

Order Number
DHC
HOB-514

API Number
30-025-40540

Operator
Apache Corp

County
Lea

Order Date
2-18-13

Well Name
State P A

Number
7

N
UL

18
Sec

Location
225
T (+Dir)

37E
R (+Dir)

Pool 1

6660

Blinebry Oil + Gas

Oil %
38%

Gas %
31%

Pool 2

60240

Tubb Oil + Gas

25%

34%

Pool 3

19190

Drinkard

37%

35%

Pool 4

Comments:

Posted in RB DMS 2-19-2013 Ctm

FEB 19 2013

30-025-40540
DHC-HOB-514

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corp

PROPERTY NAME: State PA

WNULSTR: 7-N-18-225-37E

SECTION I:		ALLOWABLE AMOUNT	
POOL NO. 1	<u>Blinebry Oil + Gas</u>	<u>107</u>	<u>428</u> MCF
POOL NO. 2	<u>Tubb Oil + Gas</u>	<u>142</u>	<u>284</u> MCF
POOL NO. 3	<u>Drinkard</u>	<u>142</u>	<u>852</u> MCF
POOL NO. 4	_____		_____ MCF
POOL TOTALS		<u>391</u>	<u>1564</u>

SECTION II:		<u>Oil</u>	<u>Gas</u>
POOL NO. 1	<u>Blinebry Oil + Gas</u>	<u>38%</u>	<u>31%</u>
POOL NO. 2	<u>Tubb Oil + Gas</u>	<u>25%</u>	<u>34%</u>
POOL NO. 3	<u>Drinkard</u>	<u>37% x 391 = 144.67</u>	<u>35%</u>
POOL NO. 4	_____	<u><145></u>	

	<u>OIL</u>	<u>GAS</u>
SECTION III:		
	<u>37% ÷ 142 = 383.78</u>	<u><384></u>

SECTION IV:		
	<u>38% x 384 = 145.92</u>	<u><146></u>
	<u>25% x 384 = 96</u>	<u><96></u>
	<u>37% x 384 = 142.08</u>	<u><142></u>

Submit 3 Copies To Appropriate District Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., 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

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

Form C-103
June 19, 2008

WELL API NO. 30-025-40540
5. Indicate Type of Lease STATE ☒ FEE ☐
6. State Oil & Gas Lease No. B0-0934-0040
7. Lease Name or Unit Agreement Name State PA
8. Well Number 007
9. OGRID Number 873
10. Pool name or Wildcat Bli O&G(Oil)/Tubb O&G(Oil)/Drinkard

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 (873)

3. Address of Operator
303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705

4. Well Location

Unit Letter N : 870 feet from the South line and 2310 feet from the West line
Section 18 Township 22S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3421' GR

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 ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: ☐

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache would like to DHC the following pools:

Pool Names:

Blinebry Oil & Gas (Oil)	6660	Blinebry	5472'-5629'
Tubb Oil & Gas (Oil)	60240	Tubb	6218'-6318'
Drinkard	19190	Drinkard	6514'-6712'

Perforations:

The allocation method will be as follows based on offset production. (See attached application for exception to Rule 303-C.)

	OIL	GAS	WATER
Blinebry	38%	31%	36%
Tubb	25%	34%	22%
Drinkard	37%	35%	42%

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

Spud Date: 07/18/2012

Rig Release Date: 07/29/2012

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Reesa Holland TITLE Sr. Staff Reg Tech DATE 02/12/2013

Type or print name Reesa Holland E-mail address: Reesa.Holland@apachecorp.com PHONE: 432/818-1062

For State Use Only

Petroleum Engineer

APPROVED BY: [Signature] TITLE [Signature] DATE [Signature]

Conditions of Approval (if any):

FEB 19 2013

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 742-1283 Fax: (505) 742-8720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-3480 Fax: (505) 478-3483

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40540	Pool Code 16660	Pool Name BLUEBRY O+G (OIL)
Property Code 26487	Property Name STATE PA	Well Number 007
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3421'

