

United States Department of the Interior

TAKE PRIDE' INAMERICA

BUREAU OF LAND MANAGEMENT
Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

in reply refer to: 3162.3-2 (P0220) NM70945X

OCT 19 2012

Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Empire Abo Unit 5D (30-015-00902) – Convert to Salt Water Disposal.

The BLM will object to the conversion of this unit well located within a Federal Unit until the following items have been submitted and reviewed.

- 1. Operator did not list this well as a conversion in their 2012 Unit Plan of Development.
- 2. This well is being filed under a pressure maintenance project therefore the BLM request that the operator provide an updated reservoir analysis. Operator to provide the following:
 - a. Structural, Gross and Net Isopach maps. (<u>legible and larger format</u> and must include an appropriate legend and be properly <u>scaled for necessary resolution</u>)
 - b. Cross sections of wells in the area.
 - c. Geological and reservoir engineering write up on past, current and future pressure maintenance project.
 - d. Is the operator randomly placing SWD or water injection wells throughout the field?
 - e. Where is the reservoir engineering evaluation, indicating how SWD or water injection wells will maintain and or increase oil production throughout the field?
 - f. The last good plan of operation and development providing this type of information was done by ARCO Permian Inc. over ten years ago. It's about time another one be done. This shall also tie into the current drilling activity being done within the Unit.
 - g. According to the production reports, the well is still producing in paying quantities. Operator states this is a sub-marginal producer, but is still a producer and therefore, does not meet the requirement of a depleted zone. The operator shall provide documentation indicating how this well is a marginal producer.
 - h. Operator states that this is an expansion of an existing injection project; this shall be well defined in the above requested documentation.

If you have any questions regarding this approval, please contact Edward G Fernandez, Petroleum Engineer at (575) 234-2220.

Sincerely,

Edward G. Fernandez

Petroleum Engineer

Bureau of Land Management

Carlsbad Field Office

cc: Apache Corporation



Ray Powell, M.S., D.V.M. COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148

COMMISSIONER'S OFFICE

Phone (505) 827-5760 Fax (505) 827-5766 www.nmstatelands.org

October 12, 2011

Apache Corporation 303 Veterans Airpark Lane Suite 3000 Midłand, Texas 79705-4561

Attn:

Mr. Paul Brindle

Re:

2011 Plans of Development

Empire Abo Unit

Eddy County, New Mexico

RECEIVED DOD

Dear Mr. Brindle:

The Commissioner of Public Lands has, of this date, approved the referenced Plan of Development. Our approval is subject to like approval by all other appropriate agencies. The possibility of drainage by wells outside the unit area, and the need for further development of the unit may exist; therefore, we may contact you at a later date regarding these possibilities.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL M.S., D.V.M.

COMMISSIONER OF PUBLIC LANDS

LARRY J. ROYBAL, Director

Oil, Gas and Minerals Division

RP/LR/jm xc: Reader File OCD-Ed Martin



Ray Powell, M.S., D.V.M. COMMISSIONER

State of New Mexico Commissioner of Public Lands

310 OLD SANTA FE TRAIL P.O. BOX 1148 SANTA FE, NEW MEXICO 87504-1148 RECEIVED OCD

2011 AUG 23PHone (\$1505)\$27-5760

Fax (505) 827-5766 www.nmstatelands.org

August 17, 2011

Apache Corporation 2000 Post Oak Blvd, Suite 100 Houston, Texas 77056-4400

Attn:

Mr. James C. Swetnam

Re:

Resignation/Designation of Successor Unit Operator

Empire Abo Unit

Eddy County, New Mexico

Dear Mr. Swetnam:

We are in receipt of your resignation/designation of successor unit operator, wherein BP America Production Company, has resigned as unit operator of the Empire Abo Unit and designated Apache Corporation as the success or unit operator.

The Commissioner of Public Lands has this date approved the resignation of BP America Production Company, and the designation of Apache Corporation as the successor unit operator of this unit. Our approval is subject to like approval by the Bureau of Land Management.

This change in operators is effective December 01, 2010. In accordance with this approval, Apache Corporation is now responsible for all operations and the reporting of all production from the unit.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

LARRY J. ROYBAL, Director Oil/Gas and Minerals Division

RP/LR/jm

xc: Reader File

OCD-Santa Fe, Attn: Mr. Ed Martin TRD-Attn: Mr. Valdean Severson BLMC-Attn: Mr. Wesley Ingram