

RECEIVED: 12/22/2017	REVIEWER: MAM	TYPE: PLC	APP NO: DMAm173564116
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

1-08-2017

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & 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

Applicant: APACHE CORP. **OGRID Number:** 873
Well Name: Elliott EM 20 Federal Battery (Recomplete of Well #4) **API:** 30-025-41444
Pool: Drinkard & Wantz; Abo **Pool Code:** 19190 & 62700

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
 B. Check one only for [I] or [II]
 [I] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☒ PC ☐ OLS ☐ OLM
 [II] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

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 2017 DEC 22 A 9:52

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

- 3) **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

Digitally signed by Reesa Fisher
 Date: 2017.12.22 08:58:14 -0600

12/21/2017

Date

432-818-1062

Phone Number

Reesa.Fisher@apachecorp.com

e-mail Address



December 22, 2017

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

Re: Request to Administratively Amend Order CTB-789 to a Pool Commingle
Drinkard (19190) & Wantz; Abo (62770)
Lea County, New Mexico

Dear Mr. McMillan:

Apache respectfully requests administrative approval to amend Order CTB-789 to a Pool Commingle Order, by adding Drinkard production to the existing Abo production. In 2018, Apache will be submitting our intention to recomplete the Elliott EM 20 Federal #4 to the Drinkard formation, while plugging off the Abo.

Please find attached all supporting documentation, which has also been provided to the BLM for concurrent approval. Included in the package is evidence of interest owner notification. Please feel free to contact me if further information is required.

Sincerely,

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

Reesa Fisher
Sr Staff Regulatory Analyst

Enclosures

HOBBS OCD

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
APR 03 2014

DISTRICT II
1501 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87508

State of New Mexico
Energy, Minerals and Natural Resources Department

RECEIVED OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised July 18, 2010
Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-41442	Pool Code 62700	Pool Name WANTZ, ABO
Property Code 40164	Property Name ELLIOTT EM "20" FEDERAL	Well Number 001
OCRD No. 873	Operator Name APACHE CORPORATION	Elevation 3399'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	20	22 S	37 E		1650	NORTH	330	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.						

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

	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>Reesa Fisher</i> 4/1/14 Signature Date REESEA FISHER Printed Name <i>Reesa.Fisher@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. APR 15 2014 Date Surveyed <i>[Signature]</i> Signature & Seal of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26492

APR 4 2014

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. El. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised July 18, 2010
Submit one copy to appropriate
District Office

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

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HOBBS OGD

NOV 14 2010

WELL LOCATION AND ACREAGE DEDICATION

☐ AMENDED REPORT

API Number 30-025-41443	Pool Code 62700	Pool Name WANTE; ABO
Property Code 40164	Property Name ELLIOTT EM "20" FEDERAL	Well Number 003
OGRD No. 873	Operator Name APACHE CORPORATION	Elevation 3390'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	20	22 S	37 E		1650	NORTH	1650	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.
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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

	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>Reesa Fisher</i> 10/15/14 Signature Date REESA FISHER Printed Name <i>Reesa.fisher@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. APPROVED: 10/15/14 Date Surveyed Signature & Seal of Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26494

NOV 19 2010

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

HOBBSOCD

JAN 30 2015
Form C-102
Revised July 18, 2010

Submit one copy to appropriate
District Office
RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-41445	Pool Code 62700	Pool Name WANTZ, ABO
Property Code 40164	Property Name ELLIOTT EM "20" FEDERAL	Well Number 005
GRID No. 873	Operator Name APACHE CORPORATION	Elevation 3379'

Surface Location

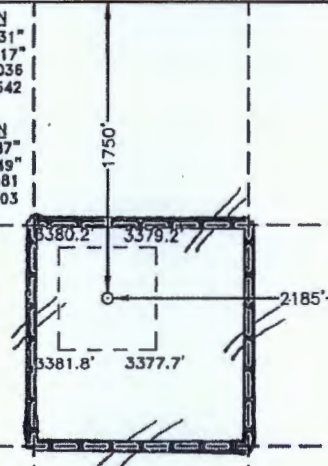
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	20	22 S	37 E		1750	NORTH	2185	EAST	LEA

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.
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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

SURFACE LOCATION Lat - N 32°22'47.31" Long - W 103°11'01.17" NADSPCE - N 503813.036 E 896256.542 (NAD-83) SURFACE LOCATION Lat - N 32°22'46.87" Long - W 103°10'59.49" NADSPCE - N 503763.381 E 855071.403 (NAD-27)		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 undivided 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>Reesa Fisher</i> 1/20/15 Signature Date REESEA FISHER Printed Name Reesa.Fisher@apachecorp.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. APPROVED BY: <i>[Signature]</i> Date Surveyed: 1/15/2015 Signature & Stamp of Professional Surveyor GARY L. JONES 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26496
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FEB 10 2015

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1320 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

HOBBSOCD

JAN 15 2015

Form C-102
Revised July 18, 2010
Submit one copy to appropriate
District Office

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-41446	Pool Code 62700	Pool Name WANTZ, ABO
Property Code 40164	Property Name ELLIOTT EM "20" FEDERAL	Well Number 006
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3375'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	20	22 S	37 E		2310	NORTH	1650	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

SURFACE LOCATION Lat - N 32°22'41.78" Long - W 103°10'54.95" NMSPCE - N 503258.469 E 896795.967 (NAD-83) SURFACE LOCATION Lat - N 32°22'41.33" Long - W 103°10'53.27" NMSPCE - N 503199.857 E 855610.811 (NAD-27)	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>Reesa Fisher</i> 1/7/15 Signature Date REESA FISHER Printed Name <i>Reesa.Fisher@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. APPROVED: 1/15/2015 Date Surveyed Signature of Professional Surveyor <i>[Signature]</i> Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26497
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JAN 21 2015

fm

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: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-41444	² Pool Code 19190	³ Pool Name Drinkard
⁴ Property Code 40164	⁵ Property Name Elliott EM 20 Federal	
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation	⁶ Well Number 004 ⁹ Elevation 3382'

¹⁰ Surface Location

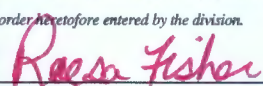
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	20	22S	37E		2310	North	2310	West	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. CTB-789
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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.

