

ABOVE THIS LINE FOR DIVISION USE ONLY

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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



30-025-40148
V Laughlin #11
Apache Corp.

2013 MAR 22 P 1:09

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

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☒ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **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 HOLLAND
Print or Type Name

Reesa Holland
Signature

SR STAFF REG TECH
Title

3/19/2013
Date

V LAUGHLIN #11

Reesa.Holland@apachecorp.com
e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE

☒ Single Well

☐ Establish Pre-Approved Pools

EXISTING WELLBORE

☒ Yes ☐ No

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2013 MAR 22 2:10 PM

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation

303 Veterans Airpark Lane Suite 3000 Midland TX 79705

Operator

Address

V Laughlin

011

B

9

20S

37E

Lea

Lease

Well No.

Unit Letter-Section-Township-Range

County

OGRID No. 873 Property Code 302374 API No. 30-025-40148 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Weir; Blinebry	Monument; Tubb	Skaggs; Drinkard
Pool Code	63780	47090	57000
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5802'-5858'	6454'-6670'	6774'-7012'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.7	38.7	38.7
Producing, Shut-In or New Zone	Producing	Producing	Producing
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: SEE ATTACHED	Date: Rates: SEE ATTACHED	Date: Rates: SEE ATTACHED
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 49 % 19 %	Oil Gas 23 % 31 %	Oil Gas 17 % 29 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐

Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐

Will commingling decrease the value of production? Yes ☐ No ☒

If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands
or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools

List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.

Bottomhole pressure data.

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 Regulatory Tech

DATE 3/19/2013

TYPE OR PRINT NAME Reesa Holland

TELEPHONE NO. (432) 818-1062

E-MAIL ADDRESS Reesa.Holland@apachecorp.com

District I
1625 N. French Drive, Hobbs, NM 88240

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

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Energy, Minerals and Natural Resources Department

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Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation 303 Veterans Airpark Lane Suite 3000 Midland TX 79705
Operator Address
V Laughlin 011 B 9 20S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 873 Property Code 302374 API No. 30-025-40148 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Monument; Abo, SE		
Pool Code	96764		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	7095'-7490'		
Method of Production (Flowing or Artificial Lift)	Artificial Lift		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	40.1		
Producing, Shut-In or New Zone	New Zone		
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: SEE ATTACHED	Date: Rates:	Date: Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 11 % 21 %	Oil Gas % %	Oil Gas % %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐

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- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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 Regulatory Tech DATE 3/19/2013

