

Order Number  
PHC  
A08515

API Number  
30-025-40543

Operator  
Apache Corp

County  
Lea

Order Date  
2-26-13

Well Name  
State PA

Number  
9

K  
UL

18  
Sec

Location  
225  
T (+Dir)

37E  
R (+Dir)

Pool 1  
10660

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 RBOMS 02-27-2013 CHM

FEB 27 2013

3D 025-40543

DHC-HOB-515

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corp

PROPERTY NAME: State PA

WNULSTR: 9-K-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	_____		
POOL TOTALS		<u>391</u>	<u>1564</u> MCF

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>	
POOL NO. 3	<u>Drinkard</u>	<u>37% x 391 = 144.67</u>	
POOL NO. 4	_____	<u>&lt;145&gt;</u>	

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

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

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

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

WELL API NO. 30-025-40543
5. Indicate Type of Lease STATE [X] FEE [ ]
6. State Oil & Gas Lease No. B0-0934-0040
7. Lease Name or Unit Agreement Name State PA
8. Well Number 009
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: [X] 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 K : 1650 feet from the South line and 1815 feet from the West line
Section 18 Township 22S Range 37E NMPM County Lea

11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3426' GL

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 [X]
OTHER: [ ]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
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: R-11363
Pool Names: Estimated Perforations:
Blinebry Oil & Gas (Oil) 6660 Blinebry 5475'-5630'
Tubb Oil & Gas (Oil) 60240 Tubb 6215'-6315'
Drinkard 19190 Drinkard 6515'-6715'

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

Table with 4 columns: Pool Name, OIL, GAS, WATER. Rows: 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: 03/14/2013 Rig Release Date: [ ]

DHC-HOB-515

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 02/14/2013

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

For State Use Only

APPROVED BY: [Signature] TITLE Petroleum Engineer DATE FEB 27 2013

Conditions of Approval (if any):

FEB 27 2013

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone (505) 893-6181 Fax: (505) 893-6722

DISTRICT II  
511 E. First St., Artesia, NM 88210  
Phone (505) 742-1225 Fax: (505) 742-9729

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 834-6178 Fax: (505) 834-6170

DISTRICT IV  
1820 E. El Francis Dr., Santa Fe, NM 87505  
Phone (505) 476-3460 Fax: (505) 476-3488

NOBBS OGD  
FEB 25 2013  
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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 87605

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-40543	Pool Code 6660	Pool Name Blinbry Oil and Gas (Oil)
Property Code 26487	Property Name STATE PA	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3426'

Surface Location

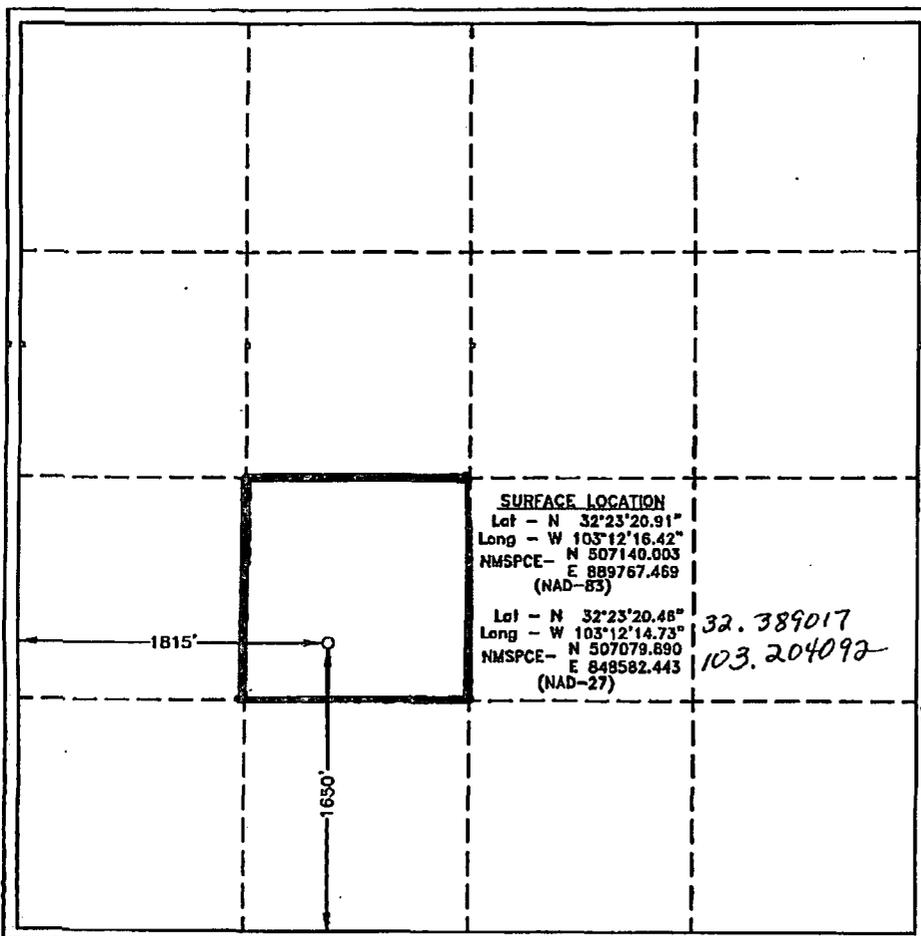
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	22 S	37 E		1650	SOUTH	1815	WEST	LEA

