

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Apache Corporation (873)

3a. Address
303 Veterans Airpark Lane, Suite 3000
Midland, TX 79705

3b. Phone No. (include area code)
432/818-1062

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1650' FSL & 990' FEL UL I Sec 35 T19S R38E

5. Lease Serial No.
NMNM 14812

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Werta Federal #004 (OCD 30238)

9. API Well No.
30-025-41593

10. Field and Pool or Exploratory Area
House; Blinbry/House; Tubb, North/House; Drinkard

11. Country or Parish, State
Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SURFACE
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	COMMINGLE:
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	AMEND PLC-370

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletable horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletable in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

PLC-370-A

Apache requests permission to add the Werta Federal #4 well to the existing surface commingle (PLC-370). Wells included are listed below:

Werta Federal #001	30-025-27696	O-35-19S-38E	330 FSL & 2310 FEL	Blinbry	old DHC-378
Werta Federal #002	30-025-40798	O-35-19S-38E	990 FSL & 1650 FEL	BTD	DHC-508
Werta Federal #003	30-025-40799	P-35-19S-38E	335 FSL & 990 FEL	BTD	DHC-509
Werta Federal #004	30-025-41593	I-35-19S-38E	1650 FSL & 990 FEL	BTD	Request Pending

Pool Names: House; Blinbry (33230)
House; Tubb, North (33470)
House; Drinkard (33250)

**SUBJECT TO LIKE
APPROVAL BY STATE**

Supporting documentation attached. Per the attached interest owner letter from our land department, approval for future wells was given at the time of approval for the initial surface commingle order.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Reesa Fisher

Title Sr. Staff Reg Analyst

Signature

Reesa Fisher

Date 01/15/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

J. D. Whitlock

Title

ERS

Date

1-31-15

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

CFD

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

FEB 13 2015

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

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]

***AMEND PLC-370

[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 FISHER
 Print or Type Name

Reesa Fisher
 Signature

SR STAFF REG ANALYST
 Title

1/15/2014
 Date

WERTA FEDERAL #1,2,3,4 (Add #4)

Reesa.Fisher@apachecorp.com
 e-mail Address



January 15, 2014

Michael McMillan
New Mexico Oil Conservation Division
1220 South St Francis Drive
Santa Fe, NM 87505

Re: Administrative Approval to Surface Commingle
Werta Federal #1 (30-025-27696), Werta Federal #2 (30-025-40798), Werta Federal #3 (30-025-40799) &
Werta Federal #4 (30-025-41593)
Sec 35, T19S, R38E
Lea County, NM

Dear Mr. McMillan:

Apache requests administrative approval to amend PLC-370 by adding the Werta Federal #4 to the surface commingle order. This well is set to spud on or about January 15, 2014 and will be producing from the Blinbry, Tubb & Drinkard formations.

Interest owners gave their approval for future wells at the time of their approval for the initial Order.

If you have any questions or require additional information, please contact me at 432/818-1062 or Reesa.Fisher@apachecorp.com.

Sincerely,

Reesa Fisher
Sr. Staff Regulatory Analyst

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., 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-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 Corporation

OPERATOR ADDRESS: 303 Veterans Airpark Lane Midland TX 79705

APPLICATION TYPE:

WERTA FEDERAL #'s 1,2,3,4

☒ Pool Commingling ☐ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingling)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☒ Yes ☐ No If "Yes", please include the appropriate Order No. PLC-370

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling

☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(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

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☐ Metering ☒ Other (Specify) WELL TEST

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☐ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No

(4) Measurement type: ☐ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including 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: Reesa Fisher TITLE: Sr Staff Regulatory Analyst DATE: 1/15/2014

TYPE OR PRINT NAME REESA FISHER TELEPHONE NO.: 432-818-1062

E-MAIL ADDRESS: Reesa.Fisher@apachecorp.com

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



March 28, 2013

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-370
Administrative Application Reference No. pPRG1306058199

August 31, 2012

Apache Corporation
Attn: Ms. Reesa Holland

Pursuant to your application received on March 1, 2013, Apache Corporation (OGRID 873) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 35, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico.