TYPE OR PRINT NAME Reesa Holland TELEPHONE NO. (432) 818-1062

E-MAIL ADDRESS Reesa.Holland@apachecorp.com

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)				Cum Gas (MCF)				Cum Water (BBL)			
				Blindry	Tub	Drinkard	Abo	Blindry	Tub	Drinkard	Abo	Blindry	Tub	Drinkard	Abo
JW COOPER G	3	3002505871	20S 37E 3E NW SW NW		2392				4903				43850		
ADKINS	5	3002505802	20S 37E 5M	27199											
BERTHA BARBER	9	3002505814	20S 37E 5E	201740				342078				3452			
BERTHA BARBER	10	3002505815	20S 37E 5L	353315				417692				859204			
BRITT B	2	3002505824	20S 37E 5N	22264											
T ANDERSON	3	3002506003	20S 37E 8K	153373				188582				236068			
T ANDERSON	4	3002506004	20S 37E 8K	388548				549655				184027			
BRITT B	2	3002506007	20S 37E 8C NE NE NW	47192				15587				13621			
BERTIE WHITMIRE	5	3002506015	20S 37E 8F	276693				336767				106967			
BERTIE WHITMIRE	6	3002506016	20S 37E 8B SW NW NE				41227				116266				58034
BERTIE WHITMIRE	8	3002506018	20S 37E 8F				40260				164697				95258
BERTHA J BARBER	8	3002506023	20S 37E 8D NW NW	433875				843601				150423			
BERTHA J BARBER	10	3002506024	20S 37E 8E SW NW	504809				698774				162140			
BERTHA J BARBER	11	3002506025	20S 37E 8L NW SW	496776				464654				4377292			
T ANDERSON	3	3002506031	20S 37E 8J NW SE	55960				137847				123047			
L VAN ETEN	8	3002506048	20S 37E 9P	174251				554644				75875			
BRITT B	9	3002506108	20S 37E 15J		261579	45473			3357547	729043	19707	9450	14500		
BRITT B	10	3002506109	20S 37E 15F SE NW	119571	177763	2434		501356	4173916	35808		12179	23792	5748	
BRITT B	11	3002506110	20S 37E 15N		210896				586331				134562		
BRITT B	12	3002506111	20S 37E 15E	316825	192523			1918960	2400651			410575	120508		
BRITT B	10	3002506112	20S 37E 15D	80162	25549			260995	818601			19411	32700		
BRITT B	14	3002506113	20S 37E 15L		146459				681426				5307		
SEMU BRITT	61	3002506114	20S 37E 15P	15015		3970		260016		279325		4526		1467	
SEMU TUBB	70	3002506115	20S 37E 15I		61629	166457			907596	3431375		66178		476621	
STATE Q	1	3002506116	20S 37E 16J W2 NW SE		59223				220345				28053		
HANSEN STATE	3	3002506126	20S 37E 16A W2 NE NE						2337		477		2450		
HANSEN STATE	5	3002506128	20S 37E 16H	521	76711				208565				50047		
BRITT B	18	3002520090	20S 37E 10N	192645	115996			877307	817668			24963	10631		
BRITT B	19	3002520112	20S 37E 15B	118604	171248			489769	572822			55896	34578		
L VAN ETEN	11	3002520217	20S 37E 9I C NE SE		68230				768554				12149		
BRITT B	20	3002520299	20S 37E 10L SW NW SW	111306	165329			936186	914967			35657	8813		
APACHE STATE Q	4	3002520358	20S 37E 16I C NE SE	440	90226			251	587491			43128	15157		
BARBER ADKINS B	1	3002520436	20S 37E 8D C NW NW		13912				184450				28345		
JW COOPER	1	3002520452	20S 37E 3F		216643				3306365				18164		
HANSEN STATE	6	3002520535	20S 37E 16G E2 SW NE		23027				96987				5697		
ELLEN WEIR	1	3002520589	20S 37E 3L		1509										
BRITT B	23	3002520648	20S 37E 3K		22550				97008				3438		
BRITT B	21	3002520649	20S 37E 10J	125733	147611			785213	1034526			36649	18562		
SEMU BLINERY TUBB	85	3002520655	20S 37E 15H	2792	152781			5788	754197			858	31550		
E H B PHILLIPS B	1	3002520934	20S 37E 10F		203280				2114219				14857		
E H B PHILLIPS B	2	3002520935	20S 37E 10G		86676	38591			928515	354448			12763	8981	
E H B PHILLIPS C	1	3002521052	20S 37E 10A	162	9777			27	28534			254	751		
BRITT B	22	3002521064	20S 37E 10P	23436	167751				94412	777491		105092	105307		
LAUGHLIN	1	3002521652	20S 37E 9H	901	53957				5902	462225		6360	61699		
BRITT PHILLIPS	1	3002521653	20S 37E 10E	2920	24175				1954	1093722		6562	5219		
L VAN ETEN	12	3002521773	20S 37E 9O NW SW SE	119285	3536			344426	1009082			99495	125654		
V LAUGHLIN	4	3002521926	20S 37E 9A		39976				172669				7415		
T ANDERSON	4	3002525292	20S 37E 8I		1781				8000				19238		
BRITT B	26	3002526486	20S 37E 15M		52981				229226				140671		
BRITT B	27	3002526941	20S 37E 15G			45786	142473	15212		548219	7850793	797		24467	12341
ANDERSON	1	3002529962	20S 37E 8O SW SE	13664	12260			61381	29946			91036	101798		
BRITT B	28	3002530470	20S 37E 15K NE NE SW		13973	13192	3917		246379	465963	252835		59076	62193	49198
COOPER	1	3002530527	20S 37E 3B C NW NE		2591				1745439				1344		
GENERAL G STATE	3	3002530865	20S 37E 16D NW NW		2515				59419				45665		
L VAN ETEN	13	3002531727	20S 37E 9K SE NE SW	52506	621		16793	70423	368786		62692	8670	2997		5342
L VAN ETEN	14	3002532518	20S 37E 9M NE SW SW	55715	1564		14009	141968	197064		188770	5373	18214		25609
L VAN ETEN	15	3002532880	20S 37E 9N N2 SE SW	46458				131592				184634			
L VAN ETEN	16	3002532881	20S 37E 9L	114070				415574				154627			
E H B PHILLIPS B	3	3002533015	20S 37E 10C C NE NW		1134				8299				1168		
W H LAUGHLIN	7	3002533141	20S 37E 9E		42052				430975				101148		
THEODORE ANDERSON	10	3002533236	20S 37E 8P	181473				561888				59291			
STATE CC 16	1	3002533284	20S 37E 16C		1966		36757	3850	63910		121286		6687		584845
T ANDERSON	5	3002533296	20S 37E 8I	46133				93892				76504			
STATE H	1	3002533667	20S 37E 3H			85871				262152			4968		
BRITT B	32	3002533906	20S 37E 10M	44030		134855		404131		717490		92793	237381		
BERTHA BARBER	16	3002533919	20S 37E 5K NW NE SW	299	33442			88931	2895	85789		317485	31961	3104	1808
HANSEN STATE	7	3002533967	20S 37E 16B				177071				724960				430491
STATE A	1	3002533970	20S 37E 3A						1692276				800		
STATE H	2	3002533971	20S 37E 3A			144468				2232910			10079		
E H B PHILLIPS C	2	3002533989	20S 37E 10H			2563					507302				13084
THEODORE ANDERSON	12	3002534021	20S 37E 8P SE SE SE		21997				3695	436600			9528		48086
LAUGHLIN	2	3002534067	20S 37E 9G SW SW NE	10950					122756				35129		
APACHE STATE Q	7	3002534162	20S 37E 16J NE NW SE	11701			26684		24108		47022		17010		22682
HANSEN STATE	8	3002534203	20S 37E 16G C SW NE				8793				249155				
BERTHA BARBER	17	3002534204	20S 37E 6F SW SE NW		88982				642565			13432	22436		1245
J COOPER	1	3002534206	20S 37E 3B NW NE			151389				1717924	19262		3756		
STATE A 3	3	3002534207	20S 37E 3I NE SE	181	30068			1504	771771			9502	75260		
THEODORE ANDERSON	14	3002534281	20S 37E 17A				3537					10270			4952
HANSEN STATE	9	3002534286	20S 37E 16H SE SE NE				14735					301315			6302
JW COOPER	5	3002534292	20S 37E 3B NE NW NE	226474				456745				55457	16107		
J COOPER	2	3002534295	20S 37E 3G SW NE			99297				752861				2517	
STATE A 3	4	3002534308	20S 37E 3J NW SE		32518				582674				13690		
BERTHA BARBER	18Y	3002534327	20S 37E 5L SE NW SW	7303	24837		3565	34299	134986			70677	622050	195999	29732
W H LAUGHLIN	8	3002534341	20S 37E 9F NW SE NW			2543	16152			10643	178085		95345	14920	
L VAN ETEN	19	3002534528	20S 37E 9O SE SW SE	3252	1530	191	8512	4223	106	1327	18095	2664	2664	9949	
STATE I	4	3002534954	20S 37E 16N NW SE SW		4368				25966				13504		
LAUGHLIN	1	3002534975	20S 37E 4N SW SE SW		33621	23076	4626		119569	84024	14213		11729	7804	1869
COOPER 5	6	3002535151	20S 37E 5G SW SW NE		16899	19057			57113	64220			14970	16884	
LAUGHLIN	2	3002535182	20S 37E 4L W2 NW SW		57372				414958				28368		
LAUGHLIN	3	3002535348	20S 37E 4O SE SW SE		50931				140910				35298		
COOPER 5	7	3002535399	20S 37E 5H S2 SE NE		120435				692004				29169		
LAUGHLIN	4	3002535477	20S 37E 4J SW NW SE		113499				312822				38365		
LAUGHLIN	5	3002535584	20S 37E 4H SE SE NE		18795				93700				112939		
LAUGHLIN	6	3002535676	20S 37E 4F SW SE NW		29063	</									

