

| | | | | | |
|------------------------|----------|---------------------|--------------------------|-----------------|---------------------------|
| DATE IN <u>5.16.11</u> | SUSPENSE | ENGINEER <u>D.B</u> | LOGGED IN <u>5.16.11</u> | TYPE <u>DHC</u> | APP NO. <u>1113631322</u> |
|------------------------|----------|---------------------|--------------------------|-----------------|---------------------------|

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

Turner #19

ADMINISTRATIVE APPLICATION CHECKLIST

30-075-35830

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]

[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

Signature

SR ENGR TECH
 Title

5/16/2011
 Date

Reesa.Holland@apachecorp.com
 e-mail Address

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
Turner 019 J 22 21S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 873 Property Code 22880 API No. 30-025-35830 Lease Type: ☐ Federal ☒ State ☒ Fee

| DATA ELEMENT | UPPER ZONE | INTERMEDIATE ZONE | LOWER ZONE |
|--|---|-------------------|---|
| Pool Name | Penrose Skelly; Grayburg | | Paddock |
| Pool Code | 50350 | | 49210 |
| Top and Bottom of Pay Section (Perforated or Open-Hole Interval) | 3773'-3862' | | 5069'-5272' |
| 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) | 33.5 | | 36.5 |
| Producing, Shut-In or New Zone | Producing | | SI |
| 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: 12/2009-1/2011 Rates: See attached | Date: Rates: | Date: 12/2009-1/2011 Rates: See attached |
| 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 92 % 58 % | Oil Gas % % | Oil Gas 8 % 42 % |

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 5/10/2011
TYPE OR PRINT NAME Reesa Holland TELEPHONE NO. (432) 818-1062
E-MAIL ADDRESS Reesa.Holland@apachecorp.com

District I

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

| | | | | | |
|---|--|---|--|--|------------------------------------|
| ¹ API Number 30-025-35830 | | ² Pool Code 50350 | | ³ Pool Name Penrose Skelly; Grayburg | |
| ⁴ Property Code 22880 | | ⁵ Property Name Turner | | | ⁶ Well Number 019 |
| ⁷ OGRID No. 873 | | ⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705 | | | ⁹ Elevation 3407' GR |

¹⁰ Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J | 22 | 21S | 37E | | 1575 | South | 1450 | East | Lea |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|---------------------------------------|
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. NSL-4115-B |
|-------------------------------------|-------------------------------|----------------------------------|---------------------------------------|

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.

| | | |
|--|---|--|
| <div style="text-align: center;"> </div> | ¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <u>Reesa Holland</u> 03/15/2011 Signature Date Reesa Holland Printed Name | |
| | ¹⁸ SURVEYOR CERTIFICATION <i>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.</i> | |
| | Date of Survey Signature and Seal of Professional Surveyor: | |
| | Certificate Number | |

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|------------------------------------|
| ¹ API Number 30-025-35830 | ² Pool Code 49210 | ³ Pool Name Paddock |
| ⁴ Property Code 22880 | ⁵ Property Name Turner | ⁶ Well Number 019 |
| ⁷ OGRID No. 873 | ⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705 | ⁹ Elevation 3407' GR |

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¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|---------------------------------------|
| ¹² Dedicated Acres 40 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. NSL-4115-A |
|-------------------------------------|-------------------------------|----------------------------------|---------------------------------------|

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.

| | |
|---|--|
| <div data-bbox="97 989 1039 1936"> <p>16</p> </div> | <p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><u>Reesa Holland</u> 03/15/2011 Signature Date</p> <p>Reesa Holland Printed Name</p> |
| | <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p> |
| | <p>Certificate Number</p> |
| | |