House; Blinebry (33230)
North House; Tubb (33470)
House; Drinkard (33250)

and from the following diversely owned wells located on federal leases in said section, township and range in Lea County, New Mexico:

Werta Federal Well No. 1
API No. 30-025-27696
330 FSL & 2310 FEL, Unit O

Werta Federal Well No. 2
API No. 30-025-40798
990 FSL & 1650 FEL, Unit O

Werta Federal Well No. 3
API No. 30-025-40799
330 FSL & 990 FEL, Unit P



April 19, 2012

Page 2 of 2

The Werta Federal Well No. 1 is currently producing only from the Blinebry. Wells Nos. 2 and 3 are producing from all three pools, and production is being commingled in the wellbores pursuant to existing Downhole Commingling authority.

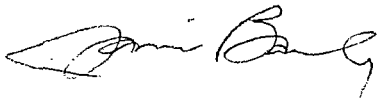
The commingled gas production shall be measured and sold at the central delivery point located in the Unit O of Section 35, and will be allocated back to the respective wells based on periodic well tests. Downhole commingled production within Wells Nos. 2 and 3 will be allocated between pools as provided in Orders DHC-508 and DHC-509 respectively.

The operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management before commencement of the commingling operations.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Division Director

JB/db

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



May 22, 2014

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-370-A
Administrative Application Reference No. pPRG1402860123

Apache Corp
OGRID 873
Attn: Ms. Reesa Fisher

Apache Corporation has requested to amend Division Order No. PLC-370 to add the Werta Federal Well No. 4 (API No. 30-025-41593) to the surface commingling order. The Division has reviewed your application and hereby grants your request.

The Division Order No. PLC-370 is hereby amended, and APACHE CORP (OGRID 873) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 35, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico.

House; Blinebry	(33230)
House; Drinkard	(33250)
House; Tubb, North	(33470)

and from the following diversely owned wells located on federal leases in said Section, Township and Range in Lea County, New Mexico.

Werta Federal Well No. 1
API No. 30-025-27696
330 FSL & 2310 FEL, Unit O

Werta Federal Well No. 2
API No. 30-025-40798
990 FSL & 1650 FEL, Unit O

Werta Federal Well No. 3
API No. 30-025-40799
330 FSL & 990 FEL, Unit P

May 22, 2014

Page 2

Werta Federal Well No. 4
API No. 30-025-41593
1650 FSL & 990 FEL, Unit I

The Werta Federal Well No.1 is currently producing only from the Blinebry. Wells Nos. 2 and 3 are producing from all three pools, and production is being commingled in the wellbores pursuant to existing Downhole Commingling authority. Well No. 4 will soon be drilled, and is expected to produce from all three pools.

The commingled oil and gas production shall be measured and sold at the central delivery point located in the Unit O of Section 35, and will be allocated back to the respective wells based on periodic well tests. Downhole commingled production within Wells Nos. 2 and 3 will be allocated between pools as provided in Orders DHC-508 and DHC-509 respectively.

For future additions of wells, leases, and pools to the Werta commingling operations, notice shall only be given to those interest owners in the wells, leases or pools to be added.

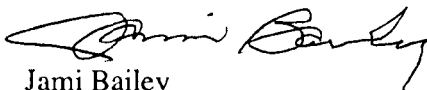
The operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

This order supersedes Order No. PLC-370 issued on March 28, 2013.

This approval is subject to like approval from the United States Bureau of Land Management before commencement of the commingling operations.

Done at Santa Fe, New Mexico, on May 22, 2014.



