

DATE IN <u>6/16/00</u>	SUSPENSE <u>7/6/00</u>	ENGINEER <u>DC</u>	LOGGED <u>MV</u>	TYPE <u>DHC</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2

JUN 16 2000

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling
 NSL NSP DD 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

[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 if 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] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

Lee R. White		Engineering Manager	6/13/00
Print or Type Name	Signature	Title	Date



2000 POST OAK BOULEVARD / SUITE 100 / HOUSTON, TEXAS 77056-4400

WWW.APACHECORP.COM
(713) 296-6000

June 13, 2000

Attn: David Catanach
State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**Re: Application to Amend Downhole Commingle Permit DHC-2068
Owen 'B' No. 6
Blinebry Oil & Gas Pool (Pro Gas) (72480) / Tubb Oil & Gas Pool (86440)
Drinkard Pool (19190) / Wantz Abo Pool (62700)
Lea County, New Mexico**

Apache Corporation would like to request administrative approval to amend downhole commingle permit DHC-2068 to include the Blinebry Oil & Gas (Pro Gas) Pool in the Owen 'B' No. 6 well.

To support this request we submit the following:

- 1) New Mexico – OCD Form C-107A
- 2) New Mexico – OCD Form C-102 for Blinebry O&G (Pro Gas) Pool
- 3) New Mexico – OCD Form C-102 for Tubb Oil & GasPool
- 4) New Mexico – OCD Form C-102 for Drinkard Pool
- 5) New Mexico – OCD Form C-102 for Wantz Abo Pool
- 6) Production Curve for Owen 'B' No. 6 commingled in the Tubb, Drinkard and Wantz Abo Pools

- 7) Production Curve for Offset well Mark Owen No. 6 in the Blinebry Pool
- 8) Explanation of method for determining Allocation formula
- 9) Copy of letter sent (by Certified Mail) to Offset operators within one-half mile of Owen 'B' No. 6
- 10) Map of location with one-half mile radius marked

If you have any questions or require additional information regarding this application, please contact me at 713-296-6338. Thank you.

Sincerely,

APACHE CORPORATION



Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: New Mexico Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

DISTRICT I
1625 N. French Drive, Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 S. Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107A
Revised August 1999
APPROVAL PROCESS:
 Administrative
 Hearing
EXISTING WELLBORE
 Yes No

APPLICATION FOR DOWNHOLE COMMINGLING

APACHE CORPORATION 2000 POST OAK BLVD., SUITE 100, HOUSTON, TX 77056-4400
Operator Address

OWEN 'B' 6 K/34/21S/37E LEA
Lease Well No. Unit Ltr.-Sec-Twp-Rgn County

Spacing Unit Lease Types: (one or more)

OGRID NO. 000873 Property Code 22879 API No. 30-025-34321 Federal State Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zone	Intermediate Zone	Lower Zone
1. Pool Name and Pool Code	Blinebry 72480	Tubb 86440	Drinkard 19190	Wantz Abo 62700
2. Top and Bottom of Pay Section (Perforations)	5506 - 5704	6014 - 6186	6336 - 6506	6708 - 7264
3. Type of production (Oil or Gas)	Gas	Gas	Oil	Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift	Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) b. (Original) 1000 (est)	a. b. 2180 (est)	a. b. 600	a. b. 2100
6. Oil Gravity (*API) or Gas BTU Content	1206	1330	35.8	35.1
7. Producing or Shut-In?	Producing	Producing	Producing	Producing
Production Marginal? (Yes or No)	Yes	Yes	Yes	Yes
° If Shut-In, give 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:	Date: Rates:	Date: Rates:	Date: Rates:
° If Producing, give date and oil/gas/water rates of recent test (within 60 days)	Date: 5/24/00 Rates: 0 x 157 x 0	Date: 5/24/00 Rates: 0 x 162 x 0	Date: 5/24/00 Rates: 0 x 69 x 0	Date: 5/24/00 Rates: 4 x 74 x 10
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 0% Gas: 34%	Oil: 0% Gas: 35%	Oil: 0% Gas: 15%	Oil: 100% Gas: 16%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and / or explaining method and providing rate projections or other required data.