¹⁶ 	¹⁷ 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.  Signature Date 11/1/2017	
	Reesa Fisher Printed Name	
	Reesa.Fisher@apachecorp.com E-mail Address	
	¹⁸ 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 of Survey Signature and Seal of Professional Surveyor:	
Certificate Number		



December 22, 2017

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

Re: Request to Administratively Amend Order CTB-789 to a Pool Commingle
Drinkard (19190) & Wantz; Abo (62770)
Lea County, New Mexico

Dear Mr. McMillan:

Apache respectfully requests administrative approval to amend Order CTB-789 to a Pool Commingle Order, by adding Drinkard production to the existing Abo production. In 2018, Apache will be submitting our intention to recomplete the Elliott EM 20 Federal #4 to the Drinkard formation, while plugging off the Abo.

Please find attached all supporting documentation, which has also been provided to the BLM for concurrent approval. Included in the package is evidence of interest owner notification. Please feel free to contact me if further information is required.

Sincerely,

A handwritten signature in red ink that reads "Reesa Fisher".

Reesa Fisher
Sr Staff Regulatory Analyst

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.*5. Lease Serial No.
NMNM0557256

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

ELLIOTT EM 20 FEDERAL 4

2. Name of Operator

APACHE CORPORATION

Contact: REESA FISHER

E-Mail: Reesa.Fisher@apachecorp.com

9. API Well No.

30-025-41444

3a. Address

303 VETERANS AIRPARK LANE SUITE 3000
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 432-818-1062

10. Field and Pool or Exploratory Area
DRINKARD

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 20 T22S R37E SENW 2310FNL 2310FWL

11. County or Parish, State

LEA COUNTY COUNTY, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other Surface Commingling
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ 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 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.

Upon recompletable of well #4 to the Drinkard, Apache would like to Pool Commingle at the surface all production from the following wells:

Elliott EM 20 Federal #1 (API 30-025-41442) E-20-22S-37E 1650 FNL 330 FWL
 Elliott EM 20 Federal #3 (API 30-025-41443) F-20-22S-37E 1650 FNL 1650 FWL
 Elliott EM 20 Federal #4 (API 30-025-41444) F-20-22S-37E 2310 FNL 2310 FWL
 Elliott EM 20 Federal #5 (API 30-025-41445) G-20-22S-37E 1750 FNL 2185 FEL
 Elliott EM 20 Federal #6 (API 30-025-41446) G-20-22S-37E 2310 FNL 1650 FEL

Please find attached back-up information substantiating no negative revenue impact by adding Drinkard production to the Abo battery.

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #398286 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Hobbs**

Name (Printed/Typed) REESA FISHER

Title SR STAFF REGULATORY ANALYST

Signature (Electronic Submission)

Date 12/18/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By

Title

Date

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

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

Additional data for EC transaction #398286 that would not fit on the form

32. Additional remarks, continued

Initial Battery Information:

This battery is located in SW/NW of Sec. 20, T22S, R37E. Please see attached schematics and plats, along with other supporting data being submitted for BLM & OCD approval, concurrently. All interests are identical at all depths below the base of the Queen formation. Apache believes commingling will not decrease the value of the production from each well. Additionally, Apache believes commingling will prevent waste and promote conservation by utilizing the same tank battery equipment for each well, thereby reducing the incremental investment capital that would otherwise be needed to build a separate facility or separately meter for each well or formation produced and, as a result will extend the economic life of the wells and leases.



September 20, 2017

Carlsbad Field Office
Bureau of Land Management
620 E Greene St
Carlsbad NM 88220

Re: Application for Surface Commingling, Measurement of Individual Well Production
Township 22 South, Range 37 East
Section 20: S/2 NW/4, SW/4 NE/4
Lea County, New Mexico

To Whom It May Concern:

Apache is proposing to recompleat the EM Elliott Federal 20 #4 well (currently under temporary abandonment status) to the Drinkard. Upon performing this work, both Drinkard and ABO pools will be commingled in the same battery. Attached, please find oil analysis from the current production at the EM Elliott Federal 20 lease (ABO pool only) and from the nearby State PA lease (Blinbry, Tubb, Drinkard, and ABO pools). Per Apache's contract, the threshold for compensation classification between sweet and sour crude oil is a sulfur content less or more than 0.4 wt. percent respectively. Since both analysis show the crude oil to be sour, no negative impact will be felt on Apache's oil sale's price at this lease.

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

Sincerely,
APACHE CORPORATION

A handwritten signature in black ink, reading "Jacob D. Bower", with a long horizontal line extending to the right.

Jacob Bower
Production Engineer
jacob.bower@apachecorp.com

Fisher, Reesa

From: Smith, David
Sent: Monday, April 17, 2017 10:30 AM
To: Bower, Jacob
Cc: Fisher, Reesa
Subject: RE: EM Elliott Federal 20 Lease

Jacob,

As per our telephone conversation, the oil currently being sold from this particular Central Tank Battery (ELLIOTT EM 20 FED OIL|50712) is being paid on a WTI (West Texas / New Mexico Intermediate) quality price basis with no adjustment for gravity.