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)				Cum Gas (MCF)				Cum Water (BBL)			
				Blinbry	Tubb	Drinkard	Abo	Blinbry	Tubb	Drinkard	Abo	Blinbry	Tubb	Drinkard	Abo
COOPER 5	8	3002536045	20S 37E 5A SW NE NE		95325				392696				396992		
BERTHA BARBER	21	3002536134	20S 37E 5C SE NE NW		57134				680718				125735		
LAUGHLIN 8	1	3002536147	20S 37E 8A		55490	7698	16635		265934	24129	53385		32294	9935	12008
LAUGHLIN	10	3002536161	20S 37E 4P NW SE SE		27027				82878				78557		
BERTIE WHITMIRE	11	3002536331	20S 37E 8B W2 NW NE		47758				177109				77669		
COOPER 8	2	3002536529	20S 37E 8H SE NE		3307		39		16594				27301		1278
V LAUGHLIN	5	3002536675	20S 37E 9C		5536		31682		16494			112037	4474		18996
BARBER ADKINS 8	2	3002536717	20S 37E 8L SW NW SW				10863					79513			29677
APACHE STATE Q	8	3002537267	20S 37E 16P NE SE SE		30233	21814			216611	202915			27524	16072	
STATE A 3	8	3002539220	20S 37E 3P E2 SE SE	1411	3091			4260	9868			92237	215072		
HANSEN STATE	11	3002539562	20S 37E 16				28988					92160			91289
HANSEN STATE	12	3002539563	20S 37E 16H		635		1498		3718			18037			6655
BERTHA BARBER	22	3002539564	20S 37E 5		10364	3560			1742	42446			64038	63276	
BERTHA BARBER	23	3002539565	20S 37E 5		16370				63068				112714		
V LAUGHLIN	7	3002539587	20S 37E 9D		3976	3419	19553		31756	10104	57891		17027	14651	87319
HANSEN STATE	14	3002539635	20S 37E 16B NW NE		1147		1578		40999		34005		10707		12058
V LAUGHLIN	8	3002539899	20S 37E 9C				9762					83507			11370
T ANDERSON	5	3002539900	20S 37E 8N		1664	509	4548		6331	1237	19675		3267	999	29607
W H LAUGHLIN	12	3002539905	20S 37E 9E		575	1298	7927	6549	9824	5456	84885	9789	22025	8973	18663
APACHE STATE Q	9	3002539906	20S 37E 16I		1301	1304	1195	940	11089	8148		17647	17647	13331	
W H LAUGHLIN	11	3002539909	20S 37E 9F				4300	5669		46163	73118			3648	2377
T ANDERSON	6	3002540145	20S 37E 8K				22334				40931				34272
T ANDERSON	7	3002540146	20S 37E 8N				14776				29862				25812
V LAUGHLIN	11	3002540148	20S 37E 9B				6493				39892				89325
LAUGHLIN	5	3002540207	20S 37E 9G		105	2548			10320	15484			1910	61850	
TOTALS				5,161,158	4,555,740	1,024,339	858,129	13,443,769	42,772,731	12,047,509	12,559,751	8,629,401	4,004,314	1,177,638	1,886,453
AVERAGES				114,692	53,597	39,398	24,518	305,540	497,357	463,366	330,520	200,684	47,110	45,294	55,484

