

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



Administrative Order DHC-4867
Order Date: November 20, 2018

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Tx. 79705-9909

Attention: Ms. Alicia Fulton

D State Well No. 70
API No. 30-015-39742
Unit B, Section 35, Township 17 South, Range 28 East NMPM
Eddy County, New Mexico

Pool	ARTESIA; QUEEN-GRAYBURG-SAN ANDRES	Oil (3230)
Names:	ARTESIA; GLORIETA-YESO (O)	Oil (96830)

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of production from the well shall be based on historical production and off-set analogs. Production from the Artesia; Queen-Grayburg-San Andres Pool shall be based on production from the D State Well No. 8 (API 30-015-31424), which is located in Unit B, Section 35, Township 17 South Range 28 East. Production from the Artesia; Glorieta-Yeso (O) Pool shall be based on actual production from the subject well.

Assignment of allowable and allocation of production from the well shall be as follows:

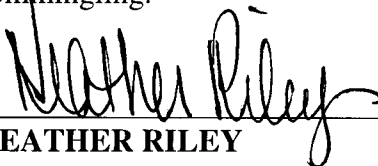
ARTESIA; QUEEN-GRAYBURG-SAN ANDRES	Pct. Oil: 62	Pct. Gas: 30
ARTESIA; GLORIETA-YESO (O)	Pct. Oil: 38	Pct. Gas: 70

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District II office upon implementation of commingling operations.

This administrative order is subject to like approval from the New Mexico State Land Office.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



HEATHER RILEY
Director

HR/mam

cc: New Mexico Oil Conservation Division – Artesia
New Mexico state Land Office – Oil, Gas, and Minerals