10. Are all working, overriding and royalty interests identical in all commingled zones? Yes No
If not, have all working, overriding and royalty interests been notified by certified mail? Yes No

11. Will cross-flow occur? Yes No If yes, are fluids compatible, will the formations be undamaged, will any cross-flow production be recovered and will the allocation formula be reliable. Yes No (If No, attach explanation)

12. Are all produced fluids from all commingled zones compatible with each other? Yes No

13. Will the value of production be decreased by commingling? Yes No (If Yes, attach explanation)

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

15. NMOCD Reference Cases for Rule 303(C) Exceptions: Order No.s DHC-2068, DHC-1323, DHC-410

16. 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, overriding, and royalty interests for uncommon interest cases.
 - ° Any additional statements, data, or documents required to support commingling.

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

SIGNATURE 

TITLE Sr. Engineering Technician

DATE 6/13/00

TYPE OR PRINT NAME Debra J. Anderson

TELEPHONE NO. 713-296-6338

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 1994
Instruction on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District II
P O Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505

AMENDED REPORT

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34321		2 Pool Code 72480		3 Pool Name Blinebry Oil and Gas (Pro Gas)	
4 Property Code 22879		5 Property Name Owen 'B'			6 Well Number 6
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3429

10 Surface Location

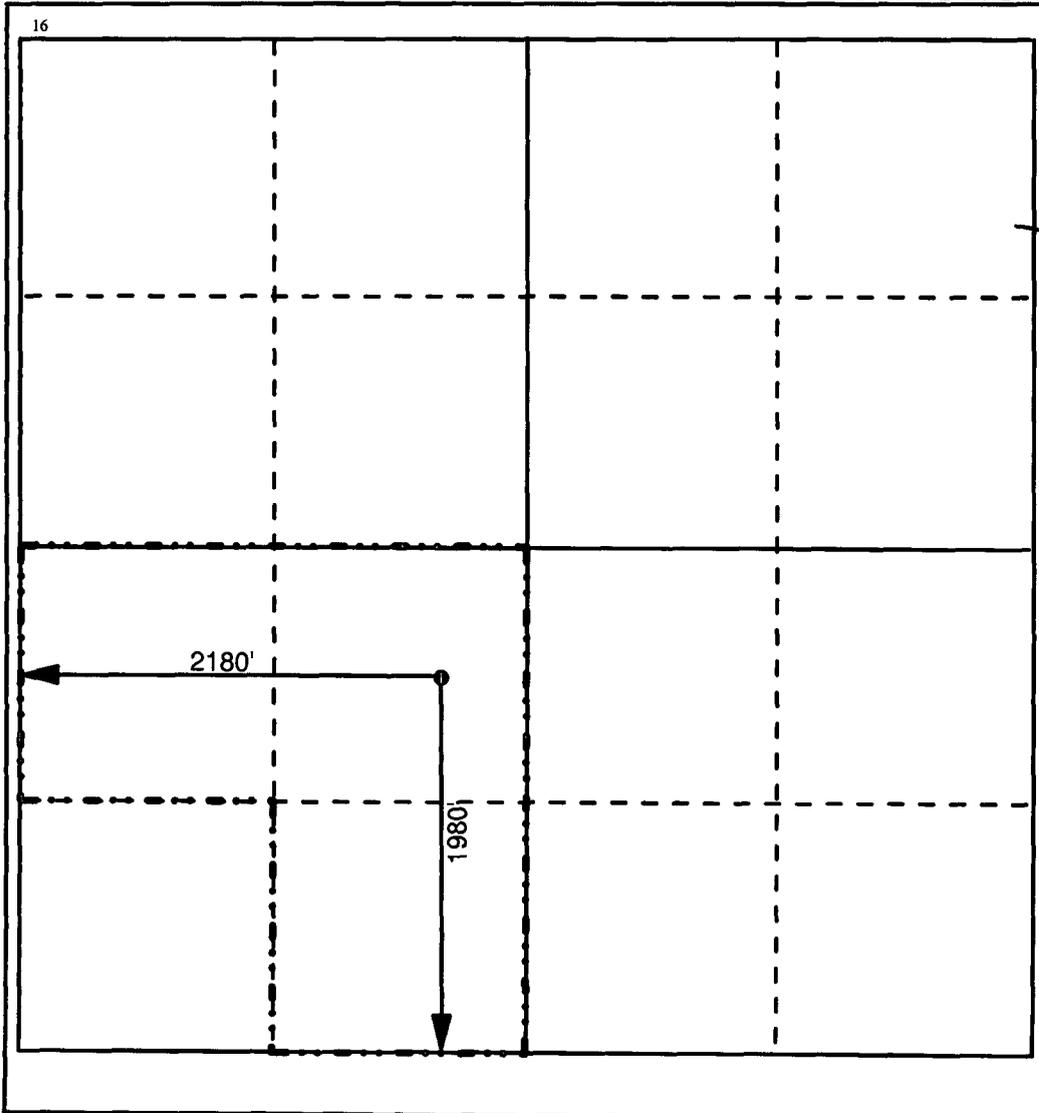
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	21S	37E		1980	South	2180	West	Lea

