

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



December 16, 2019

POOL/LEASE COMMINGLING

Administrative Order PLC-605

Apache Corporation
Attention: Reesa Fisher
303 Veterans Airpark Lane, Suite 1000 Midland, TX 79705

Pursuant to your application received on August 27, 2019, Apache Corporation ("Operator") is hereby authorized to surface commingle oil and gas production and off-lease measure from the pools, wells, and associated leases identified in Exhibit A and incorporated by reference into this Order. The wells are located in Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

Production for each well shall be allocated using well testing. Each well test shall consist of a time period with a duration of greater than or equal to 24 hours in which the oil and gas production from the well being tested shall flow into its own dedicated three-phase separator where the production stream shall be separated into three independent streams and each stream shall be measured individually before commingling.

Additional gas gathered from process equipment after commingling shall be measured and allocated to each well based on the individual well's production.

The commingled oil production from the wells shall be measured either by a lease automatic custody transfer ("LACT") meter or by a run ticket mutually agreed upon by Operator and the oil transporter. The measurement and sell of the commingled oil production shall occur at the respective central tank battery ("CTB") described in Exhibit A.

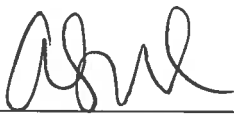
The commingled gas production from the wells shall be measured at the CTB using a custody transfer meter except when the gas pipeline is experiencing problems at which time the commingled gas production from the wells shall be measured using the appropriate meters.

Operator may add subsequently drilled wells that produce from the approved pools within the project areas by submitting a Sundry Notice C-103 to the Engineering Bureau in Santa Fe at OCD.engineer@state.nm.us.

For future additions of wells and leases to this commingling operation, notice shall only be given to those interest owners in the wells and leases to be added, in accordance with Division Rule 19.15.12.10(C)(4)(g) NMAC.

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

This administrative order supersedes Administrative Order PC-1146, issued June 21, 2005. This order adds additional pools to this commingling operation.



Adrienne Sandoval
Director

AS/dm

cc: OCD – Engineering Bureau
 OCD – Hobbs District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Administrative Order: **PLC-605**

Date: **12/16/19**

Operator: **Apache Corporation**

Central Tank Battery: **Dayton Hardy Battery**

Central Tank Battery Location: **Section 20, Township 21 South, Range 37 East**

Pools

Pool Name	Pool Code	Pool Name	Pool Code
PENROSE SKELLY; GRAYBURG	50350	BLINEBRY OIL AND GAS (OIL)	6660
EUMONT; YATES-7 RVRs-QUEEN (OIL)	22800	PADDOCK	49210
TUBB OIL AND GAS (OIL)	60240	WANTZ; ABO	62700
DRINKARD	19190		

Leases

Fee (N/2 SE Sec 20-T21S-R37E)

Wells

Well API	Well Name	Pool Code	Location	Train
30-025-09927	Dayton Hardy 1	50350	Sec 20-T21S-R37E	
30-025-09927	Dayton Hardy 1	22800	Sec 20-T21S-R37E	
30-025-06688	Dayton Hardy 2	60240	Sec 20-T21S-R37E	
30-025-06688	Dayton Hardy 2	19190	Sec 20-T21S-R37E	
30-025-06688	Dayton Hardy 2	6660	Sec 20-T21S-R37E	
30-025-06689	Dayton Hardy 3	49210	Sec 20-T21S-R37E	
30-025-36963	Dayton Hardy 4	50350	Sec 20-T21S-R37E	
30-025-37027	Dayton Hardy 5	50350	Sec 20-T21S-R37E	
30-025-36964	Dayton Hardy 6	50350	Sec 20-T21S-R37E	
30-025-36965	Dayton Hardy 7	50350	Sec 20-T21S-R37E	
30-025-40078	Dayton Hardy 9	60240	Sec 20-T21S-R37E	
30-025-40078	Dayton Hardy 9	62700	Sec 20-T21S-R37E	
30-025-40078	Dayton Hardy 9	19190	Sec 20-T21S-R37E	