968	33096
S E LONG	9	3002525322	11J 22S 37E NW SE		6574		238312		303078
MARK	10	3002525785	3H 22S 37E NE SE NE	81354		791769		229816	
MARK	11	3002526051	3 22S 37E NW NE NE	38795		214554		72897	
MARK OWEN	8	3002526053	34P 21S 37E N2 SE SE	71594		774427		523246	
EAVES	7	3002526212	10H 22S 37E SE SE NE	7897		77209		19441	
LOU WORTHAM	19	3002528617	11F 22S 37E S2 SE NW	4455	19920	70275	111516	10318	97277
MARK OWEN	9	3002529468	35L 21S 37E NW SW	9831		57747		33292	
LONG	1	3002530432	11L 22S 37E NW SW		48610		1665076		2574973
LONG	2	3002530530	11M 22S 37E NW SW SW		17262		713612		1118663
BRUNSON ARGO	25	3002533964	10F 22S 37E		4111		367918		451643
OWEN B	7	3002534554	34K 21S 37E NE SW	46893		470124		157551	
OWEN B	8	3002534774	34N 21S 37E SE SE SW	17556	7790	228290	60116	90828	43651
OWEN B	9	3002534775	34M 21S 37E SE SW SW	29180	7595	244455	143533	134660	45476
A B BAKER	7	3002535134	10P 22S 37E NW SE SE	23234		458789		296676	
A B BAKER	8	3002535135	10I 22S 37E		14789		439043		123734
OWEN B	10	3002535638	34M 21S 37E			1847		1416	
R L BRUNSON TR 2	6	3002536316	3M 22S 37E NE SW SW	7461		162007		8527	
LOU WORTHAM	7	3002536329	11E 22S 37E NE SW NW		17536		186857		59580
LOU WORTHAM	8	3002536330	11D 22S 37E NE NW NW		65590		75864		568123
LOU WORTHAM	9	3002536536	11C 22S 37E NE NE NW		24550		153143		347316
LOU WORTHAM	10	3002536537	11F 22S 37E NE SE NW		16487		146534		123859
R L BRUNSON TR 2	7	3002536925	3K 22S 37E SE NE SW	8767		126340		21296	
MARK OWEN	10	3002537186	34O 21S 37E SE SW SE	25097		324350		38239	
MARK OWEN	9	3002537189	34J 21S 37E SE NW SE	27452		313225		85226	
NEW MEXICO S STATE	42	3002537245	2 22S 37E SW NW NW		139718		220781		307539
OWEN B	11	3002537322	34N 21S 37E NW SE SW	21950		245974		58719	
NEW MEXICO S STATE	44	3002537324	2J 22S 37E	25666	265	90056		1451623	68564
NEW MEXICO S STATE	43	3002537335	2L 22S 37E NE NW SW	34044	14211	206507	86487	246282	138011
NEW MEXICO S STATE	45	3002537336	2N 22S 37E SW SE SW	1999		37955		343303	
MARK	13	3002537385	3C 22S 37E NW SE NE	17641		205611		68469	
BRUNSON	7	3002537401	3L 22S 37E SE NW SW		74663		454039		246570
MARK OWEN	10	3002537533	35M 21S 37E S2 SW SW	18316	644	128767	93271	258590	120075
BRUNSON	6	3002537539	3L 22S 37E NW NW SW	27876	1749	356523	68389	102417	209698
WALTER LYNCH	11	3002537555	1E 22S 37E E2 SW NW	1040					
WALTER LYNCH	12	3002537556	1F 22S 37E N2 SE NW		43	206	982		22878
NEW MEXICO S STATE	46	3002537603	2 22S 37E NE NW NW	7025	6032	45800	49193	28473	49866
NEW MEXICO S STATE	47	3002537607	2E 22S 37E	1703	5376	7014	156271	2864	40849
NEW MEXICO S STATE	48	3002537608	2F 22S 37E	1598	14906	8115	98970	5004	111036
NEW MEXICO S STATE	49	3002537609	2F 22S 37E SE SE NW		16122		18993		283874
MARK OWEN	15	3002537649	35K 21S 37E SW NE SW	20375		60181			
MARK OWEN	17	3002537653	35N 21S 37E SW SE SW	10394	197	71285	15856	146763	110951
NEW MEXICO S STATE	50	3002537668	2E 22S 37E SE SW NW		42989		27726		223735
NEW MEXICO S STATE	51	3002537669	2K 22S 37E NW NE SW		8914		62087		9640
NEW MEXICO S STATE	52	3002537670	2K 22S 37E SE NE SW	6049		38663		4864	
NEW MEXICO S STATE	53	3002537671	2L 22S 37E SW NW SW		26502		22495		144840
NEW MEXICO S STATE	54	3002538119	2M 22S 37E NE SW SW		11324		22827		150716
NEW MEXICO S STATE	56	3002538120	2 22S 37E SW NE NW		10325		11929		760978
LOU WORTHAM 11	1	3002538218	11G 22S 37E SE SW NE	4134		116518		29469	
LOU WORTHAM 11	3	3002538236	11B 22S 37E SE NW NE	7369		72498		26434	
MARK OWEN	11	3002538333	34I 21S 37E SE SE SE	10447		106935		292626	
ROLLON BRUNSON	7	3002538335	10G 22S 37E NE SW NE	8519		257210		38730	
EAVES	8	3002538384	10A 22S 37E NW NE NE	8120		177743		20180	
ROLLON BRUNSON	8	3002538385	10G 22S 37E SE SW NE	10285		194747		20443	
EAVES	9	3002538851	10H 22S 37E NE SE NE	4110		96436		9331	
NEW MEXICO S STATE	55	3002539013	2M 22S 37E	1554	2274	10249	17545		30642
NEW MEXICO S STATE	59	3002539014	2O 22S 37E		1804		5270		16777

