

OIL CONSERVATION DIVISION

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

WELL API NO.

30-025-40543

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

B0-0934-0040

7. Lease Name or Unit Agreement Name

State PA

8. Well Number 009

9. OGRID Number

873

10. Pool name or Wildcat

Bli O&G(Oil)/Tubb O&G(Oil)/Drinkard

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other:

2. Name of Operator

Apache Corporation (873)

3. Address of Operator

303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705

4. Well Location

Unit Letter K : 1650 feet from the South line and 1815 feet from the West line

Section 18 Township 22S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3426' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☐PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐DOWNHOLE COMMINGLE ☒OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache would like to DHC the following pools:

Pool Names:

Blinebry Oil & Gas (Oil)

6660

Tubb Oil & Gas (Oil)

60240

Drinkard

19190

Estimated Perforations:

Blinebry 5475'-5630'

Tubb 6215'-6315'

Drinkard 6515'-6715'

The allocation method will be as follows based on offset production. (See attached application for exception to Rule 303-C.)

	OIL	GAS	WATER
Blinebry	38%	31%	36%
Tubb	25%	34%	22%
Drinkard	37%	35%	42%

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

Spud Date:

03/14/2013

Rig Release Date:

DHC-HOB-515

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Reesa Holland

TITLE Sr. Staff Reg Tech

DATE 02/14/2013

Type or print name Reesa Holland

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

PHONE: 432/818-1062

For State Use Only

APPROVED BY:

[Signature]

TITLE

Petroleum Engineer

DATE

FEB 27 2013

Conditions of Approval (if any):

FEB 27 2013

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (505) 893-5101 Fax: (505) 593-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1203 Fax: (505) 748-0720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 554-0178 Fax: (505) 334-0170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-8480 Fax: (505) 476-3488

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 30-025-40543	Pool Code 6660	Pool Name Blinsbury Oil and Gas (Oil)
Property Code 26487	Property Name STATE PA	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3426'

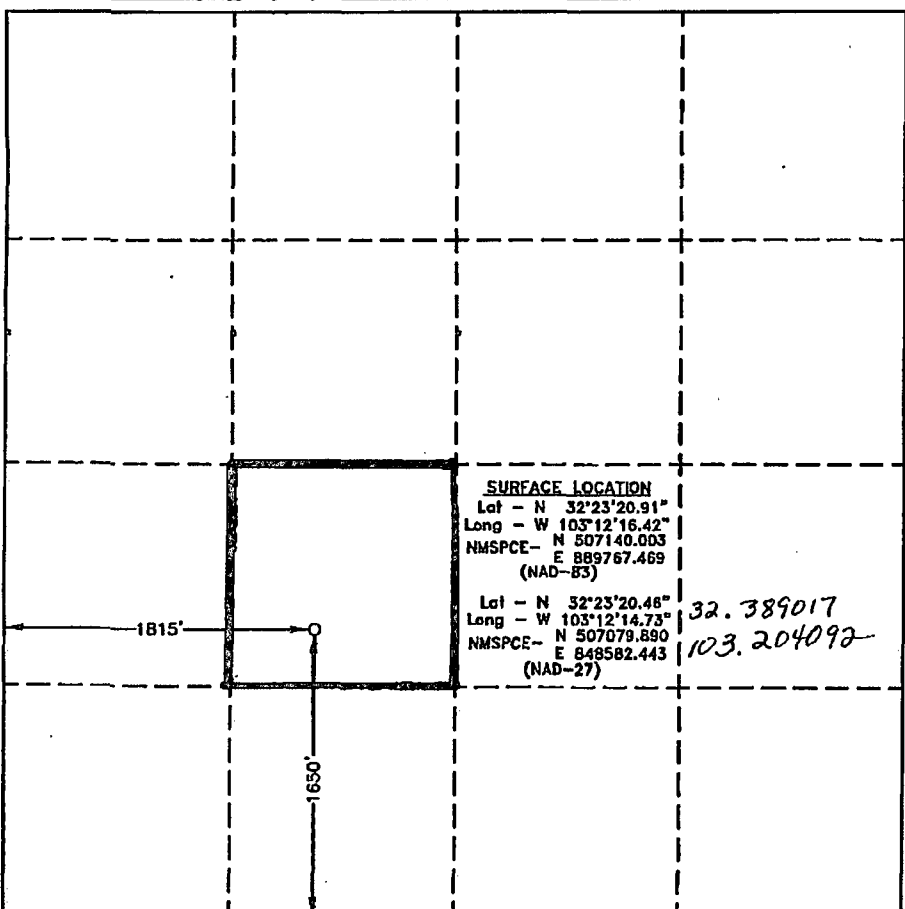
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	22 S	37 E		1650	SOUTH	1815	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
40									
Dedicated Acres		Joint or Infill		Consolidation Code		Order No. DAC-HOB-515			