FYI – a WTI crude quality crude oil has a sulfur content of less than 0.40 weight percent.

If you add additional oil into this Central Tank Battery that has a sulfur content greater than 0.40 weight percent and the composite of that crude to be sold to our purchaser / transporter is greater than 0.40 weight percent then there is a possibility that the price basis we sell this crude would become a WTS (West Texas / New Mexico Sour) quality which historically is priced less than a WTI quality.

If more information is required please advise.

DAVID SMITH

direct 713-296-7239 | mobile 432-559-1924

From: Bower, Jacob
Sent: Monday, April 17, 2017 10:02 AM
To: Smith, David <David.Smith@apachecorp.com>
Cc: Fisher, Reesa <Reesa.Fisher@apachecorp.com>
Subject: EM Elliott Federal 20 Lease

David,

I was told you were the man to talk to regarding oil marketing. I'm needing to put something together for the BLM for a surface comingle on the above lease that shows that mixing crude from different formations won't damage our revenue from said crude. Basically, I was wondering if there is a gravity component to our compensation, or if we are compensated the same amount per bbl regardless of the bbl quality?

Thanks,

JACOB BOWER

PRODUCTION ENGINEER II

Permian Region – Northwestern District



LABORATORY SERVICES
Natural Gas Analysis

www.permianls.com

575.397.3713 2609 W Marland Hobbs NM 88240

Apache Corporation
Attention: Rick Valles
P. O. Box 1849
Eunice, New Mexico 88231

04/24/17

	RVP	API Gravity	Specific Gravity	Sulfur
EM Elliott Fed. 20	3.40 PSI	39.0	0.8299	0.680 wt. %

Test Method ASTM D323 RVP
Test Method ASTM D287 API Gravity
Test Method ASTM D4294 Sulfur



LABORATORY SERVICES
Natural Gas Analysis

www.permianls.com
575.397.3713 2609 W Marland Hobbs NM 88240

Apache Corporation
Attention: Rick Valles
P. O. Box 1849
Eunice, New Mexico 88231

05/02/17

	RVP	API Gravity	Specific Gravity	Sulfur
State PA	3.60 PSI	36.3	0.8432	0.412 wt. %

Test Method ASTM D323 RVP
Test Method ASTM D287 API Gravity
Test Method ASTM D4294 Sulfur

(0557256)
Wells within the boundaries of the Bureau of Land Management Lease USA NMNM-~~057256~~ as it
pertains to the following described lands:

Township 22 South, Range 37 East
Section 20: S/2 NW/4, SW/4 NE/4
Lea County, New Mexico

- Elliott EM 20 Federal #001 (API 30-025-41442)
- Elliott EM 20 Federal #003 (API 30-025-41443)
- Elliott EM 20 Federal #004 (API 30-025-41444)
- Elliott EM 20 Federal #005 (API 30-025-41445)
- Elliott EM 20 Federal #006 (API 30-025-41446)

DATE: 5/10/2016

**Elliott EM Federal Lease
Section 20 T22S R37E
Lea County, New Mexico**

Apache

PERMIAN OFFICE
303 Veterans Airpark Ln #600
Midland, TX 79705
Phone: (432) 818-1000

Legend

• Elliott EM Federal Wells

□ Elliott_EM_Federal_Lease

1:12,000

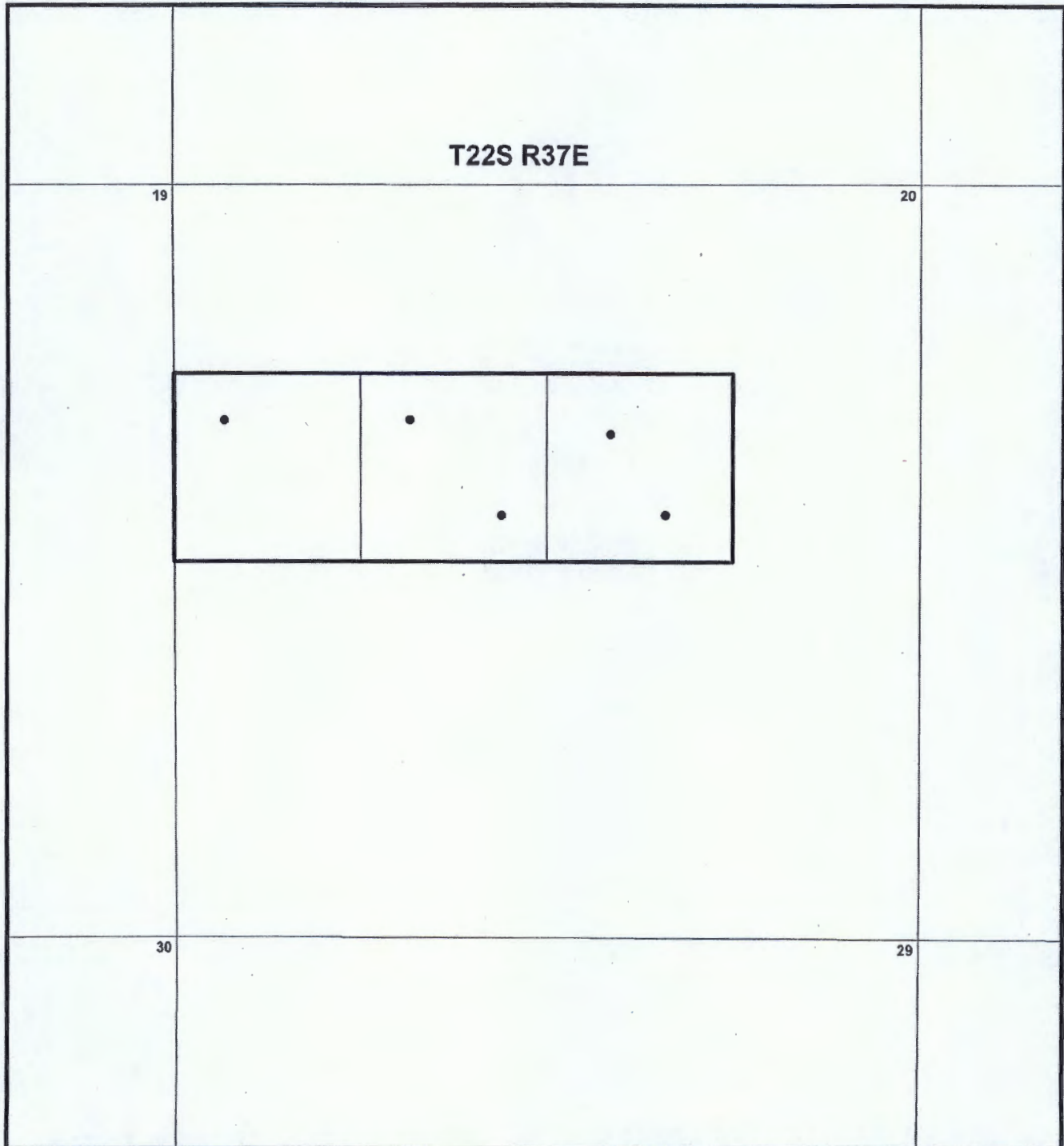
1" = 1,000'