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Grayburg	San Andres	Grayburg	San Andres	Grayburg	San Andres
MARK OWEN	16	3002539601	35K 21S 37E	223		1628		8535	
A B BAKER	11	3002539604	10P 22S 37E	225	316	3218	5960	1087	5885
<b>TOTALS</b>				<b>4,478,287</b>	<b>2,337,900</b>	<b>31,531,858</b>	<b>19,916,660</b>	<b>10,568,263</b>	<b>22,518,504</b>
<b>AVERAGES</b>				<b>45,235</b>	<b>41,748</b>	<b>362,435</b>	<b>368,827</b>	<b>127,328</b>	<b>409,427</b>

<b>Proposed Allocations</b>	Oil	Gas	Water
Grayburg	52%	50%	24%
San Andres	48%	50%	76%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

District I  
1625 N. French Dr., 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

Form C-101  
June 16, 2008

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

Submit to appropriate District Office

☐ AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Apache Corp 303 Veterans Airpark Ste 3000 Midland TX 79705		<sup>2</sup> OGRID Number 873
		<sup>3</sup> API Number 30 - 025-38120
<sup>4</sup> Property Code 34816	<sup>5</sup> Property Name New Mexico State <u>S</u>	<sup>6</sup> Well No. 56
<sup>9</sup> Proposed Pool 1 Eunice; San Andres, South (24170)		<sup>10</sup> Proposed Pool 2 Penrose Skelly; Grayburg (50350)

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<u>3</u>	2	22S	37E		990	North	1650	West	Lea

<sup>8</sup> Proposed 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

Additional Well Information

<sup>11</sup> Work Type Code RC	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3363'
<sup>16</sup> Multiple	<sup>17</sup> Proposed Depth 4400'	<sup>18</sup> Formation San Andres	<sup>19</sup> Contractor	<sup>20</sup> Spud Date 10/1/2006

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
NC					

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Apache would like to recompleat the Grayburg, per the following procedure with the intent of DHC with the San Andres.

- 1) Set CBP @ 4170'
- 2) Perforate and acidize San Andres
- 3) Set CBP @ 3810'
- 4) Perforate, acidize and frac Grayburg
- 5) DO CBP's @ 3810' & 4170'
- 6) Commingle San Andres and Grayburg, upon approval

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

*Reesa Holland*

Printed name: Reesa Holland

Title: Sr. Engineering Tech

E-mail Address: Reesa.Holland@apachecorp.com

Date: 08/02/2010

Phone: 432/818-1062

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

# State of New Mexico

## DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## OIL CONSERVATION DIVISION

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

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

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

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-38120</b>	Pool Code <b>50350</b>	Pool Name <b>PEUROSE SKELLY; GRAYBURG</b>
Property Code <b>34816</b>	Property Name <b>NEW MEXICO STATE "S"</b>	Well Number <b>56</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3363'</b>

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
3	2	22-S	37-E		990	NORTH	1650	WEST	LEA

### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>LOT 4</p> <p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>1650'</p> <p>39.78 AC</p> <p>39.76 AC</p> <p>39.76 AC</p> <p>39.74 AC</p> <p>066'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=520498.3 N X=869294.8 E</p> <p>LAT.=32.425277° N LONG.=103.136520° W</p> <p>LAT.=32°25'31" N LONG.=103°08'12" W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Reesa Holland</i> 8/4/10 Signature Date</p> <p><b>REESA HOLLAND</b> Printed Name</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 22, 2006</p> <p>Date Surveyed JR</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Ronald J. Eidson</i> 6/30/06 06.11.1059</p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>
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DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-38120</b>	Pool Code <b>24170</b>	Pool Name <b>EUWILE; SAN ANDRES, SOUTH</b>
Property Code <b>34816</b>	Property Name <b>NEW MEXICO STATE "S"</b>	Well Number <b>56</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3363'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>3</b>	<b>2</b>	<b>22-S</b>	<b>37-E</b>		<b>990</b>	<b>NORTH</b>	<b>1650</b>	<b>WEST</b>	<b>LEA</b>