11 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

12 Dedicated Acres 120	13 Joint or Infill	14 Consolidation Code	14 Order No.
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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



17 OPERATOR CERTIFICATION

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

Signature
Debra J. Anderson
Printed Name
Debra J. Anderson
Title
Sr. Engineering Technician
Date
6/13/2000

18 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 and Seal of Professional Surveyor

Certificate Number

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 1994

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1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34321		² Pool Code 86440		³ Pool Name Tubb Oil & Gas	
⁴ Property Code 22879		⁵ Property Name Owen 'B'			⁶ Well Number 6
⁷ OGRID No. 000873		⁸ Operator Name Apache Corporation			⁹ Elevation 3429

¹⁰ Surface Location

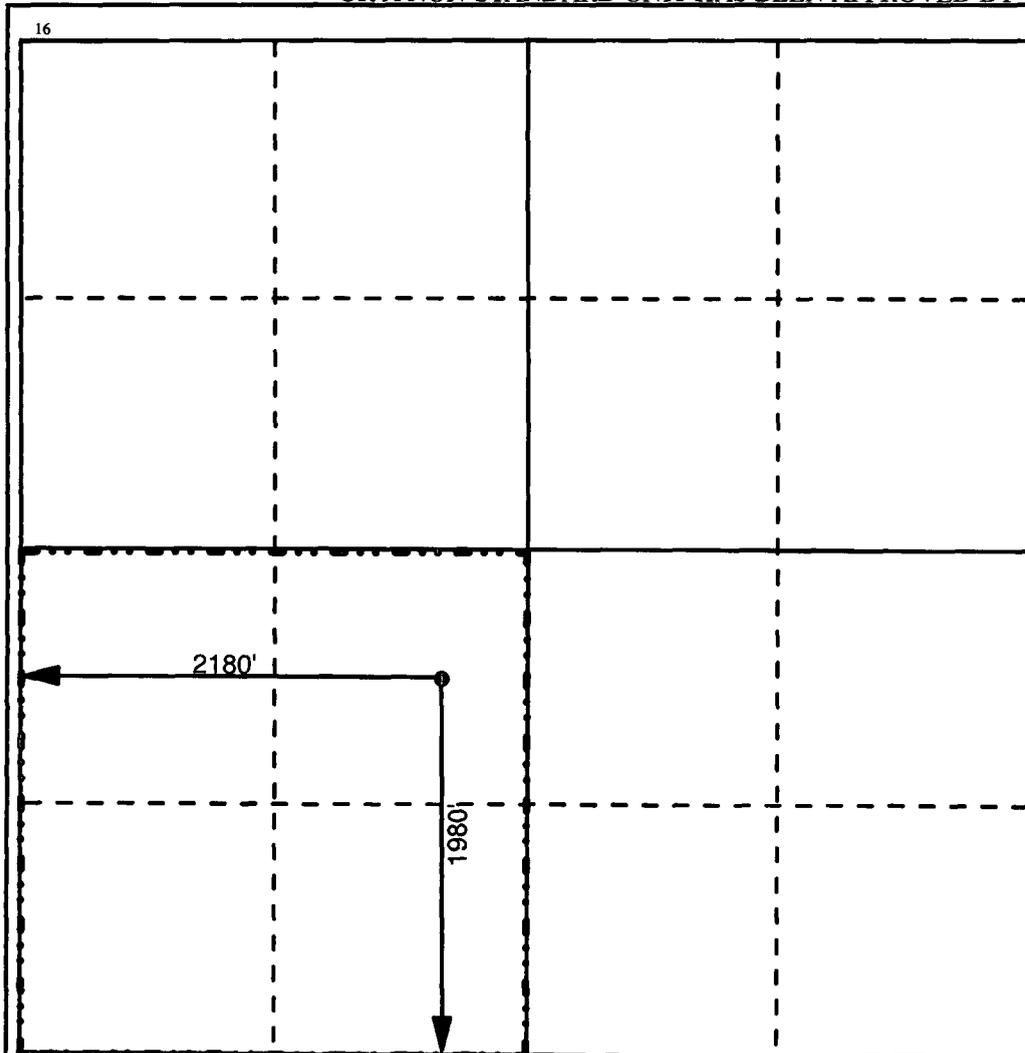
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¹¹ Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁴ Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