Jami Bailey
Division Director

JB/mam

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

Well Test History Report

Page 1 of 2
1/15/2014 8:13:27 am

Select By: Field

Display: All well tests between 07/01/2013 - 01/13/2014

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: HOUSE														
WERTA FEDERAL #1														
7/25/2013	7/25/2013	24	A	10	5	22	5	0	4,400	2,200	0	0	2,200	
8/30/2013	8/30/2013	24	A	10	5	20	5	0	4,000	2,000	0	0	2,000	
9/28/2013	9/28/2013	24	A	10	5	19	5	0	3,800	1,900	0	0	1,900	
10/27/2013	10/27/2013	24	A	10	5	18	5	0	3,600	1,800	0	0	1,800	
11/28/2013	11/28/2013	24	A	10	5	18	5	0	3,600	1,800	0	0	1,800	
12/18/2013	12/18/2013	24	A	10	5	15	5	0	3,000	1,500	0	0	1,500	
12/30/2013	12/30/2013	24	A	10	5	15	5	0	3,000	1,500	0	0	1,500	
Averages by Completion				10	5	18	5	0						
WERTA FEDERAL #2														
7/25/2013	7/25/2013	24	A	137	47	100	90	0	2,128	730	0	0	730	
8/30/2013	8/30/2013	24	A	120	40	100	80	0	2,500	833	0	0	833	
9/24/2013	9/24/2013	24	A	105	38	94	67	0	2,474	895	0	0	895	
10/21/2013	10/21/2013	24	A	100	35	89	65	0	2,543	890	0	0	890	
11/25/2013	11/25/2013	24	A	95	35	84	60	0	2,400	884	0	0	884	
12/16/2013	12/16/2013	24	A	96	31	77	65	0	2,484	802	0	0	802	
12/30/2013	12/30/2013	24	A	66	31	77	35	0	2,484	1,167	0	0	1,167	
Averages by Completion				103	37	89	66	0						
WERTA FEDERAL #3														
7/1/2013	7/1/2013	24	A	171	25	33	146	0	1,320	193	0	0	193	
7/11/2013	7/11/2013	24	A	132	20	32	112	0	1,600	242	0	0	242	
7/12/2013	7/12/2013	24	A	135	26	32	109	0	1,231	237	0	0	237	
7/13/2013	7/13/2013	24	A	174	21	32	153	0	1,524	184	0	0	184	
7/15/2013	7/15/2013	24	A	94	20	31	74	0	1,550	330	0	0	330	
7/25/2013	7/25/2013	24	A	165	23	48	142	0	2,087	291	0	0	291	
7/26/2013	7/26/2013	24	A	227	46	58	181	0	1,261	256	0	0	256	
7/27/2013	7/27/2013	24	A	195	20	52	175	0	2,600	267	0	0	267	
7/28/2013	7/28/2013	24	A	203	38	59	165	0	1,553	291	0	0	291	
7/29/2013	7/29/2013	24	A	227	24	55	203	0	2,292	242	0	0	242	
8/13/2013	8/13/2013	24	A	178	27	50	151	0	1,852	281	0	0	281	
8/14/2013	8/14/2013	24	A	199	25	49	174	0	1,960	246	0	0	246	
8/15/2013	8/15/2013	24	A	242	29	50	213	0	1,724	207	0	0	207	
8/16/2013	8/16/2013	24	A	207	27	50	180	0	1,852	242	0	0	242	
8/17/2013	8/17/2013	24	A	194	23	51	171	0	2,217	263	0	0	263	

** All values are recorded using imperial units.

Well Test History Report

Select By: Field

Display: All well tests between 07/01/2013 - 01/13/2014

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: <u>HOUSE</u>														
WERTA FEDERAL #3														
8/18/2013	8/18/2013	24	A	199	27	42	172	0	1,556	211	0	0	211	
8/25/2013	8/25/2013	24	A	180	30	46	150	0	1,533	256	0	0	256	
8/30/2013	8/30/2013	24	A	196	26	51	170	0	1,962	260	0	0	260	
9/25/2013	9/25/2013	24	A	185	25	50	160	0	2,000	270	0	0	270	
10/22/2013	10/22/2013	24	A	173	23	48	150	0	2,087	277	0	0	277	
11/28/2013	11/28/2013	24	A	163	25	43	138	0	1,720	264	0	0	264	
12/17/2013	12/17/2013	24	A	124	23	38	101	0	1,652	306	0	0	306	
12/30/2013	12/30/2013	24	A	124	23	38	101	0	1,652	306	0	0	306	
Averages by Completion				178	26	45	152	0						