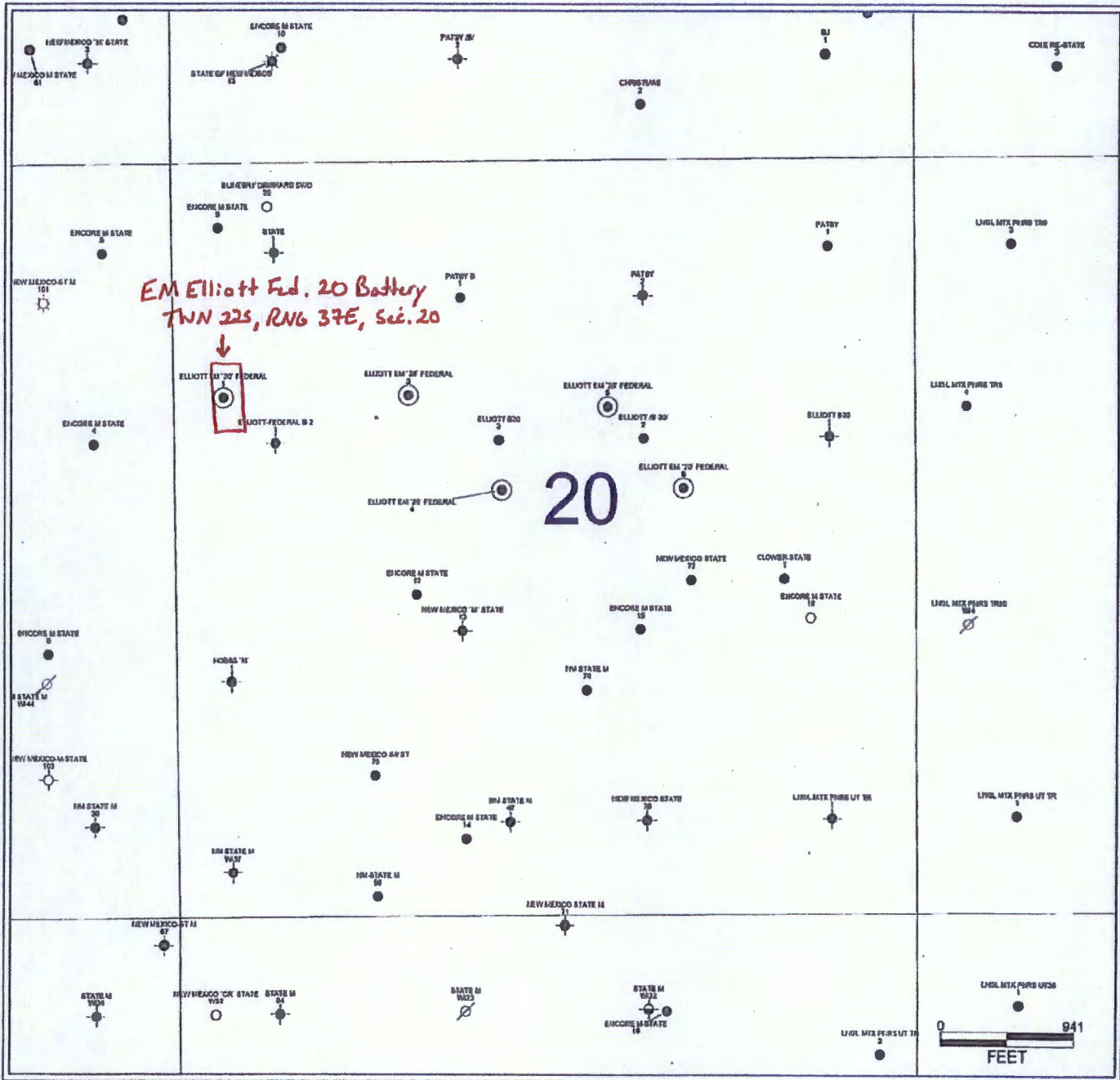
0

2,640

5,280

Feet





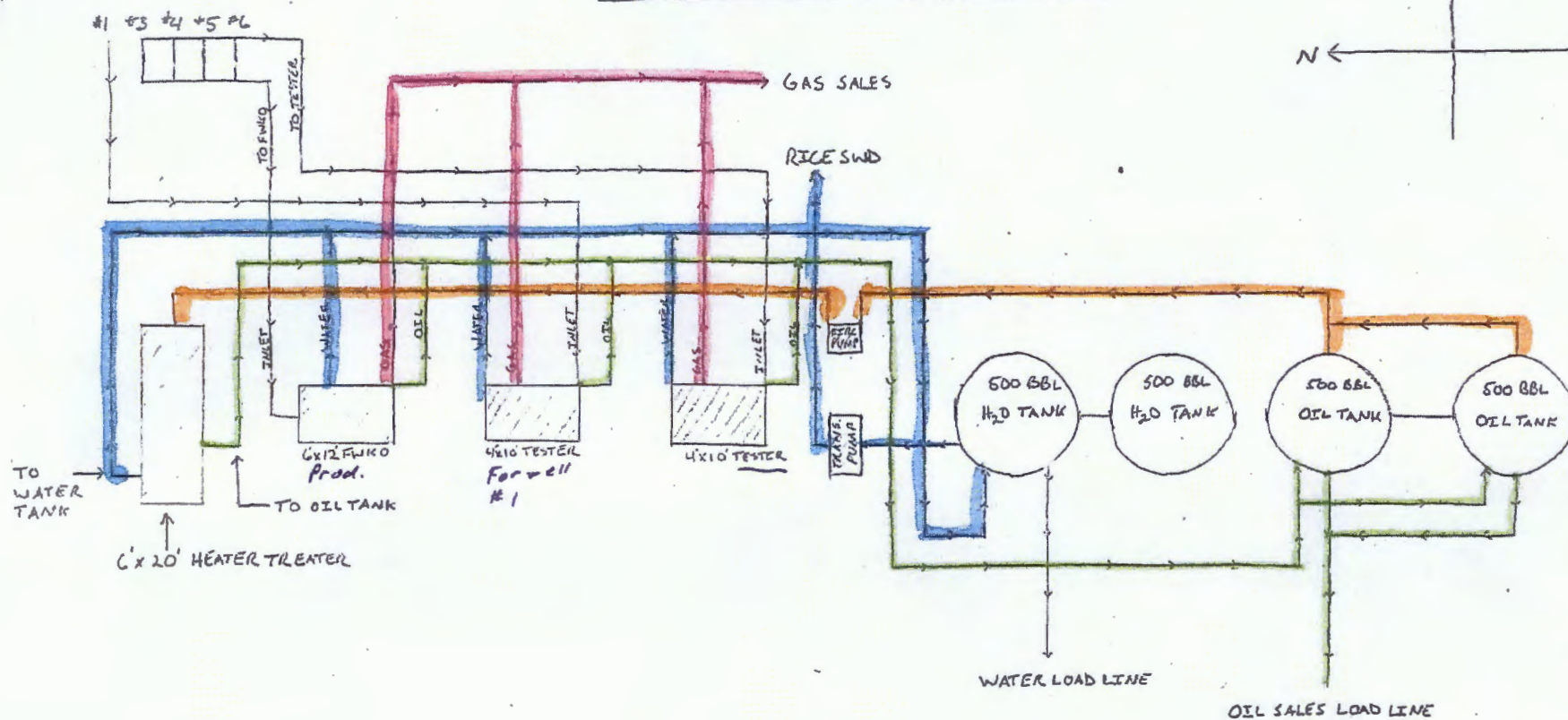
PETRA 5/8/2016 2:48:30 PM

Note: Battery size not to scale

CTOPS

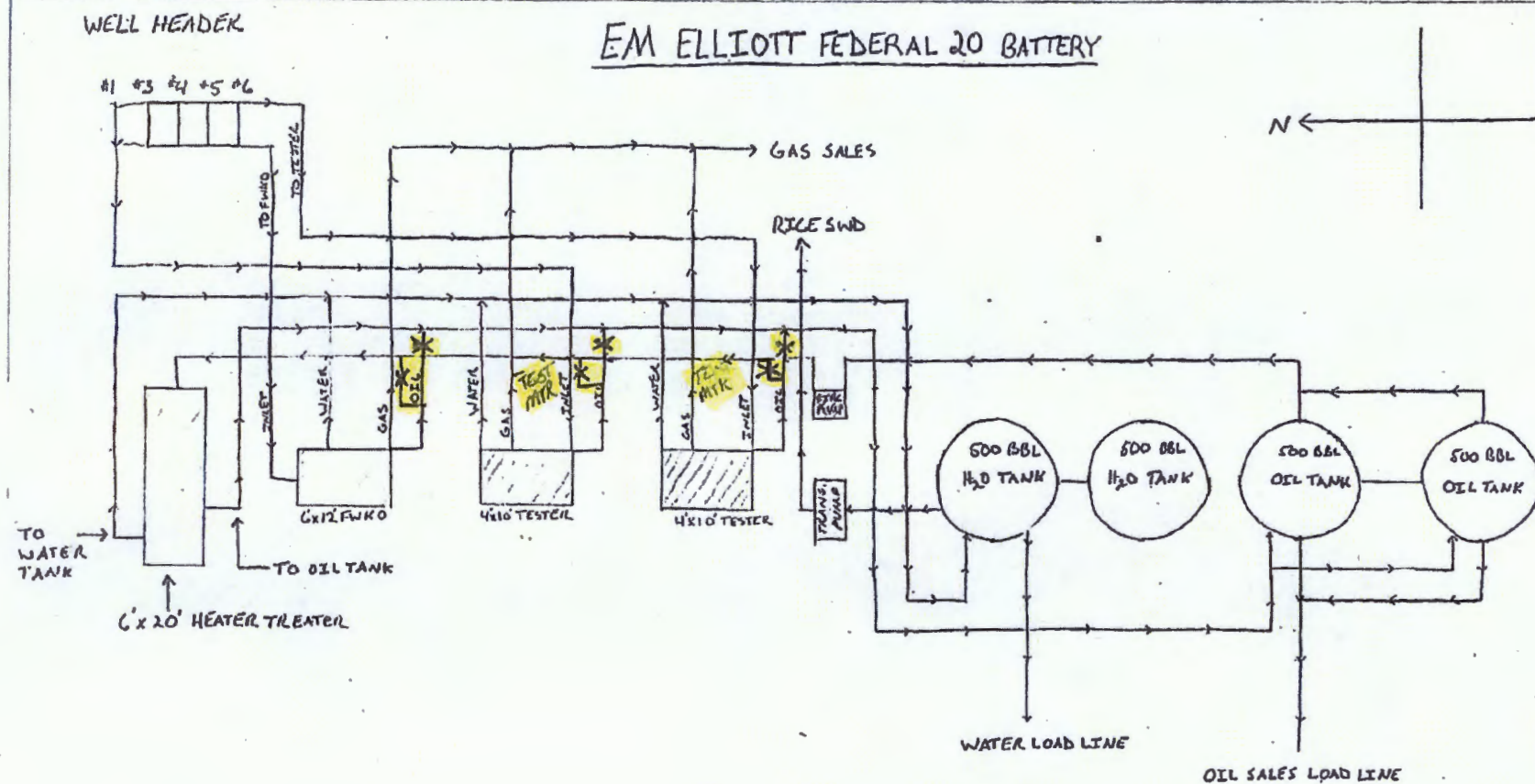
WELL HEADER

EM ELLIOTT FEDERAL 20 BATTERY



NOTE: Drawing is not to scale and only represents the relative location of equipment.

LEGAL: 20 T225 R37E



ALL OIL GOES BACK TO HEATER THEN TO TANKS!
WTR GOES STRAIGHT TO TANKS FROM VESSALS!



December 21, 2017

Sent via certified mail

Interest Owner Name

Street #

City, State Zip

RE: Notice of Intent to Surface Commingle Production from the
Elliott EM 20 Federal #1, #3, #4, #5, and #6
Section 20, Township 22 South, Range 37 East
Lea County, New Mexico

Dear Interest Owners,

Apache Corporation ("Apache") hereby requests your approval to surface commingle production from the following existing wells:

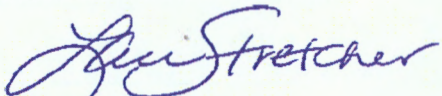
- Elliott EM 20 Federal #1: API 30-025-41442, a vertical well located at 1,650' FNL and 330' FWL, UL E, Section 20, T-22-S, R-37-E, producing from the Wantz: Abo pool
- Elliott EM 20 Federal #3: API 30-025-41443, a vertical well located at 1,650' FNL and 1,650' FWL, UL F, Section 20, T-22-S, R-37-E, producing from the Wantz: Abo pool