¹⁷ OPERATOR CERTIFICATION

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Signature
Debra J. Anderson

Printed Name
Debra J. Anderson

Title
Sr. Engineering Technician

Date
6/13/2000

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Santa Fe, New Mexico 87505

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1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34321		2 Pool Code 19190		3 Pool Name Drinkard	
4 Property Code 22879		5 Property Name Owen 'B'			6 Well Number 6
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3429

10 Surface Location

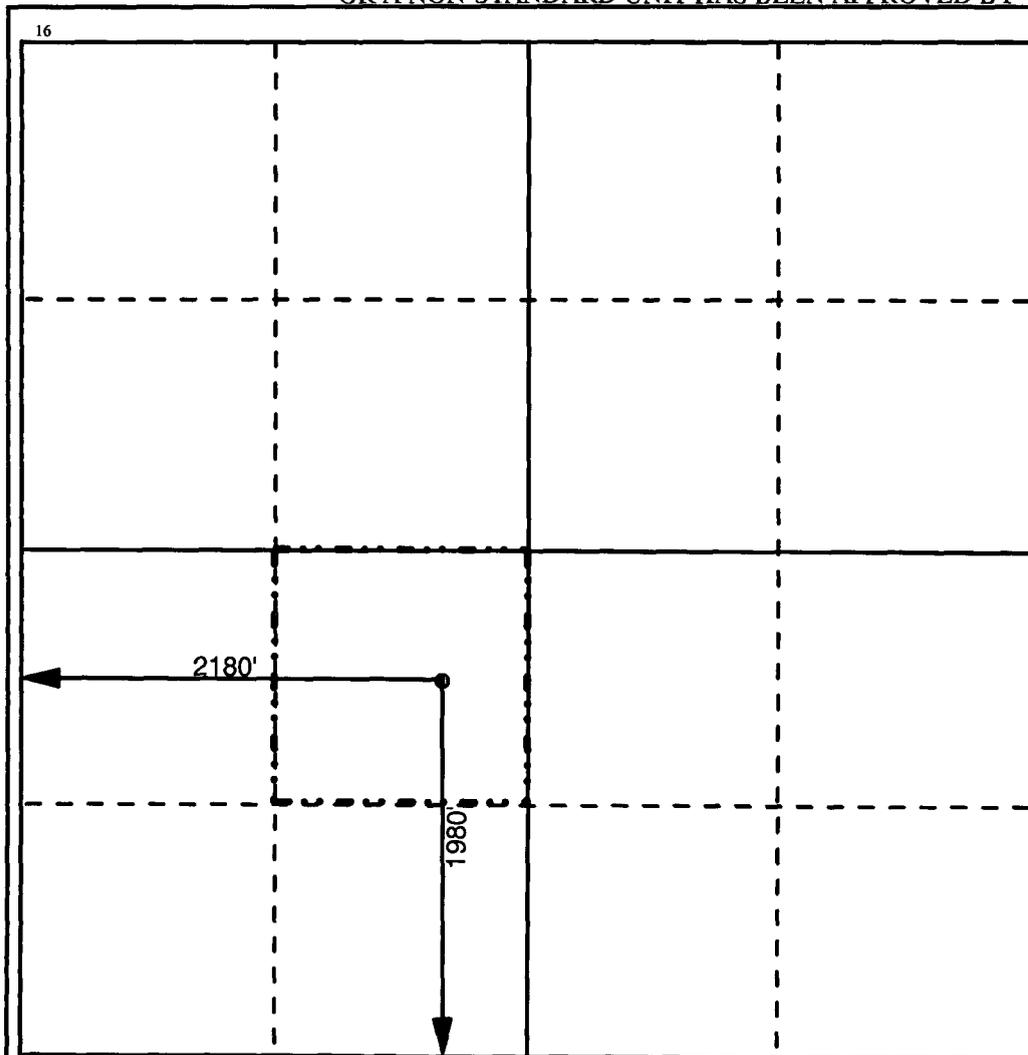
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11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	14 Order No.
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Signature

