

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

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 302384)

9. API Well No.
30-025-41593

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

11. Country or Parish, State
Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE THE TYPE 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 DHC
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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 recompleat 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 recompleat 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.)

Apache requests permission to DHC the Blinebry-Tubb-Drinkard, per the following:

Pool Names: House; Blinebry	33230	Est Perforations: Blinebry	6100'-6550'
House; Tubb, North	33470	Tubb	6650'-6850'
House; Drinkard	33250	Drinkard	6950'-7100'

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

	OIL	GAS	Water
Blinebry	53%	48%	36%
Tubb	18%	25%	19%
Drinkard	29%	27%	45%

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

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

Reesa Holland Fisher

Title Sr. Staff Reg Analyst

Signature

Reesa Fisher

Date 01/15/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

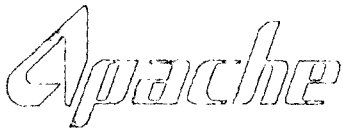
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

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)

*Rejected. Ed
Fernandez was not
provided the information
requested. i.e. water,
gas, + oil analysis.*

FEB 23 2015



January 14, 2014

**Bureau of Land Mgmt - CFO
620 E Greene St
Carlsbad, NM 88220**

**RE: Downhole Commingling Application
Werta Federal #4 API 30-025-41593
Unit I, Section 35, T19S, R38E
House; Blinbry (33230), House; Tubb, North (33470) & House; Drinkard (33250)
Lea County, New Mexico**

Dear Mr. Ingram,

Enclosed please find form 3160-5 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.

Interests and allocations are the same as the Werta Federal #'s 1, 2, & 3. The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

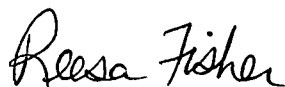
The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on

each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

This well is due to spud on or about January 15, 2014. An expedited approval for the DHC and surface commingle would be greatly appreciated as the economic detriment is significant. Apache's experience in the area has shown that completed wells that are not allowed to be commingled and produced immediately have lower IP's, and do not recover the same reserves as those that do. If you need additional information or have questions, please give me a call at (432) 818-1062 or the Engineer, Ryan Taylor at (432) 818-1156.

Sincerely,

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

Reesa Fisher
Sr. Staff Regulatory Analyst

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 #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.

Werta Federal #4
30-025-41593
Apache Corp.

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)			Cum Gas (MCF)			Cum Water (BBL)		
				Blinebry	Tubb	Drinkard	Blinebry	Tubb	Drinkard	Blinebry	Tubb	Drinkard
WERTA FEDERAL	1	3002527696	19S 38E 35O SW SE	46469	14640	11778	230648	10262	24012	56471	10929	29470
L & M	1	3002528287	20S 38E 2N C S2 SW	2365	10319	584	20481	134601	2409	3910	1684	1144
REDTAG	1	3002535333	20S 38E 2J NW NW SE	27744	4966	4740	82918	16600	27237	17293	26858	36068
PLOWBOY FEDERAL	1	3002536962	19S 38E 35J NW NW SE	25231	133	133	93025	980	1159			
L & M	2	3002539450	20S 38E 2	2475	1775	13427	35875	45313	107628	17374	8685	31852
L & M	3	3002539652	20S 38E 2	2338	1671	12702	16119	20361	48359	10719	5186	18672
REDTAG	3	3002539655	20S 38E 2	1973	2334	13641	7760	17313	34633	21842	15064	38415
REDTAG	4	3002539966	20S 38E 2K NE SW	925	615	3603	15216	18836	38398			
L & M	8	3002540262	20S 38E 2N	321	229	1744	2022	2554	6067	2200	1100	4036
TOTALS				109,841	36,682	62,352	504,064	266,820	289,902	129,809	69,506	159,657
AVERAGES				12,205	4,076	6,928	56,007	29,647	32,211	18,544	9,929	22,808

Proposed Allocations	Oil	Gas	Water
Blinebry	53%	48%	36%
Tubb	18%	25%	19%
Drinkard	29%	27%	45%
TOTAL	100%	100%	100%

JAN 13 2014

HOBBS OCD

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II

811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-9720

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3400 Fax: (505) 476-3462State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised August 1, 2011Submit 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
GRID No. 873	Operator Name APACHE CORPORATION	Elevation 3588

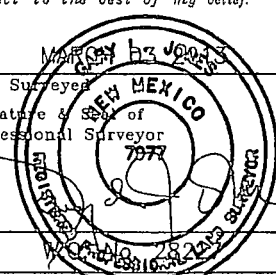
Surface Location

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. <u>Sorina L. Flores</u> 3/26/13 Signature Date <u>Sorina L. Flores</u> Printed Name <u>Sorina.L.Flores@apachecorp.com</u> Email Address
	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)		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)	N 587550.40 E 915177.91 (NAD-83)	N 587603.03 E 917815.17 (NAD-83)	

dm

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Phone (575) 393-6161 Fax: (575) 393-0720

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Phone (505) 470-3400 Fax: (505) 476-3462

HOBBS OGD

JAN 07 2014

RECEIVED

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-41593	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

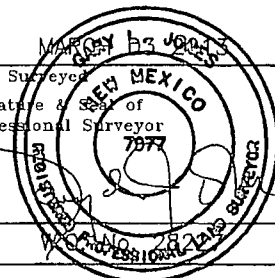
Surface Location

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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

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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 & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 28227
N 587548.45 E 912537.80 (NAD-83)		N 587550.40 E 915177.91 (NAD-83)	

SURFACE LOCATION

Lot - N 32°36'50.16"
Long - W 103°06'50.13"
NMSPCE- N 589233.07
E 916811.04
(NAD-83)

Lot - N 32°36'49.75"
Long - W 103°06'48.41"
NMSPCE- N 589174.21
E 875629.43
(NAD-27)

990'

1650'

du