Surface Location

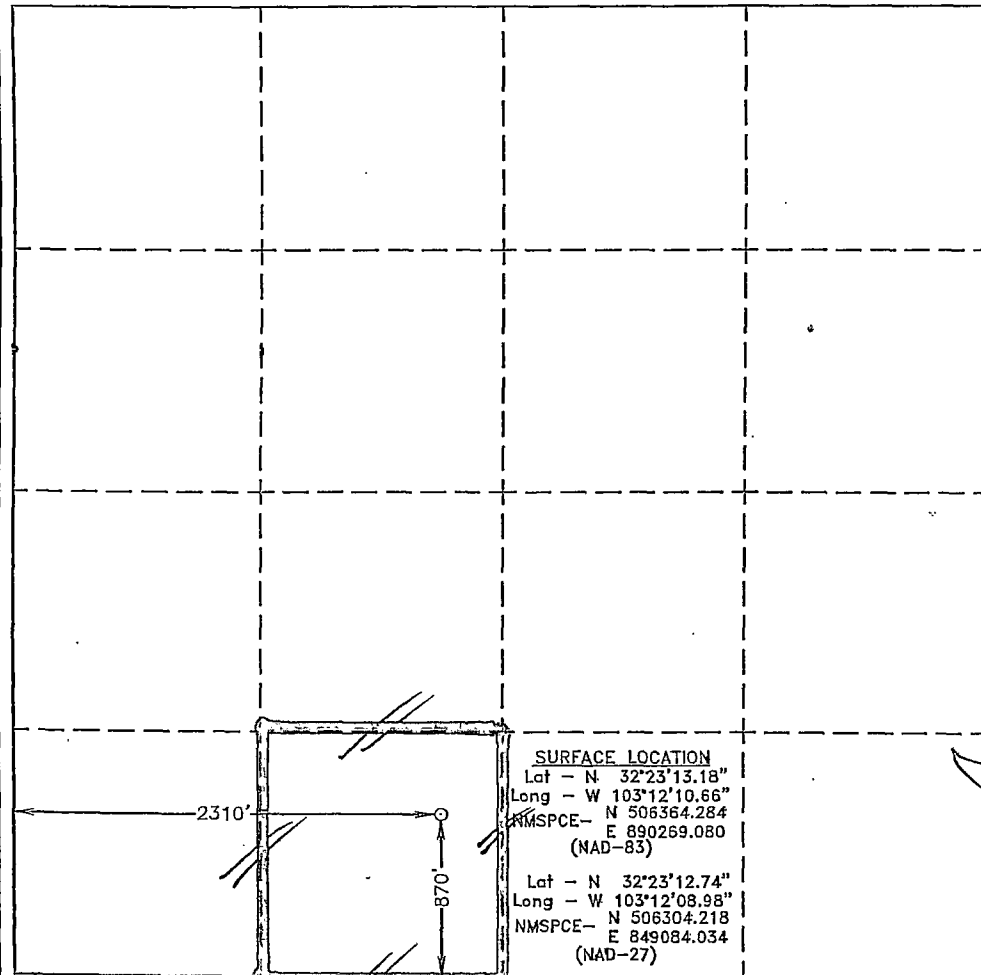
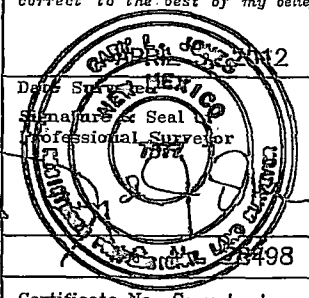
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	22 S	37 E		870	SOUTH	2310	WEST	LEA

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. DHC-140B-514
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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°23'13.18" Long - W 103°12'10.66" NMSPC - N 506364.284 E 890269.080 (NAD-83) Lat - N 32°23'12.74" Long - W 103°12'08.98" NMSPC - N 506304.218 E 849084.034 (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 Holland</i> 10/2/12 Signature Date REESEA HOLLAND Printed Name <i>Reesa.Holland@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.  Date Surveyed 10/2/12 Signature & Seal Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26498
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DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (505) 333-6161 Fax: (505) 303-0720

DISTRICT II
811 S. First St., Artesia, NM 88201
Phone (505) 742-1283 Fax: (505) 742-1284