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 <b>40</b>	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4	LOT 3	LOT 2	LOT 1
39.78 AC	39.76 AC	39.76 AC	39.74 AC
<p>GEODETIC COORDINATES NAD 27 NME  Y=520498.3 N X=869294.8 E  LAT.=32.425277° N LONG.=103.136520° W  LAT.=32°25'31" N LONG.=103°08'12" W</p>			
<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Reesa Holland</i> 8/4/10 Signature Date <b>REESA HOLLAND</b> Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JUNE 22, 2006</p> <p>Date Surveyed _____ JR Signature &amp; Seal of Professional Surveyor <i>Ronald J. Eidson</i> 6/30/06 06.11.1059 Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>			

District I  
1625 N. French Dr., Hobbs, NM 88240  
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District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Department  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144 CLEZ  
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

**Closed-Loop System Permit or Closure Plan Application**

*(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)*

Type of action: ☐ Permit ☐ Closure

**Instructions:** Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1. Operator: Apache Corporation OGRID #: 873  
Address: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705  
Facility or well name: New Mexico State S #56  
API Number: 30-025-38120 OCD Permit Number: \_\_\_\_\_  
U/L or Qtr/Qtr C (3) Section 2 Township 22S Range 37E County: Lea  
Center of Proposed Design: Latitude 32.425369 Longitude -103.136917 NAD: ☐ 1927 ☐ 1983  
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment

2. ☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC  
Operation: ☐ Drilling a new well ☒ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A  
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3. **Signs:** Subsection C of 19.15.17.11 NMAC  
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers  
☒ Signed in compliance with 19.15.3.103 NMAC

4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC  
**Instructions:** Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.  
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC  
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC  
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC  
☐ Previously Approved Design (attach copy of design) API Number: \_\_\_\_\_  
☐ Previously Approved Operating and Maintenance Plan API Number: \_\_\_\_\_

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13.D NMAC)  
**Instructions:** Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.  
Disposal Facility Name: Sundance Inc Disposal Facility Permit Number: NM-01-0003  
Disposal Facility Name: CRI Disposal Facility Permit Number: NM-01-0006  
Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?  
☐ Yes (If yes, please provide the information below) ☒ No  
**Required for impacted areas which will not be used for future service and operations:**  
☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC  
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC  
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**  
I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief.  
Name (Print): Reesa Holland Title: Sr. Engr Tech  
Signature: *Reesa Holland* Date: 08/02/2010  
e-mail address: Reesa.Holland@apachecorp.com Telephone: 432/818-1062

7.  
**OCD Approval:** ☐ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: \_\_\_\_\_ Approval Date: \_\_\_\_\_

Title: \_\_\_\_\_ OCD Permit Number: \_\_\_\_\_

8.  
**Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

*Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.*

☐ Closure Completion Date: \_\_\_\_\_

9.  
**Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

*Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.*

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Disposal Facility Name: \_\_\_\_\_ Disposal Facility Permit Number: \_\_\_\_\_

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

*Required for impacted areas which will not be used for future service and operations:*

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10.  
**Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): \_\_\_\_\_ Title: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

e-mail address: \_\_\_\_\_ Telephone: \_\_\_\_\_



August 2, 2010

State Land Office  
Commissioner of Public Lands  
PO Box 1148  
Santa Fe, NM 87504-1148

Mr. Pete Martinez:

Attached is a copy of the Administrative Application to downhole commingle two zones in the following well:

New Mexico State S #56                      30-025-38120                      UL C, Sec 2, T22S, R37E

Also included is a \$30.00 check to cover the filing fee for this well.

Please let me know if you require any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Reesa Holland".

Reesa Holland  
Sr. Engineering Tech

Attachments



Apache Corporation  
ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
HOUSTON, TEXAS 77056-4400  
(713) 296-6000

Date: 08/03/2010  
Check #: 4014614

7/29/1001493401	07/29/2010	30.00	0.00	30.00
TOTALS		30.00	0.00	30.00



ONE POST OAK CENTRAL  
2000 POST OAK BOULEVARD  
HOUSTON, TEXAS 77056-4400  
(713) 296-6000

Wells Fargo Bank, N.A.  
115 Hospital Drive  
Van Wert, OH 45891

56-382/412

VOID IF NOT CASHED WITHIN  
SIX MONTHS OF ISSUE

DATE: 08/03/2010

CHECK #: 4014614

PAY THIRTY\*\*\*\*\*

00/100

AMOUNT
\$ 30.00

TO  
THE  
ORDER  
OF

STATE LAND OFFICE  
COMMISSIONER OF PUBLIC LANDS  
PO Box 1148  
SANTE FE NM 87504-1148

MANUAL SIGNATURE REQUIRED  
FOR CHECKS IN EXCESS OF \$300,000.00

Authorized Signature

⑈4014614⑈ ⑆041203824⑆ 9600106744⑈