Printed Name

Debra J. Anderson

Title

Sr. Engineering Technician

Date

6/13/2000

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Santa Fe, New Mexico 87505

AMENDED REPORT

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34321		2 Pool Code 62700		3 Pool Name Wantz Abo	
4 Property Code 22879		5 Property Name Owen 'B'			6 Well Number 6
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3429

10 Surface Location

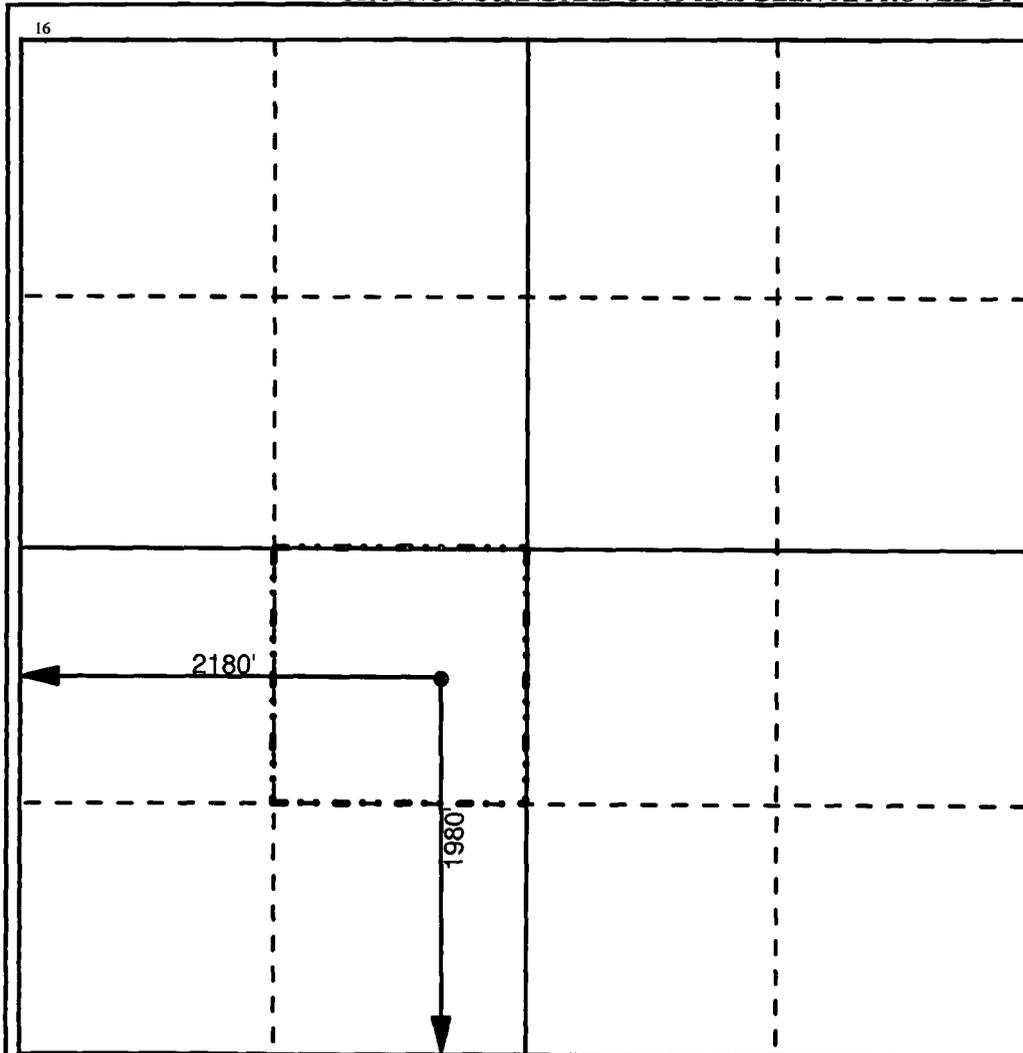
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UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	14 Order No.
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17 OPERATOR CERTIFICATION