DISTRICT III
4000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6170 Fax: (505) 334-6171

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40540	Pool Code 60240	Pool Name TUBB O & G (OIL)
Property Code 26487	Property Name STATE PA	Well Number 007
OGRI No. 873	Operator Name APACHE CORPORATION	Elevation 3421'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	22 S	37 E		870	SOUTH	2310	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. DHC-HOB-514						

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	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.
	Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26498

DEC 9 2012

HOBBS OCD

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1825 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6181 Fax: (575) 393-9720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 748-1253 Fax: (575) 748-9720

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4000 Rio Brazos Rd., Aztec, NM 87410
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State of New Mexico
Energy, Minerals and Natural Resources Department

NOV 02 2012

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40540	Pool Code 19190	Pool Name DRUYKARD
Property Code 26487	Property Name STATE PA	Well Number 007
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3421'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	22 S	37 E		870	SOUTH	2310	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. DHC- HOB-514
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	SURFACE LOCATION Lat - N 32°23'13.18" Long - W 103°12'10.66" NMSPCE- N 506364.284 E 890269.080 (MAD-83) Lat - N 32°23'12.74" Long - W 103°12'08.98" NMSPCE- N 506304.218 E 849084.034 (MAD-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 Holland</i> 10/2/12 Signature Date REESEA HOLLAND Printed Name <i>Reesa.Holland@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. Date Signed: 10/2/12 Signature & Seal of Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS 26498	

ELG 11-5-2012

NOV 05 2012

Well Test History Report

Page 1 of 3
2/13/2013 10:40:18 am

Select By: Field

Display: All well tests between 10/01/2012 - 02/11/2013

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes					Ratios					Fluid Level
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
Field: EUNICE AREA														
STATE PA #7(BLINEBRY)														
2/1/2013	2/1/2013	24	A	183	39	57	144	0	1,462	311	0	0	311	
2/2/2013	2/2/2013	24	A	274	97	85	177	0	876	310	0	0	310	
2/3/2013	2/3/2013	24	A	210	70	87	140	0	1,243	414	0	0	414	
2/4/2013	2/4/2013	24	A	253	66	85	187	0	1,288	336	0	0	336	
2/6/2013	2/6/2013	24	A	133	42	56	91	0	1,333	421	0	0	421	
2/7/2013	2/7/2013	24	A	185	58	84	127	0	1,448	454	0	0	454	
2/8/2013	2/8/2013	24	A	206	65	78	141	0	1,200	379	0	0	379	
2/9/2013	2/9/2013	24	A	180	52	73	128	0	1,404	406	0	0	406	
2/10/2013	2/10/2013	24	A	153	42	64	111	0	1,524	418	0	0	418	
2/11/2013	2/11/2013	24	A	132	39	63	93	0	1,615	477	0	0	477	
Averages by Completion				191	57	73	134	0						
STATE PA #7 (DRINKARD) (T&A)														
10/5/2012	10/5/2012	24	A	429	27	32	402	0	1,185	75	0	0	75	
10/6/2012	10/6/2012	24	A	365	72	195	293	0	2,708	534	0	0	534	
10/7/2012	10/7/2012	24	A	264	100	116	164	0	1,160	439	0	0	439	
10/8/2012	10/8/2012	24	A	243	83	94	160	0	1,133	387	0	0	387	
10/9/2012	10/9/2012	24	A	205	75	91	130	0	1,213	444	0	0	444	
10/10/2012	10/10/2012	24	A	205	86	81	119	0	942	395	0	0	395	
10/11/2012	10/11/2012	24	A	174	66	69	108	0	1,045	397	0	0	397	
10/12/2012	10/12/2012	24	A	186	70	9	116	0	129	48	0	0	48	
10/13/2012	10/13/2012	24	A	168	55	19	113	0	345	113	0	0	113	
10/14/2012	10/14/2012	24	A	134	56	14	78	0	250	104	0	0	104	
10/15/2012	10/15/2012	24	A	110	47	26	63	0	553	236	0	0	236	
10/16/2012	10/16/2012	24	A	136	47	27	89	0	574	199	0	0	199	
10/17/2012	10/17/2012	24	A	133	61	65	72	0	1,066	489	0	0	489	
10/18/2012	10/18/2012	24	A	103	48	69	55	0	1,438	670	0	0	670	
10/19/2012	10/19/2012	24	A	125	47	72	78	0	1,532	576	0	0	576	
10/20/2012	10/20/2012	24	A	135	50	72	85	0	1,440	533	0	0	533	
10/21/2012	10/21/2012	24	A	125	50	72	75	0	1,440	576	0	0	576	
10/22/2012	10/22/2012	24	A	128	50	70	78	0	1,400	547	0	0	547	
10/23/2012	10/23/2012	24	A	114	45	70	69	0	1,556	614	0	0	614	
10/24/2012	10/24/2012	24	A	99	47	68	52	0	1,447	687	0	0	687	
Averages by Completion				179	59	67	120	0						
STATE PA #7 (TUBB) (T&A)														