** All values are recorded using imperial units.

☐ AMENDED REPORT

Surface Location

Bottom Hole Location If Different From Surface

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

JAN 13 2014

HOBBS OCD

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

Phone (505) 393-6161 Fax: (505) 393-0720

DISTRICT II

811 S. First St., Artesia, NM 88210

Phone (505) 748-1253 Fax: (505) 743-9720

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-41593	Pool Code 33470	Pool Name House; Tubb, N.
Property Code 302384	Property Name WERTA Federal	Well Number 4
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3588

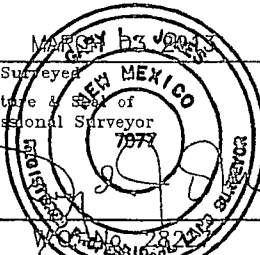
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	35	19 S	38 E		1650	SOUTH	990	EAST	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 40	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

N 592831.79 E 912490.41 (NAD-83)		N 592896.41 E 917768.64 (NAD-83)	OPERATOR CERTIFICATION 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>Sorina L. Flores</i> 3/26/13 Signature Date Sorina L. Flores Printed Name <i>Sorina.Flores@apachecorp.com</i> Email Address
			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 supervision, and that the same is true and correct to the best of my belief.  Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 28227
N 587548.45 E 912537.80 (NAD-83)	SURFACE LOCATION Lat - N 32°36'50.16" Long - W 103°06'50.13" NMSPCE- N 589233.07 E 916811.04 (NAD-83) Lat - N 32°36'49.75" Long - W 103°06'48.41" NMSPCE- N 589174.21 E 875629.43 (NAD-27)	N 587550.40 E 915177.91 (NAD-83)	

dri

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-8181 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1283 Fax: (575) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

HOBBS OCD

JAN 07 2014

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-141593	Pool Code 33250	Pool Name House; Drinkard
Property Code 302384	Property Name WERTA Federal	Well Number 4
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3588

Surface Location

UL or lot No. 1	Section 35	Township 19 S	Range 38 E	Lot Idn	Feet from the 1650	North/South line SOUTH	Feet from the 990	East/West line EAST	County 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 40	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

N 592831.79 E 912490.41 (NAD-83)			N 592896.41 E 917768.64 (NAD-83)	OPERATOR CERTIFICATION 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. Sorina L. Flores 3/26/13 Signature Date Sorina L. Flores Printed Name Sorina.Flores@apacorp.com Email Address
				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 supervision, and that the same is true and correct to the best of my belief. Date Surveyed Signature & Seal of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 28227
N 587548.45 E 912537.80 (NAD-83)		SURFACE LOCATION Lat - N 32°36'50.16" Long - W 103°06'50.13" NMSPCE - N 589233.07 E 916811.04 (NAD-83) Lat - N 32°36'49.75" Long - W 103°06'48.41" NMSPCE - N 589174.21 E 875629.43 (NAD-27)		



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 SW $\frac{1}{4}$ SE $\frac{1}{4}$, the Werta Federal #2 (API No. 30-025-40798), also located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$, and the Werta Federal #3 (API No. 30-025-40799), located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 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 E $\frac{1}{2}$ SE $\frac{1}{4}$ or SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 35. Should Apache drill additional wells located in the E $\frac{1}{2}$ SE $\frac{1}{4}$, Apache plans to utilize the heater treater for the #3 and allocate production among the wells located in the E $\frac{1}{2}$ SE $\frac{1}{4}$ 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 1/8th 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 SW $\frac{1}{4}$ SE $\frac{1}{4}$ 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 E $\frac{1}{2}$ SE $\frac{1}{4}$, 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 CORPORATION

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: _____

Title: _____

Date: _____

OVERRIDING ROYALTY INTEREST OWNERS

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

E $\frac{1}{2}$ SE $\frac{1}{4}$:

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.

SW $\frac{1}{4}$ SE $\frac{1}{4}$:

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