- Elliott EM 20 Federal #5: API 30-025-41445, a vertical well located at 1,750' FNL and 2,185' FEL, UL G, Section 20, T-22-S, R-37-E, producing from the Wantz: Abo pool
- Elliott EM 20 Federal #6: API 30-025-41446, a vertical well located at 2,310' FNL and 1,650' FEL, UL G, Section 20, T-22-S, R-37-E, producing from the Wantz: Abo pool
- Elliott EM 20 Federal #4: API 30-025-41444, a vertical well located at 2,310' FNL and 2,310' FWL, UL F, Section 20, T-22-S, R-37-E, proposed to produce from the Drinkard pool

Please be aware that the interest ownership differs slightly between the Elliott EM 20 Fed #3, #4, #5, and #6 and the Elliott EM 20 Fed #4 wells. In order to commingle production at the surface, production from each of the wells must be allocated by well test to account for the difference in ownership.

Enclosed for your review is a copy of Apache's application requesting approval from the New Mexico Oil Conservation Division and BLM to surface commingle the referenced wells. To evidence your approval for the surface commingling of production, please execute the signature block below and return one copy of this letter to my attention by e-mail, fax, or using the prepaid return envelope enclosed herewith. Should you have any questions, please don't hesitate to contact me.

Sincerely,

APACHE CORPORATION



Laci Stretcher
Landman
laci.stretcher@apachecorp.com
432-818-1846 (office)
432-818-1197 (fax)

The undersigned hereby approves to surface commingle production, as proposed in this letter, subject to further approval by the New Mexico Oil Conservation Division.

Signature

Printed Name

Title



May 10, 2016

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

Re: Application for Surface Commingling (Identical Ownership)
Township 22 South, Range 37 East
Section 20: S/2 NW/4, SW/4 NE/4
Lea County, New Mexico

Ladies and Gentlemen:

Identical ownership (working, royalty and overriding royalty) exists under Bureau of Land Management Lease USA NMNM-057256 as it pertains to the following described lands:

Township 22 South, Range 37 East
Section 20: S/2 NW/4, SW/4 NE/4
Lea County, New Mexico

Depths covered under the identical ownership are all depths below the base of the Queen formation. A list of existing wells on the lease area is included herewith, along with a plat depicting the boundaries of the above described lease area.