** All values are recorded using imperial units.

Well Test History Report

Page 2 of 3
2/13/2013 10:40:18 am

Select By: Field

Display: All well tests between 10/01/2012 - 02/11/2013

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes					Ratios					Fluid Level
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
Field: EUNICE AREA														
11/27/2012	11/27/2012	24	A	322	72	75	250	0	1,042	233	0	0	233	
11/28/2012	11/28/2012	24	A	322	72	75	250	0	1,042	233	0	0	233	
11/29/2012	11/29/2012	24	A	322	72	75	250	0	1,042	233	0	0	233	
11/30/2012	11/30/2012	24	A	249	72	115	177	0	1,597	462	0	0	462	
12/1/2012	12/1/2012	24	A	123	65	132	58	0	2,031	1,073	0	0	1,073	
12/2/2012	12/2/2012	24	A	204	63	104	141	0	1,651	510	0	0	510	
12/3/2012	12/3/2012	24	A	177	50	83	127	0	1,660	469	0	0	469	
12/4/2012	12/4/2012	24	A	151	41	71	110	0	1,732	470	0	0	470	
12/5/2012	12/5/2012	24	A	159	48	64	111	0	1,333	403	0	0	403	
12/6/2012	12/6/2012	24	A	127	41	62	86	0	1,512	488	0	0	488	
12/7/2012	12/7/2012	24	A	148	48	57	100	0	1,188	385	0	0	385	
12/8/2012	12/8/2012	24	A	118	44	62	74	0	1,409	525	0	0	525	
12/9/2012	12/9/2012	24	A	120	42	61	78	0	1,452	508	0	0	508	
12/10/2012	12/10/2012	24	A	113	47	59	66	0	1,255	522	0	0	522	
12/11/2012	12/11/2012	24	A	99	39	64	60	0	1,641	646	0	0	646	
12/12/2012	12/12/2012	24	A	107	41	62	66	0	1,512	579	0	0	579	
12/13/2012	12/13/2012	24	A	94	36	62	58	0	1,722	660	0	0	660	
12/14/2012	12/14/2012	24	A	97	37	60	60	0	1,622	619	0	0	619	
12/15/2012	12/15/2012	24	A	82	30	59	52	0	1,967	720	0	0	720	
12/16/2012	12/16/2012	24	A	112	34	62	78	0	1,824	554	0	0	554	
12/17/2012	12/17/2012	24	A	94	33	62	61	0	1,879	660	0	0	660	
12/18/2012	12/18/2012	24	A	106	38	66	68	0	1,737	623	0	0	623	
12/19/2012	12/19/2012	24	A	93	37	62	56	0	1,676	667	0	0	667	
12/20/2012	12/20/2012	24	A	86	34	65	52	0	1,912	756	0	0	756	
12/21/2012	12/21/2012	24	A	96	32	63	64	0	1,969	656	0	0	656	
12/22/2012	12/22/2012	24	A	107	31	64	76	0	2,065	598	0	0	598	
12/24/2012	12/24/2012	24	A	130	39	76	91	0	1,949	585	0	0	585	
12/25/2012	12/25/2012	24	A	83	36	70	47	0	1,944	843	0	0	843	
12/26/2012	12/26/2012	24	A	97	50	66	47	0	1,320	680	0	0	680	
12/27/2012	12/27/2012	24	A	108	34	66	74	0	1,941	611	0	0	611	
12/28/2012	12/28/2012	24	A	113	33	68	80	0	2,061	602	0	0	602	
12/29/2012	12/29/2012	24	A	83	33	69	50	0	2,091	831	0	0	831	
12/30/2012	12/30/2012	24	A	69	33	69	36	0	2,091	1,000	0	0	1,000	
12/31/2012	12/31/2012	24	A	95	34	71	61	0	2,088	747	0	0	747	
1/1/2013	1/1/2013	24	A	70	29	71	41	0	2,448	1,014	0	0	1,014	
1/2/2013	1/2/2013	24	A	86	25	71	61	0	2,840	826	0	0	826	
1/3/2013	1/3/2013	24	A	71	30	72	41	0	2,400	1,014	0	0	1,014	
1/4/2013	1/4/2013	24	A	70	28	71	42	0	2,536	1,014	0	0	1,014	