Proposed Allocations	Oil	Gas	Water
Blinbry	49%	19%	57%
Tubb	23%	31%	14%
Drinkard	17%	29%	13%
Abo	11%	21%	16%
TOTAL	100%	100%	100%

V. Laughlin #11

API # 30-025-40148

Sec 9, T20S, R37E

Elevation: 3565' KB, 3555' GL

TD: 7,700'

PBTD: 7,656'

Casing Record: 13-3/8" 48# H-40 @ 1197' w/ 850 sxs

8-5/8" 32# J-55 @ 4805' w/ 1705 sxs

5-1/2" 14# J-55 @ 7,714' w/ 925 sxs Burst: 5320 psi; 80%= 4256 psi

Perfs: **Blinebry:** 5802-04; 5808-18; 5822-24; 58232-29; 2830-34; 5836-40; 5852-58 (40 holes)

Tubb: 6454; 56; 58; 62; 68; 70; 72; 6510; 12; 14; 16; 30; 32; 48; 50; 54; 56; 60; 62; 72; 76; 88; 90; 92; 96; 98; 6607; 11; 35; 60; 68; 70 (30 holes)

Drinkard: 6774-76; 6809-10; 6814-18; 6830-32; 6838-40; 6842-46; 6849-51; 6854-57; 6862-66; 6868-72; 6898-6900; 6914-16; 6935-39; 6946-47; 6956-58; 6978-82; 6996-7000; 7009-12 (138 holes)

Abo (Behind CIBP): 7095-97; 7132-351 7137-40; 7144-48; 7152-55; 7160-63; 7166-69; 7172-76; 7178-82; 7195- 98; 7207-09; 7216-26; 7236-46; 7248-53; 7256-64; 7274-76; 7278-82; 7292-96; 7344-46; 7348-50; 7373-75; 7380-83; 7410-14; 7424-28; 7430-33; 7438-40; 7442-45; 7450-54; 7476-79; 7484-86; 7488-90 (288 holes)

Objective: Drill out CIBP to Abo and commingle B-T-D-A production.

AFE: PA-13-3497

1. MIRU unit. Kill well as necessary. Unseat pump. POOH W/ rods and pump.
2. ND WH. NU BOP. Release TAC @ 5,760'. POOH w/ tubing and TAC.
3. RU reverse unit. PU 4-3/4" bit, bit sub, and 5-1/2" casing scraper on 2-7/8" tubing to be used as work string. RIH and tag the CIBP @ at 7,075'. Break circulation and drill out plug. CIH to PBTD @ 7,656'. Circulate hole clean. POOH.
4. Spot acid and chemical if necessary across the Abo perforations.
5. RIH w/ production equipment as per the Monument office specifications.
6. RDMOPU. Return well to production and place into test for 10 days. Have chemical representative test fluids and put well on the appropriate chemical maintenance program.