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>SURFACE LOCATION Lat - N 32°23'20.91" Long - W 103°12'16.42" NMSPCE - N 507140.003 E 889767.469 (NAD-83) Lat - N 32°23'20.46" Long - W 103°12'14.73" NMSPCE - N 507079.890 E 848582.443 (NAD-27)</p>
	<p>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.</p> <p>Susan Blakemore 4/25/2012 Signature Date Susan Blakemore Printed Name susan.blakemore@apachecorp.com Email Address</p>
	<p>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.</p> <p>Gary L. Jones Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7877 BASIN SURVEYS 26500</p>

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
Phone (505) 493-0181 Fax (505) 493-0720

DISTRICT II

611 S. First St., Artesia, NM 88210
Phone (505) 748-1203 Fax (505) 748-0720

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6178

DISTRICT IV

1220 S. El Francis Dr., Santa Fe, NM 87505
Phone (505) 670-3450 Fax (505) 670-3450

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 August 1, 2011

Submit one copy to appropriate
District Office

FEB 25 2013

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025- 40543	Pool Code 60240	Pool Name Tulb Oil and Gas (Oil)
Property Code 26487	Property Name STATE PA	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3426'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	22 S	37 E		1650	SOUTH	1815	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 40	Joint or Infill	Consolidation Code	Order No. DAC-HOB-515
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	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 of Professional Surveyor: _____ Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26500

DISTRICT I

2625 N. French Dr., Hobbs, NM 88240

Phone (505) 593-0161 Fax (505) 593-0725

DISTRICT II

811 S. First St., Artesia, NM 88210

Phone (505) 740-1283 Fax (505) 740-9725

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

Phone (505) 834-6179 Fax (505) 834-6170

DISTRICT IV

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

Phone (505) 970-3400 Fax (505) 970-3423

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised August 1, 2011

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District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505RECEIVED
WELL LOCATION AND ACREAGE DEDICATION PLAT☐ AMENDED REPORT

API Number 30-025-40543	Pool Code 19190	Pool Name Drinkard
Property Code 26487	Property Name STATE PA	Well Number 9
OCRD No. 873	Operator Name APACHE CORPORATION	Elevation 3426'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	22 S	37 E		1650	SOUTH	1815	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 40	Joint or Infill	Consolidation Code	Order No. DAC-HOB-515						

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	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 <u>4/25/2012</u> Signature & Seal of Professional Surveyor
	Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26500



February 19, 2013

HOBBS OCD

FEB 25 2013

RECEIVED

Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240

RE: Application for Exception to Rule 303-C – Downhole Commingling
State PA #9 API 30-025-40543
Unit K, Section 18, T22S, R37E
Blinebry Oil & Gas (Oil) 6660, Tubb Oil & Gas (Oil) 60240 & Drinkard (19190)
Lea County, New Mexico

Dear Mr. Kautz:

Enclosed please find form C-103 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

Due to proximity, the allocation method will be based on the production of the nearby State PA #7 (30-025-40540), which production tested each pool separately. Enclosed is a C-103 and C-102's for each pool.

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

Sincerely,

Reesa Holland
Sr. Staff Regulatory Technician