If you have any question regarding the aforementioned, please do not hesitate contacting the undersigned at (432) 818-2003

Sincerely,
APACHE CORPORATION

A handwritten signature in black ink, reading "Jake Bebermeyer". The signature is written in a cursive style, with the first letters of the first and last names being capitalized and prominent.

Jake Bebermeyer
Landman
jake.bebermeyer@apachecorp.com

Encls.

Elliott EM 20 Fed # 3, 4, 5, & 6 (Abo and Drinkard)

	Party Name	Addresses		Certified Mail Number	Mailed Out	Received
Royalty Interest	OFFICE OF NATURAL RESOURCES REVENUE	P.O. BOX 25267 DENVER, CO 80225		7017-1000-0000-8634-7361	1/5/2018	
Working Interest	APACHE CORPORATION (OPERATOR)	303 Veterans Airpark Lane, Ste. 1000, Midland, TX 79705		Not applicable	N/A	
	ZPZ DELAWARE I LLC	303 Veterans Airpark Lane, Ste. 1000, Midland, TX 79705		Not applicable	N/A	
	CONOCO PHILLIPS COMPANY	P.O. Box 2197, Houston, TX 77252		7017-1000-0000-8634-7378	1/5/2018	
	CHEVRON USA INC	Attn: NOJV Group P.O. Box 2100, Houston, TX 77252		7017-1000-0000-8634-7385	1/5/2018	

Overriding Royalty NONE

*Conoco went non-consent in the #1 well

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 04:16 PM

Page 1 of 4

Run Date: 11/08/2016

01 02-25-1920;041STAT0437;30USC226

Total Acres
200.000

Serial Number
NMNM-- 0 557256

Case Type 310771: O&G EXCHANGE LEASE - PD

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Serial Number: NMNM-- 0 557256

Name & Address			Int Rel	% Interest
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	LESSEE	25.000000000
BRIGGS RICHARD S	17 MEADOWBROOK LN	TROPHY CLUB TX 76262	OPERATING RIGHTS	0.000000000
CHESAPEAKE EXPL LLC	PO BOX 18496	OKLAHOMA CITY OK 731540496	OPERATING RIGHTS	0.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE	25.000000000
CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 740057500	LESSEE	25.000000000
CROSSLAND OIL CORP	PO BOX 16186	FORT WORTH TX 76162	OPERATING RIGHTS	0.000000000
FINLEY JAMES D	1308 LAKE ST #200	FORT WORTH TX 76102	OPERATING RIGHTS	0.000000000
JOHN H HENDRIX CORP	110 N MARIENFELD #400	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
JOHN H HENDRIX CORP	PO BOX 3040	MIDLAND TX 797023040	OPERATING RIGHTS	0.000000000
KLEIN MICHAEL L	500 W TEXAS #1230	MIDLAND TX 79701	OPERATING RIGHTS	0.000000000
POOL JOHN D	PO BOX 5441	MIDLAND TX 79704	OPERATING RIGHTS	0.000000000
SELL STEVE	PO BOX 5061	MIDLAND TX 79704	OPERATING RIGHTS	0.000000000
SMITH & MARRS INC	PO BOX 863	KERMIT TX 79745	OPERATING RIGHTS	0.000000000
VEIRS DANIEL L	PO BOX 3040	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
WESTBROOK RONNIE H	2809 HAYNES	MIDLAND TX 79705	OPERATING RIGHTS	0.000000000
WESTBROOK RONNIE H	PO BOX 3040	MIDLAND TX 79702	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	LESSEE	25.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	OPERATING RIGHTS	0.000000000

Serial Number: NMNM-- 0 557256

MerTwp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23	0220S	0370E	015	ALIQ	SWNE,NESE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23	0220S	0370E	020	ALIQ	SWNE,S2NW;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMNM-- 0 557256

Act Date	Code	Action	Action Remark	Pending Office
08/30/1936	387	CASE ESTABLISHED		
08/31/1936	496	FUND CODE	05;145003	
08/31/1936	868	EFFECTIVE DATE		
07/04/1946	650	HELD BY PROD - ACTUAL		
04/01/1957	534	RLTY RATE-SLIDING-SCH D	/A/	
04/01/1957	868	EFFECTIVE DATE		
10/19/1963	909	BOND ACCEPTED	EFF 09/27/63;ES0085	
06/01/1965	209	CASE CREATED BY SEGR	OUT OF NMLC032573B;	
09/21/1965	102	NOTICE SENT-PROD STATUS		
08/10/1966	940	NAME CHANGE RECOGNIZED	ATL RFG/ATL RICHFIELD	
03/19/1971	940	NAME CHANGE RECOGNIZED	PAN AMER PETRO/AMOCO	
04/06/1978	817	MERGER RECOGNIZED	CHEVRON ASPHALT/USA	
04/06/1978	817	MERGER RECOGNIZED	CHEVRON USA/OIL	
04/06/1978	940	NAME CHANGE RECOGNIZED	CHEVRON OIL/USA INC	
10/24/1979	940	NAME CHANGE RECOGNIZED	CONTL OIL/CONOCO INC	
09/18/1981	932	TRF OPER RGTS FILED		
09/30/1982	940	NAME CHANGE RECOGNIZED	SUN OIL/SUN EXPL&PROD	
06/16/1983	933	TRF OPER RGTS APPROVED	EFF 10/01/81;	
01/22/1985	963	CASE MICROFILMED/SCANNED	CNUM 106,190 GLC	
08/05/1985	932	TRF OPER RGTS FILED		