GL=3553'
KB=3565'
Spud:7/4/11

Apache Corporation – V. Laughlin #11

Wellbore Diagram – Proposed

Date : 3/14/2013

API: 30-025-40148

Surface Location

R. Taylor



330' FNL & 2220' FEL,
Lot B Sec 9, T20S, R37E, Lea County, NM

Surface Casing

13-3/8" 48# H-40 @ 1143' w/ 814 sxs to surface

DV @ 3,669' w/ 1100 sxs

Intermediate Casing

8-5/8" 32# J-55 @ 4800' w/ 409 sxs.

ECP @ 4,718' w/ 404 sxs

TAC @ TBD'

SN @ TBD'

11/11: Perf Blinbry @ 5802-04; 5808-18; 5822-24; 5823-29; 5830-34; 5836-40; 5852-58 w/ 1 jpsf (40 holes). Acidized w/ 3000 gal 15% NEFE. Frac'd w/ 58k gal SS 3000 w/ 98k# 20/40 @ 34 BPM.

10/11: Perf Tubb @ 6454; 56; 58; 62; 68; 70; 72; 6510; 12; 14; 16; 30; 32; 48; 50; 54; 56; 60; 62; 72; 76; 88; 90; 92; 96; 98; 6607; 11; 35; 60; 68; 70 w/ 1 jpsf (30 holes). Acidized w/ 4000 gal 15% NEFE. Frac'd w/ 56k gal SS 3000 w/ 121k# 20/40 @ 30 BPM.

10/11: Perf Drinkard @ 6774-76; 6809-10; 6814-18; 6830-32; 6838-40; 6842-46; 6849-51; 6854-57; 6862-66; 6868-72; 6898-6900; 6914-16; 6935-39; 6946-47; 6956-58; 6978-82; 6996-7000; 7009-12 w/ 2 jspf (138 holes). Acidized w/ 8000 gal 15% NEFE.