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

Signature: *Debra J. Anderson*

Printed Name: **Debra J. Anderson**

Title: **Sr. Engineering Technician**

Date: **6/13/2000**

18 SURVEYOR CERTIFICATION

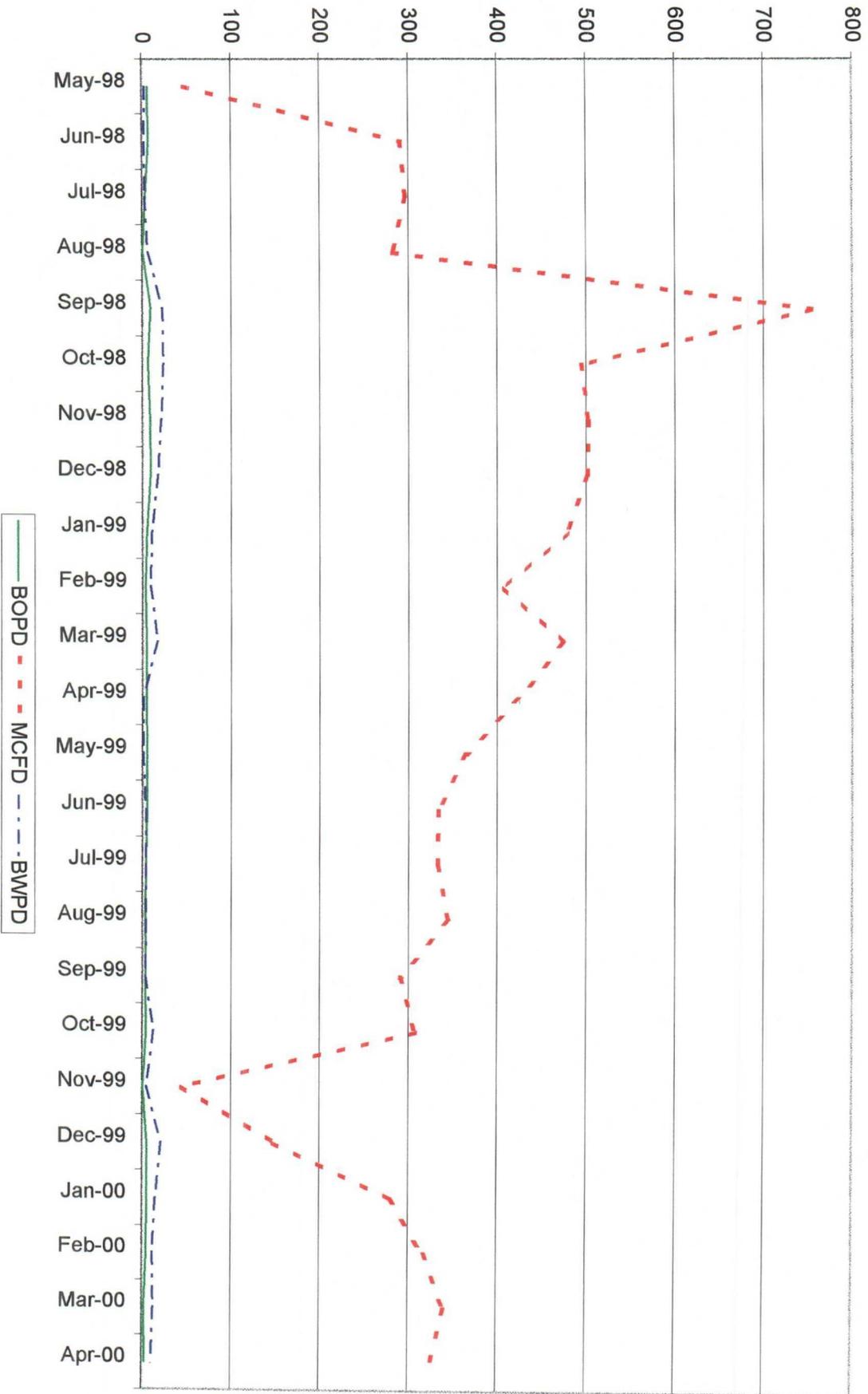
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Date Surveyed

