



HOEBS OCD
APR 24 2017
RECEIVED

April 13, 2017

State of New Mexico
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Application for Downhole Commingling Permit – State CK #1 (30-025-06672)
Township 21 South, Range 37 East
Section 19: 330' FSL, 2209 FWL
Lea County, New Mexico

To Whom It May Concern:

On 3/11/2017, operations were completed to add perforations in the Drinkard formation and add the Tubb formation to production in this wellbore. Prior to this work, the well was producing under DHC-844 from both the Paddock and Drinkard at a rate of 7 BOPD, 15 MCFPD, and 160 BWPD. Post-work well tests show the well to now be producing 10 BOPD, 29 MCFPD, and 135 BWPD. Analysis of the incremental production increase on this well does not meet the expected increase based on the production from the very few offset Tubb wells, much less taking into account any applicable increase in production due to the additional Drinkard perfs and stimulation. Apache therefore requests permission to attribute any additional production over the rate prior to the workover to the Tubb formation. Please see analysis below:

	DHC-844			New Allocation			
	Oil%	Gas%		Oil (bbls)	Gas(mcf)	Oil%	Gas%
Paddock	72	45	Paddock	$0.72 \times 7 = 5.04$	$0.45 \times 15 = 6.75$	50%	23%
Drinkard	28	55	Drinkard	$0.28 \times 7 = 1.96$	$0.55 \times 15 = 8.25$	20%	29%
			Tubb	3	14	30%	48%

If you have any question regarding the aforementioned, please do not hesitate contacting the undersigned at (432) 818-1961

Sincerely,
APACHE CORPORATION

Jacob Bower
Production Engineer
jacob.bower@apachecorp.com



4/19/2017

State of New Mexico
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

HOBBS OCD
APR 24 2017
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Re: Application for Down Hole Commingling (Identical Ownership)
Township 21 South, Range 37 East, Section 19
Lea County, New Mexico

Ladies and Gentlemen:

Identical ownership (working interest, royalty and overriding royalty owners) exists under State of New Mexico Lease ST NM A0-4096 as it pertains to the following described lands:

Township 21 South, Range 37 East
Section 19: E/2SW/4
Lea County, New Mexico

Depths included in Identical Ownership are all depths below the base of the Queen.

State CK #1 (30-025-06672) - 330' FSL & 2209' FWL Unit N, Sec 19, T-21S, R-37E - Drinkard/Paddock/Tubb

Very truly yours,

APACHE CORPORATION

Derek Webb
Landman
Apache Permian Region

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-06672
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. A0-4096-0020
7. Lease Name or Unit Agreement Name State CK [23117]
8. Well Number 001
9. OGRID Number 873
10. Pool name or Wildcat Paddock 49210/Tubb 60240/Drinkard 19190

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

3. Address of Operator
303 Veterans Airpark Lane, Suite 1000 Midland, TX 79705

4. Well Location
Unit Letter N : 330 feet from the FSL line and 2209 feet from the FWL line
Section 19 Township 21S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3516' 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 ☐
CLOSED-LOOP SYSTEM ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

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

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache performed the following:

2/27/2017 MIRUSU POOH w/rods & pump; tag fill @ 6660'.
2/28/2017 POOH w/prod. RIH w/WS & bit.
3/01/2017 CO well to PBTD @ 6724'.
3/02/2017 Log well.
3/03/2017 Swab test Paddock.
3/06/2017 Rels tools, RIH & tag, POOH w/tools.
3/07/2017 RIH w/WL to verify PBTD, tag @ 6710'.
3/08/2017 Perf Tubb @ 6198'-6612' w/2 SPF, 204 shots.
Perf Drinkard @ 6664'-6700' w/2 SPF, 56 shots.
3/09/2017 Acidize Drinkard w/3500 gal 15% HCL NEFE acid & 3400# rock salt.
Acidize Tubb w/2500 gal 15% HCL NEFE acid & 2000# rock salt.
3/10/2017 TTIH Land SN @ 6700'; TAC @ 5036'. RIH w/pump & rods. Test good to 500#. POP

Spud Date:

11/23/1961

Rig Release Date:

12/24/1961

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 Reg Analyst

DATE 3/14/2017

Type or print name Reesa Fisher

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

PHONE: (432) 818-1062

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):



Schematic - Current

Well Name: STATE CK #001

Reference Datum: KB

API/Surface Loc 3002506672	Surface Legal Location WELL 1 IN N UNIT, 330' FSL, 2209' FWL OF SECTION 19	Field Name Drinkard	State/Province New Mexico	Well Purpose Production
Spud Date 11/23/1961 00:00	Original KB Elevation (ft) 3,526.0	Ground Elevation (ft) 3,516.0	KB-Ground Distance (ft) 10.0	

Most Recent Job

Job Category LWO	Primary Job Type Land-Workover	Secondary Job Type Add Perforations	Start Date 2/27/2017	End Date 3/10/2017
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TD: 6,753.0

Production - STATE CK #001 - Original Hole, 4/14/2017 10:12:31 AM