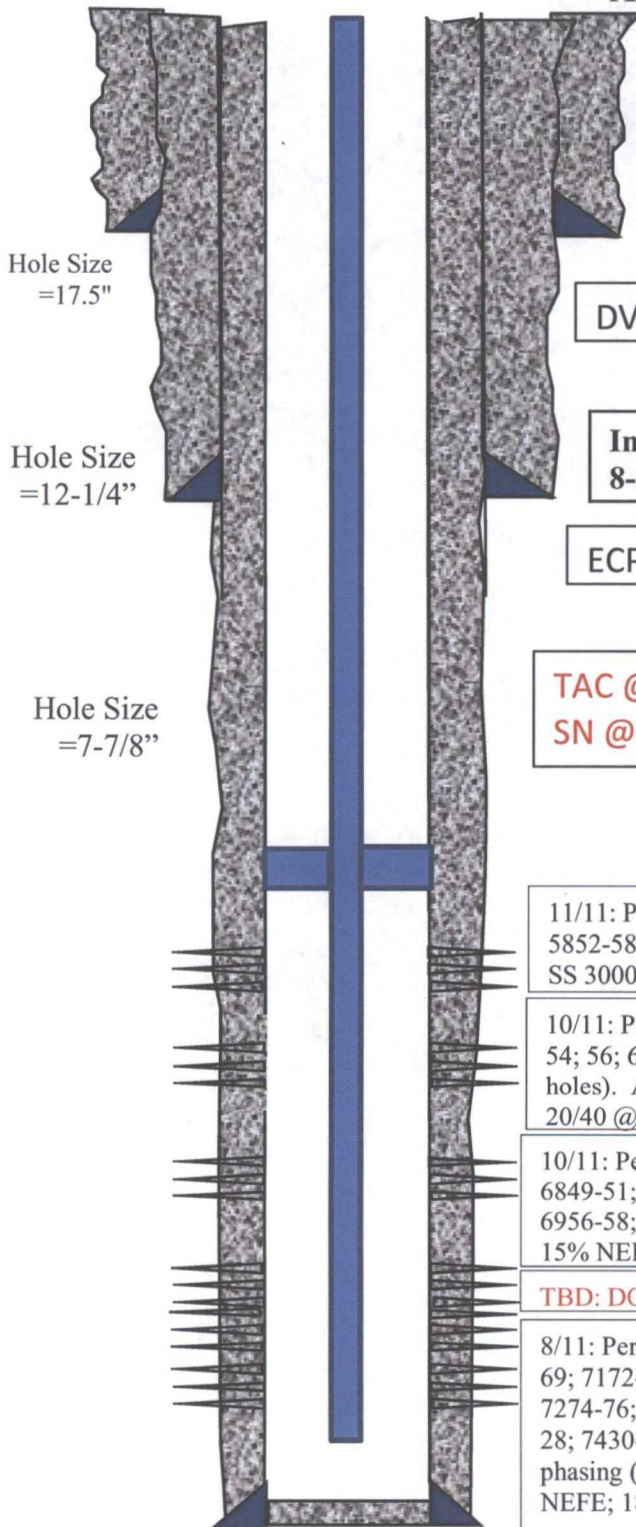
TBD: DO CIBP @ 7075

8/11: Perf Abo @ 7095-97; 7132-35; 7137-40; 7144-48; 7152-55; 7160-63; 7166-69; 7172-76; 7178-82; 7195-98; 7207-09; 7216-26; 7236-46; 7248-53; 7256-64; 7274-76; 7278-82; 7292-96; 7344-46; 7348-50; 7373-75; 7380-83; 7410-14; 7424-28; 7430-33; 7438-40; 7442-45; 7450-54; 7476-79; 7484-86; 7488-90 w/ 2 jspf 120 phasing (288 holes). Acidized w/ 6000 gal 15% NEFE. Frac'd 22k gal 20% NEFE; 18.4K gal BFRAC 20; 30k gal gelled 20% acid in 3 stages.

PBTD = 7,656'
MD = 7,700'

Production Casing

5-1/2" 17# J-55 @ 7700' w/ 575 sxs



Order Number

DFAZ
HOB-571

API Number

30-025-40148

Operator

Apache Corporation

County

Lea

Order Date

02-5-13

Well Name

V. Laughlin

Number

11

Location

B

UL

9

Sec

20S

T (+Dir)

37E

R (+Dir)

Pool 1

163780

Weir Blinberry

Oil %

25%

Gas %

36%

Pool 2

47090

Monument Tubb

9%

10%

Pool 3

57000

Skaggs Drinkard

166%

54%

Pool 4

Comments:

Posted in RBPMs 2-5-13 CHM

FEB 06 2013

DHC-HOB-511
30-025-40148

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corporation

PROPERTY NAME: V. Laughlin #11

WNULSTR: 11-B-9-205-37E

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Weir Blinebry</u>	<u>107</u> <u>214</u> MCF
POOL NO. 2 <u>Monument Tubb</u>	<u>222</u> <u>2220</u> MCF
POOL NO. 3 <u>Skaggs Drinkard</u>	<u>142</u> <u>1420</u> MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS	<u>471</u> <u>3854</u> MCF

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Weir Blinebry</u>	<u>25%</u>	<u>36%</u>
POOL NO. 2 <u>Monument Tubb</u>	<u>9%</u>	<u>10%</u>
POOL NO. 3 <u>Skaggs Drinkard</u>	<u>66%</u>	<u>54%</u>
POOL NO. 4 _____	_____	_____

$66\% \times 471 = 310.86$
<311>

	<u>OIL</u>	<u>GAS</u>
SECTION III:	$106\% \div 142 = 215.15$	<u><215></u>
SECTION IV:	$25\% \times 215 = 53.75$	<u><54></u>
	$9\% \times 215 = 19.35$	<u><19></u>
	$66\% \times 215 = 141.9$	<u><142></u>

Submit 3 Copies To Appropriate District Office

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

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 87402
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

JAN 28 2013

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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.)		WELL API NO. 30-025-40148
1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other:		5. Indicate Type of Lease STATE ☐ FEE ☒
2. Name of Operator Apache Corporation		6. State Oil & Gas Lease No.
3. Address of Operator 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705		7. Lease Name or Unit Agreement Name V Laughlin
4. Well Location Unit Letter B : 330 feet from the North line and 2220 feet from the East line Section 9 Township 20S Range 37E NMPM County Lea		8. Well Number 011
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3553' GR		9. OGRID Number 873
		10. Pool name or Wildcat Blinc(63780)/Tubb(47090)/Drinkard(57000)

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. *Per R-11363 EFF 11/18/2011*

Apache would like to DHC the following pools:

Pool Names:	Perforations:
Weir; Blincbry 63780	Blincbry 5802'-5858'
Monument; Tubb 47090	Tubb 6454'-6670'
Skaggs; Drinkard 57000	Drinkard 6774'-7012'

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

	OIL	GAS	WATER
Blincbry	25%	36%	27%
Tubb	9%	10%	14%
Drinkard	66%	54%	59%

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

Spud Date: 07/04/2011

Rig Release Date: 07/16/2011

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 01/23/2013

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 05 2013

Conditions of Approval (if any):

DHC - HBB - 0511

FEB 06 2013



January 23, 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
V Laughlin #11 API 30-025-40148
Unit B, Section 9, T20S, R37E
Weir; Blinbry (63780), Monument; Tubb (47090) & Skaggs; Drinkard (57000)
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.

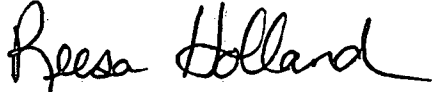
The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

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". The signature is written in a cursive, flowing style.