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

Elliott EM 20 Fed # 3, 4, 5, & 6 (Abo and Drinkard)

	Party Name	Addresses	Certified Mail Number	Mailed Out	Received
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Overriding Royalty	NONE				

*Conoco went non-consent in the #1 well

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martínez
Governor

David Martin
Cabinet Secretary

Tony Del/in
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



ADMINISTRATIVE CENTRAL TANK BATTERY ORDER

Administrative Order CTB-789
Administrative Application Reference No. pMAM1614055793

June 9, 2016

Apache Corporation
Attention: Ms. Reesa Fisher

Apache Corporation (OGRID 837) is hereby authorized to surface commingle oil and gas production from Wantz; Abo Pool (pool code 62770) from the following diversely owned leases and wells:

Lease: Federal lease NMNM 05726
Description: SW/4 NE/4 and SE/4 NW/4 of Section 20, Township 22 South, Range 37 East, NMPM
Wells: Elliott EM "20" Federal Well No. 3
Elliott EM "20" Federal Well No. 4
Elliott EM "20" Federal Well No. 5
Elliott EM "20" Federal Well No. 6

Lease: Federal lease NMNM 05726
Description: SW/4 NW/4 of Section 20, Township 22 South, Range 37 East, NMPM
Well: Elliott EM "20" Federal Well No. 1

The commingled oil and gas production from the wells detailed above shall be measured and sold at the Elliott EM "20" Federal Well No. 1 central tank battery (CTB), located in Unit E, of Section 20, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

The oil and gas production from the Elliott EM "20" Federal Well No. 3, Elliott EM "20" Federal Well No. 4, Elliott EM "20" Federal Well No. 5, and Elliott EM "20" Federal Well No. 6 which have identical ownership shall be metered with a combination of metering and testing. The Elliott EM "20" Federal Well No. 1, which has diverse ownership shall be metered separately.

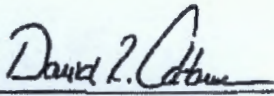
The allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C (2) NMAC.

Subsequently drilled wells that produce from the subject pool within the specified leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

The operator shall notify the Hobbs District office of the Division prior to implementation of the commingling operations.

Done at Santa Fe, New Mexico, on June 9, 2016.


DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad

Production Summary Report					
API: 30-025-41442					
ELLIOTT EM 20 FEDERAL #001					
Year	Pool	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
6/1/2017	[62700] WANTZ;ABO	158	6493	1	24
7/1/2017	[62700] WANTZ;ABO	177	8351	20	31
8/1/2017	[62700] WANTZ;ABO	200	8450	9	31
9/1/2017	[62700] WANTZ;ABO	151	6974	41	30
10/1/2017	[62700] WANTZ;ABO	198	7347	1	31
11/1/2017	[62700] WANTZ;ABO	195	6688	1	29
Cum		17334	309395		

Production Summary Report					
API: 30-025-41443					
ELLIOTT EM 20 FEDERAL #003					
Printed On: Monday, January 29 2018					
Year	Pool	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
6/1/2017	[62700] WANTZ;ABO	129	2093	1327	24
7/1/2017	[62700] WANTZ;ABO	153	2809	1423	31
8/1/2017	[62700] WANTZ;ABO	212	2961	1546	31
9/1/2017	[62700] WANTZ;ABO	146	2571	1677	30
10/1/2017	[62700] WANTZ;ABO	172	2924	1692	31
11/1/2017	[62700] WANTZ;ABO	148	2776	1618	29
Cum		13607	122226		

Production Summary Report					
API: 30-025-41445					
ELLIOTT EM 20 FEDERAL #005					
Year	Pool	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
6/1/2017	[62700] WANTZ;ABO	962	4262	2901	24
7/1/2017	[62700] WANTZ;ABO	980	6237	3481	31
8/1/2017	[62700] WANTZ;ABO	549	3520	3257	18
9/1/2017	[62700] WANTZ;ABO	1112	7553	6699	29
10/1/2017	[62700] WANTZ;ABO	1159	7977	7026	31
11/1/2017	[62700] WANTZ;ABO	973	7117	5830	29
Cum		24956	304846		

Production Summary Report					
API: 30-025-41446					
ELLIOTT EM 20 FEDERAL #006					
Year	Pool	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
6/1/2017	[62700] WANTZ;ABO	92	1983	79	25
7/1/2017	[62700] WANTZ;ABO	127	2960	52	31
8/1/2017	[62700] WANTZ;ABO	221	3371	9	31
9/1/2017	[62700] WANTZ;ABO	173	3367	3	30
10/1/2017	[62700] WANTZ;ABO	170	4143	15	31
11/1/2017	[62700] WANTZ;ABO	124	3693	7	29
Cum		16155	266668		

Production Summary Report					
API: 30-025-41444					
ELLIOTT EM 20 FEDERAL #004					
Year	Pool	Oil(BBLS)	Gas(MCF)	Water(BBLS)	Days P/I
6/1/2017	[19190] Drinkard	0	0	0	0
7/1/2017	[19190] Drinkard	0	0	0	0
8/1/2017	[19190] Drinkard	0	0	0	0
9/1/2017	[19190] Drinkard	0	0	0	0
10/1/2017	[19190] Drinkard	0	0	0	0
11/1/2017	[19190] Drinkard	0	0	0	0
Cum		0	0		

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



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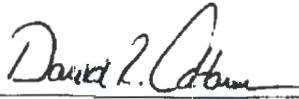
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DAVID R. CATANACH
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Bureau of Land Management - Carlsbad