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-515
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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°23'20.91"  
 Long - W 103°12'16.42"  
 NMSPCS - N 507140.003  
 E 889767.469  
 (NAD-83)  
 Lat - N 32°23'20.48"  
 Long - W 103°12'14.73"  
 NMSPCS - N 507079.890  
 E 849582.443  
 (NAD-27)

32.389017  
103.204092

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.

Susan Blakemore 4/25/2012  
Signature Date

Susan Blakemore  
Printed Name

susan.blakemore@apacheco.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.

Gary L. Jones  
Date Surveyed  
Signature & Seal of Professional Surveyor

Certificate No. Gary L. Jones 7877

Basin Surveys 26500

**DISTRICT I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone (575) 893-3181 Fax: (575) 893-0720

**DISTRICT II**  
 811 S. First St., Artesia, NM 88210  
 Phone (575) 749-1283 Fax: (575) 749-9720

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone (505) 354-8178 Fax: (505) 354-8178

**DISTRICT IV**  
 1820 E. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 878-3480 Fax: (505) 878-3482

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 87605

HOBBS OGD  
 FEB 25 2013

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number 30-025-40543	Pool Code 60240	Pool Name Tulb Oil and Gas (Oil)
Property Code 26487	Property Name STATE PA	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3426'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	22 S	37 E		1650	SOUTH	1815	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. DAC-HOB-515
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NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
 OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p>Susan Blakemore 4/25/2012        Signature Date</p> <p>Susan Blakemore        Printed Name</p> <p>Susan.blakemore@apachecorp.com        Email Address</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>Date Surveyed        Signature &amp; Seal of Professional Surveyor</p>
	<p><b>SURFACE LOCATION</b></p> <p>Lat - N 32°23'20.91"        Long - W 103°12'16.42"        NMSPC - N 507140.005        E 889787.469        (NAD-83)</p> <p>Lat - N 32°23'20.48"        Long - W 103°12'14.73"        NMSPC - N 507079.890        E 848582.443        (NAD-27)</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26500</p>

**DISTRICT I**  
 1825 N. French Dr., Hobbs, NM 88240  
 Phone (505) 833-1101 Fax (505) 833-0723

**DISTRICT II**  
 811 S. First St., Artesia, NM 88210  
 Phone (505) 740-1243 Fax (505) 740-8723

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone (505) 834-6178 Fax (505) 834-6173

**DISTRICT IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505  
 Phone (505) 876-3400 Fax (505) 876-3423

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

HOBBS OCD

FEB 25 2012

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AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-40543	Pool Code 19190	Pool Name Drinkard
Property Code 26487	Property Name STATE PA	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3426'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	22 S	37 E		1650	SOUTH	1815	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.: DAC-HOB-515

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTEL ABL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

**SURFACE LOCATION**  
 Lot - N 32°23'20.91"  
 Long - W 103°12'16.42"  
 NMSPC- N 507140.003  
 E 889767.469  
 (NAD-83)

Lot - N 32°23'20.48"  
 Long - W 103°12'14.73"  
 NMSPC- N 507079.890  
 E 848582.443  
 (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.

Susan Blakemore 4/25/2012  
 Signature Date

Susan Blakemore  
 Printed Name

Susan.blakemore@apachecorp.com  
 Email Address

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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.

Date Surveyed: \_\_\_\_\_  
 Signature & Seal of Professional Surveyor: \_\_\_\_\_

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 26500



February 19, 2013

HOBBS OCD

FEB 25 2013

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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 #9 API 30-025-40543  
Unit K, Section 18, T22S, R37E  
Blinebry 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.

Due to proximity, the allocation method will be based on the production of the nearby State PA #7 (30-025-40540), which production tested each pool separately. Enclosed is 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,

Reesa Holland  
Sr. Staff Regulatory Technician