Reesa Holland
Sr. Staff Regulatory Technician

Case Name	Well Number	100 DIGIT API	Location	Cum Oil (BBL)	Cum Gas (MCF)	Cum Water (BBL)
L D JONES	1	3002507722	20S 38E 1H SE NE	3476	186180	5043
PHILLIPS HOUSE STATE	1	3002507725	20S 38E 2O	103291	494100	26177
STATE U	1	3002507727	20S 38E 2P	157611	97687	184324
RUTH TERRY FURNEAUX	1	3002521835	19S 38E 26D	41884	634130	9930
MCNEIL	1	3002526880	19S 38E 27A	12652	159692	11974
WERTA FEDERAL	1	3002527696	19S 38E 35O SW SE	46469	230648	58471
L & M	1	3002528287	20S 38E 2N C S2 SW	2365	10319	10929
CARDINAL	1	3002529793	19S 38E 27G SW NE	1753	20105	3910
EMERALD	1	3002530027	19S 38E 25P SE SE	36250	1425	1684
TIFFANY	1	3002530589	19S 38E 28E SW NW	45344	382700	8661
TIFFANY	2	3002530656	19S 38E 26F SE NW	51820	422043	3910
LIA	1	3002530720	19S 38E 26L	1087	20709	1653
TIFFANY	3	3002530730	19S 38E 26C NE NW	26949	224185	23952
NADINE 27	1	3002530804	19S 38E 27I NE SE	9932	9381	3295
NADINE 25	1	3002531170	19S 38E 25K NE SW	72711	60014	2951
FRANCES EVELYN	1	3002532163	19S 38E 35N SE SW	5470	178662	6488
DREESSEN	1	3002534857	20S 38E 1G C SW NE	2199	7175	260014
HOWSER	1	3002534970	20S 38E 1J C NW SE	1371	28097	35070
REDTAG	1	3002535333	20S 38E 2J NW NW SE	27744	82918	23039
REDTAG	2	3002535630	20S 38E 2K NE NE SW	17624	920161	35934
TOPAZ	1	3002535906	19S 38E 25C NE NE NW	5381	42746	17293
WHITE OWL	1	3002536689	20S 38E 2D NW NW NW	36966	134593	26858
BLOW BOY FEDERAL	1	3002536962	19S 38E 35J NW NW SE	25231	93025	36068
ROUND-UP	1	3002537100	19S 38E 35H SW SE NE		980	
SALEM	1	3002537316	20S 38E 3A SE NE NE	4495	8977	20350
SCHUBERT FARMS	1	3002537548	19S 38E 25B NE NW NE		58	25858
L & M	2	3002539450	20S 38E 2	2475	13427	11848
L & M	3	3002539652	20S 38E 2	2338	1671	4965
REDTAG	3	3002539655	20S 38E 2	1973	2334	
REDTAG	4	3002539966	20S 38E 2K NE SW	925	615	
L & M	8	3002540262	20S 38E 2N	321	229	
TOTALS				198,508	37,769	71,159
AVERAGES				10,448	3,777	37,668

Proposed Allocations	Oil	Gas	Water
Blaineby	25%	36%	27%
Tubb	9%	10%	14%
Drinkard	66%	54%	59%
TOTAL	100%	100%	100%

HOBBS OCD

JAN 28 2013

DISTRICT I
6020 St. Francis Dr., Hobbs, NM 88201DISTRICT II
1220 W. Grand Avenue, Artesia, NM 87210DISTRICT III
6020 Rio Grande Rd., Las Cruces, NM 87110DISTRICT IV
1120 N. St. Francis Dr., Santa Fe, NM 87102

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State of New Mexico
Energy, Minerals and Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form O-102

Revised July 10, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

□ AMENDED REPORT

API Number 30-025-40148	Pool Code 63780	Pool Name Weir; Blinebry
Property Code 302374	Property Name V. LAUGHLIN	Well Number 011
OCRID No. 873	Operator Name APACHE CORPORATION	Elevation 3553'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	20 S	37 E		330	NORTH	2220	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 ALLOWANCE 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 Lot - N 32°35'38.47" Long - W 105°15'18.45" HUSPCC - N 351517.448 E 873403.024 (HAD-85) SURFACE LOCATION Lot - N 32°35'38.02" Long - W 105°15'18.74" HUSPCC - N 351455.343 E 872211.158 (HAD-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 geophysical testing agreement or a compulsory pooling order heretofore entered by the Division. <i>Beverly Hatfield</i> Signature Date Beverly Hatfield Printed Name Beverly.Hatfield@apache.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. <i>Gary L. Jones</i> Signature & Seal of Professional Surveyor W.A. Jones Certificate No. Gary L. Jones 7977 DASH SURVEYS 24672
---	---