Signature and Seal of Professional Surveyor

Certificate Number

OWEN 'B' NO. 6



Lease: MARK OWEN (6)

Dwights
05/22/00

Retrieval Code: 250,025,21S37E34OPHBL

10³

10²

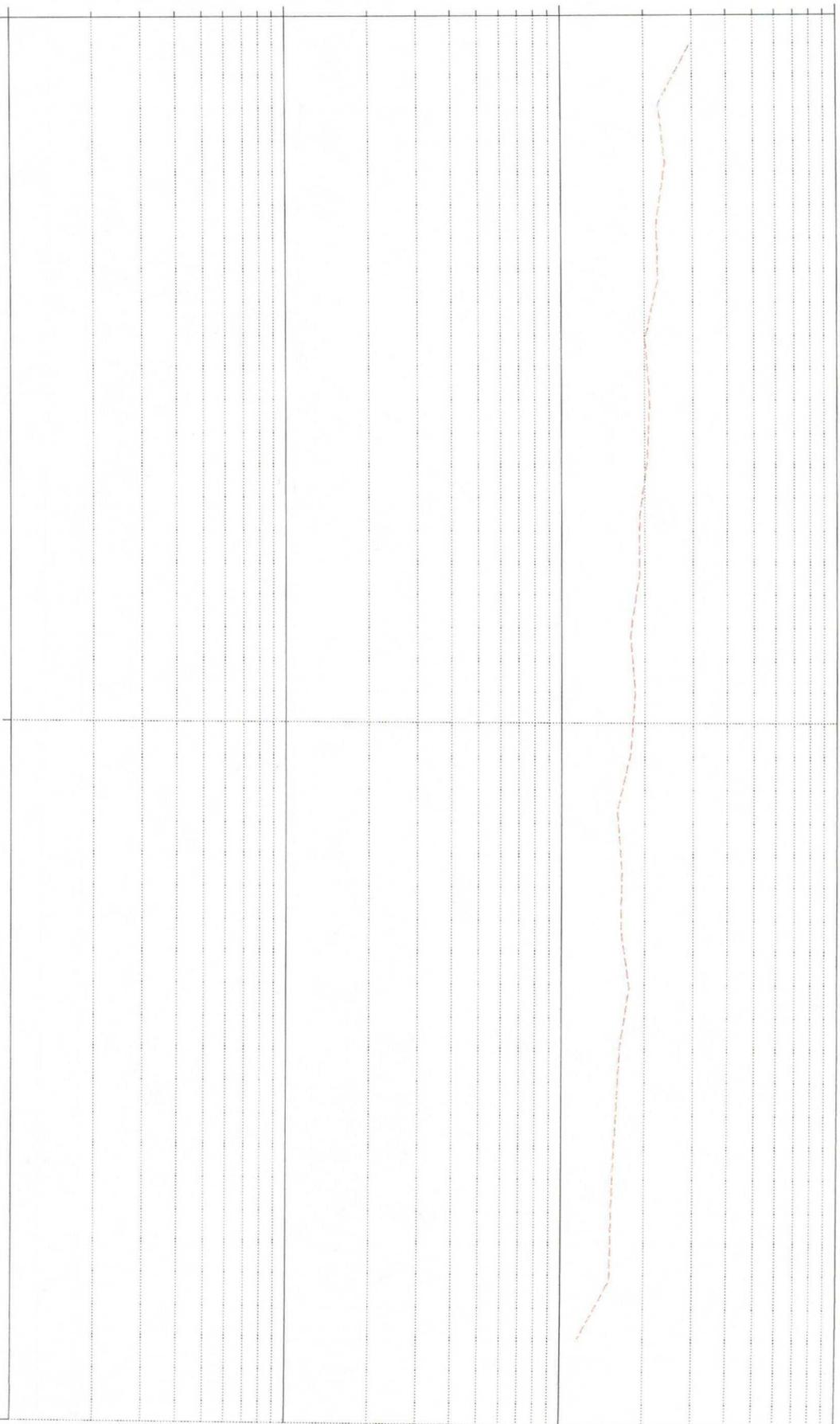
10

1

1998

2000

Gas (mcf/day)



County: LEA

F.P. Date: N/A

Field: BLINEBRY (BLINEBRY) BL

Oil Cum: 41.82 mbbbl

Reservoir: BLINEBRY

Gas Cum: 3025 mmcf

Operator: CHEVRON U S A INC

Location: 34O 21S 37E

REQUEST TO AMEND EXISTING ALLOCATION FORMULA

Apache Corporation requests an amendment to the existing allocation formula for Owen 'B' No. 6 due to the addition of the Blinebry Oil & Gas Pool (Pro Gas) and decline in the oil production

ORIGINAL ALLOCATION FORMULA:

The original allocation formula was based on production tests performed when the well was first completed in 5/98 and as additional zones (Drinkard & Tubb) were added in 8/98

Wantz Abo - Production Test (5/23/98)	19 BO x 173 MCF
Drinkard - Production Test (8/16/98)	1 BO x 170 MCF
Tubb - Production Test (8/31/98)	0 BO x 422 MCF
Combined Production Test - 9/1/98	18 BO x 765 MCF

Allocation Formula for Owen 'B' No. 6 Downhole Commingle as of 9/1/98:

Wantz Abo	94% Oil	16% Gas	23%
Drinkard	6% Oil	15% Gas	22%
Tubb	0% Oil	55% Gas	55%

As of 1/1/99 production has declined to 6 BO x 325 MCF

Prior to Adding Blinebry in 11/99 - Production Test = 6 BO x 315 MCF

Post Blinebry Addition - Production Test 1/1/00 = 6 BO x 477 MCF

REQUESTED ALLOCATION FORMULA

			OIL	GAS
Abo	100% Oil	16% Gas	5.64	72.45
Drinkard	0% Oil	15% Gas	.36	69.3