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Well Test History Report

Page 3 of 3
2/13/2013 10:40:18 am

Select By: Field

Display: All well tests between 10/01/2012 - 02/11/2013

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				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
Field: EUNICE AREA														
STATE PA #7(TUBB) (T&A)														
1/5/2013	1/5/2013	24	A	76	34	73	42	0	2,147	961	0	0	961	
1/6/2013	1/6/2013	24	A	69	33	74	36	0	2,242	1,072	0	0	1,072	
1/7/2013	1/7/2013	24	A	110	33	86	77	0	2,606	782	0	0	782	
1/8/2013	1/8/2013	24	A	73	31	76	42	0	2,452	1,041	0	0	1,041	
1/9/2013	1/9/2013	24	A	61	28	76	33	0	2,714	1,246	0	0	1,246	
1/10/2013	1/10/2013	24	A	67	28	75	39	0	2,679	1,119	0	0	1,119	
1/11/2013	1/11/2013	24	A	71	30	78	41	0	2,600	1,099	0	0	1,099	
1/12/2013	1/12/2013	24	A	76	31	76	45	0	2,452	1,000	0	0	1,000	
1/13/2013	1/13/2013	24	A	72	31	77	41	0	2,484	1,069	0	0	1,069	
1/14/2013	1/14/2013	24	A	66	30	75	36	0	2,500	1,136	0	0	1,136	
1/15/2013	1/15/2013	24	A	70	31	76	39	0	2,452	1,086	0	0	1,086	
1/16/2013	1/16/2013	24	A	41	22	76	19	0	3,455	1,854	0	0	1,854	
1/17/2013	1/17/2013	24	A	80	30	78	50	0	2,600	975	0	0	975	
1/18/2013	1/18/2013	24	A	67	28	78	39	0	2,786	1,164	0	0	1,164	
1/19/2013	1/19/2013	24	A	67	31	79	36	0	2,548	1,179	0	0	1,179	
1/20/2013	1/20/2013	24	A	65	30	78	35	0	2,600	1,200	0	0	1,200	
Averages by Completion				112	39	73	73	0						

AVG PROD :

DRINKARD

O

59 - 38%

G

67 - 32%

W

120 - 37%

TUBB

39 - 25%

73 - 34%

73 - 22%

BLUEBRY

57 - 37%

73 - 34%

134 - 41%

155

213

327



February 13, 2013

Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240

RE: Application for Exception to Rule 303-C – Downhole Commingling
State PA #7 API 30-025-40540
Unit N, Section 18, T22S, R37E
Blinbry Oil & Gas (Oil) 6660, Tubb Oil & Gas (Oil) 60240 & Drinkard (19190)
Lea County, New Mexico

Dear Mr. Kautz,

Enclosed please find form C-103 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

The allocation method used for this well was determined by production testing each pool separately. A complete list of well tests is included in this package, as well as a C-103 and C-102's for each pool.

If you need additional information or have any questions, please give me a call at (432) 818-1062.

Sincerely,

A handwritten signature in black ink that reads "Reesa Holland".

Reesa Holland
Sr. Staff Regulatory Technician