HOBBS OCD
JAN 28 2013

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DISTRICT I
1424 H. French Dr., Santa Fe, NM 87510

DISTRICT II
1201 W. Grand Avenue, Alameda, NM 88210

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

DISTRICT IV
1120 S. St. Francis Dr., Santa Fe, NM 87510

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

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

Form O-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40148	Pool Code 47090	Pool Name Monument; Tubb
Property Code 302374	Property Name V. LAUGHLIN	Well Number 011
OCRID No. 873	Operator Name APACHE CORPORATION	Elevation 3553'

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
8	9	20 S	37 E		330	NORTH	2220	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 80	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°35'38.47" Long - W 103°15'10.45" NAD83 - 11 301517.446 E 073403.814 (Q1AD-83) SURFACE LOCATION Lat - N 32°35'38.02" Long - W 103°15'16.74" NAD83 - 11 301455.543 E 073321.258 (Q1AD-83)	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 is a voluntary pooling agreement or a temporary pooling under applicable rules of the division. <i>Beverly Hatfield</i> Signature Date Beverly Hatfield Printed Name beverly.hatfield@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. Date Surveyed Signature & Seal of Professional Surveyor <i>[Signature]</i> W.D. Jones Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24672
---	---

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JAN 28 2013

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DISTRICT I
1825 W. French Dr., Hobbs, NM 88240

DISTRICT II
1321 W. Grand Avenue, Alameda, NM 88101

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

DISTRICT IV
1110 S. St. Francis Dr., Santa Fe, NM 87503

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form O-102
Revised July 10, 2010

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40148	Pool Code 57000	Pool Name Skaggs; Drinkard
Property Code 302374	Property Name V. LAUGHLIN	Well Number 011
OGCHD No. 873	Operator Name APACHE CORPORATION	Elevation 3553'

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	20 S	37 E		330	NORTH	2220	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 Initial	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°35'30.47" Long - W 103°15'10.45" NADSPCC - N 881517.448 E 873403.024 (NAD-83) SURFACE LOCATION Lat - N 32°35'30.02" Long - W 103°15'10.74" NADSPCC - N 881455.543 E 873221.250 (NAD-83)		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 previously entered by the Division. Signature: <i>Beverly Hatfield</i> Date: <i>7-14-11</i> Printed Name: Beverly Hatfield Email Address: <i>beverly.hatfield@apachecorp.com</i>
		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: <i>7-14-11</i> Signature of Surveyor: <i>[Signature]</i> Professional Surveyor: <i>[Stamp]</i> V.L. Jones Certificate No. Gary L. Jones 7977 DASH SURVEYS 24672

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

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MAY 25 2011

MAY 25 2011

State of New Mexico
Energy, Minerals and Natural Resources Department

MAY 25 2011

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Form C-102

Revised July 18, 2010

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40148	Pool Code 96764	Pool Name Monument; ABD, Southeast
Property Code 302374	Property Name V. LAUGHLIN	Well Number 11
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3553'

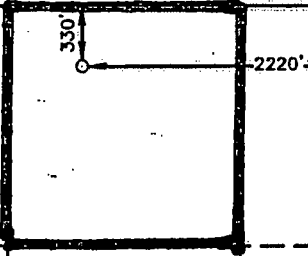
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	9	20 S	37 E		330	NORTH	2220	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°35'38.47" Long - W 103°15'18.45" NMSPCE - N 581517.446 E 873403.824 (NAD-83) SURFACE LOCATION Lat - N 32°35'38.02" Long - W 103°15'16.74" NMSPCE - N 581455.545 E 832221.258 (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>Sorina L. Flores</i> 5/23/11 Signature Date Sorina L. Flores Printed Name sorina.flores@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. <i>GARY L. JONES</i> Date Surveyed Signature & Seal of Professional Surveyor W.C. Jones 24672 Certificate No. Gary L. Jones 7977 BASIN SURVEYS 24672
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JUN 06 2011



March 19, 2013

**Mr. Will Jones
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505-4225**

**RE: Application for Exception to Rule 303-C – Downhole Commingling
V Laughlin #11 API 30-025-40148
Unit B, Section 9, T20S, R37E
Weir; Blinebry (63780), Monument; Tubb (47090), Skaggs; Drinkard (57000) &
Monument; Abo, Southeast (96764)
Lea County, New Mexico**

Dear Mr. Jones:

Apache is requesting to amend DHC-511 to add the Abo formation. Enclosed please find form C-107A 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 analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

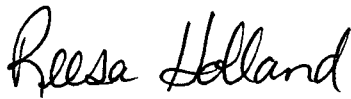
The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on

each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

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

Sincerely,

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

Reesa Holland
Sr Staff Regulatory Technician

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