Tubb	0% Oil	35% Gas	0	173.25
Blinebry	0% Oil	34% Gas	0	162.0
				<hr/>
				477.

**OWEN 'B' NO. 6
OFFSET OPERATORS**

Chevron U.S.A. Inc.
P O Box 1150
Midland, Texas 79702
Certified Receipt # Z-142-208-309

John H Hendrix Corporation
Box 3040
Midland, Texas 79702-3040
Certified Receipt # Z-142-208-311

Exxon-Mobil
P O Box 4697
Houston, Texas 77210-4697
Certified Receipt # Z-142-208-310

Titan Resources I Inc.
500 W. Texas, Suite 500
Midland, Texas 79701
Certified Receipt # Z-142-208-312



2000 POST OAK BOULEVARD / SUITE 100 / HOUSTON, TEXAS 77056-4400

WWW.APACHECORP.COM
(713) 296-6000

June 13, 2000

Offset Operators

**Re: Application to Amend Downhole Commingle Permit DHC-2068
Owen 'B' No. 6
Blinebry Oil & Gas (Pro Gas) Pool (72480) / Tubb Oil & Gas Pool (86440)
Drinkard Pool (19190) and Wantz Abo Pool (62700)
Lea County, New Mexico**

Attached please find a copy of an application to amend the Downhole Commingle Permit DHC-2068 to include the Blinebry Oil & Gas (Pro Gas) pool in the Owen 'B' No. 6 that Apache Corporation has filed with the New Mexico Oil Conservation Division. If you have an objection to this application, you must notify the OCD in writing within 20 days from the date of this letter.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink that reads "Debra J. Anderson". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Debra J. Anderson
Sr. Engineering Technician

Attachment

cc: New Mexico – Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

