

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



October 31, 2016

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-457
Administrative Application Reference No. pMAM1625136990

Apache Corporation
Attention: Ms. Isabel Hudson

Pursuant to your application received on October 6, 2016, Apache Corporation (OGRID 873) is hereby authorized to surface commingle oil and gas production from the following pools:

Red Lake; Queen-Grayburg-SA (51300)
Red Lake; Glorieta-Yeso, Northeast (96836)

and from the following diversely owned federal wells and leases in said Section, Township, and Range in Eddy County, New Mexico.

Lease: Federal Lease NMLC-065478-A
Description: Lot 7 and Lot 8 (N/2 NW/4 equivalent) of Irregular Section 4, Township 18 South, Range 27 East
Well: West Red Lake 4 Federal Well No. 1 30-015-29990
West Red Lake 4 Federal Well No. 2 30-015-30186
West Red Lake 4 Federal Well No. 3 30-015-30134
Pool: Red Lake; Queen-Grayburg-SA

Lease: Federal Lease NMNM-29280
Description: Lot 16 (NW/4 SW/4 equivalent) of Irregular Section 4, Township 18 South, Range 27 East
Well: Lago Rosa 4 Federal Well No. 4 30-015-30150
Pool: Red Lake; Queen-Grayburg-SA

Lease: Federal Lease NMLC-055465-B
Description: SE/4 NW/4 of Section 3, Township 18 South, Range 27 East
Wells: Vermillion 3 Federal Well No. 3 30-015-30151
Vermillion 3 Federal Well No. 4 30-015-30135
Pool: Red Lake; Queen-Grayburg-SA

Lease: Federal Lease NMLC-028805-B
Description: SW/4 NW/4 of Section 3, Township 18 South, Range 27 East
Wells: Red Lake 3 Federal Well No. 2 30-015-29802
Pool: Red Lake; Queen-Grayburg-SA and Red Lake; Glorieta-Yeso, Northeast

The commingled oil and gas production from the West Red Lake 4 Federal Well No. 1, West Red Lake 4 Federal Well No. 2, West Red Lake 4 Federal Well No. 3, and the Lago Rosa 4 Federal Well No. 4 shall be measured and sold at the West Red Lake 4 Federal Well No. 1 central tank battery (West Lake 4 CTB) located in Lot 8 (NW/4 NW/4 equivalent) of Irregular Section 4, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

The commingled oil and gas production from the Vermillion 3 Federal Well No. 3, Vermillion 3 Federal Well No. 4, and the Red Lake 3 Federal Well No. 2 shall be measured and sold at the West Vermillion 3 Federal Well No. 3 central tank battery (Vermillion CTB) located in Unit E of Section 3, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

Oil and gas production from these wells shall be measured at each of the satellites as follows: The daily oil and gas production from each well shall be tested at each satellite on a rotating basis. The gas production shall then be combined from all wells serving that satellite, measured and sold at those sales points. The oil production from the West Red Lake 4 CTB shall be measured continuously by Coriolis meters prior to leaving the satellite, then transported by pipeline to the Vermillion CTB where oil from the two satellites shall be combined, measured for sales, and sold at that sales point. All allocation meters shall be calibrated quarterly in accordance with Rule 19.15.12.10.C(2).

After initial notification, future wells that will produce from the pools and leases approved by this order may be added to this commingling authority by submittal of a Sundry Notice to the Engineering Bureau in Santa Fe.

This installation shall be installed and operated in accordance with the applicable Division Rules. It is the responsibility of the producer to notify the transporter of this commingling authority.

This approval is subject to like approval from Bureau of Land Management before commencing commingling operations.

The operator shall notify the Artesia District office of the Division prior to implementation of the commingling operations.

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DAVID R. CATANACH
Director

DRC/mam

cc: Oil Conservation Division District Office – Artesia
Bureau of Land Management – Carlsbad