Well Test History Report

Select By: Field
 Display: All well tests between 12/01/2009 - 03/13/2011

Page 1 of 1
 3/15/2011 3:25:47 pm

| Test Date Effective Date Measured Hours Type | | | 24 Hour Volumes | | | | | | Ratios | | | | | Fluid Level |
|--|------------|----|-----------------|-----|-----|-----|------|-----|--------|-------|------|------|-------|-------------|
| | | | Gr Liquid | OIL | GAS | WAT | LIFT | GOR | GLR | IGOR | IGLR | TGLR | | |
| Field: EUNICE AREA | | | | | | | | | | | | | | |
| TURNER #19 (GRAYBURG) | | | | | | | | | | | | | | |
| 9/29/2010 | 9/29/2010 | 24 | A | 156 | 25 | 42 | 131 | 0 | 1,680 | 269 | 0 | 0 | 269 | |
| 10/1/2010 | 10/1/2010 | 24 | A | 170 | 30 | 72 | 140 | 0 | 2,400 | 424 | 0 | 0 | 424 | |
| 10/6/2010 | 10/6/2010 | 24 | A | 110 | 22 | 100 | 88 | 0 | 4,545 | 909 | 0 | 0 | 909 | |
| 10/8/2010 | 10/8/2010 | 24 | A | 118 | 28 | 114 | 90 | 0 | 4,071 | 966 | 0 | 0 | 966 | |
| 10/11/2010 | 10/11/2010 | 24 | A | 105 | 30 | 115 | 75 | 0 | 3,833 | 1,095 | 0 | 0 | 1,095 | |
| 10/12/2010 | 10/12/2010 | 24 | A | 115 | 25 | 112 | 90 | 0 | 4,480 | 974 | 0 | 0 | 974 | |
| 10/13/2010 | 10/13/2010 | 24 | A | 118 | 28 | 114 | 90 | 0 | 4,071 | 966 | 0 | 0 | 966 | |
| 10/28/2010 | 10/28/2010 | 24 | A | 123 | 13 | 95 | 110 | 0 | 7,308 | 772 | 0 | 0 | 772 | |
| 11/4/2010 | 11/4/2010 | 24 | A | 112 | 12 | 40 | 100 | 0 | 3,333 | 357 | 0 | 0 | 357 | |
| 11/9/2010 | 11/9/2010 | 24 | A | 101 | 12 | 104 | 89 | 0 | 8,667 | 1,030 | 0 | 0 | 1,030 | |
| 1/4/2011 | 1/4/2011 | 24 | A | 101 | 12 | 104 | 89 | 0 | 8,667 | 1,030 | 0 | 0 | 1,030 | |
| Averages by Completion | | | | 121 | 22 | 92 | 99 | 0 | | | | | | |
| TURNER #19 (PADDOCK) TA'D | | | | | | | | | | | | | | |
| 12/12/2009 | 12/12/2009 | 24 | A | 34 | 1 | 71 | 33 | 0 | 71,000 | 2,088 | 0 | 0 | 2,088 | |
| 1/24/2010 | 1/24/2010 | 24 | A | 32 | 2 | 78 | 30 | 0 | 39,000 | 2,438 | 0 | 0 | 2,438 | |
| 2/5/2010 | 2/5/2010 | 24 | A | 87 | 1 | 71 | 86 | 0 | 71,000 | 816 | 0 | 0 | 816 | |
| 3/11/2010 | 3/11/2010 | 24 | A | 150 | 3 | 55 | 147 | 0 | 18,333 | 367 | 0 | 0 | 367 | |
| 4/22/2010 | 4/22/2010 | 24 | A | 142 | 3 | 52 | 139 | 0 | 17,333 | 366 | 0 | 0 | 366 | |
| 5/10/2010 | 5/10/2010 | 24 | A | 124 | 3 | 67 | 121 | 0 | 22,333 | 540 | 0 | 0 | 540 | |
| 6/25/2010 | 6/25/2010 | 24 | A | 122 | 3 | 66 | 119 | 0 | 22,000 | 541 | 0 | 0 | 541 | |
| 7/14/2010 | 7/14/2010 | 24 | A | 15 | 3 | 68 | 12 | 0 | 22,667 | 4,533 | 0 | 0 | 4,533 | |
| 8/11/2010 | 8/11/2010 | 24 | A | 15 | 3 | 68 | 12 | 0 | 22,667 | 4,533 | 0 | 0 | 4,533 | |
| Averages by Completion | | | | 80 | 2 | 66 | 78 | 0 | | | | | | |

** All values are recorded using imperial units.