

RECEIVED: <i>MAY 1, 2017</i>	REVIEWER:	TYPE: <i>DHC</i>	APP NO: <i>DMAm 171215 7778</i>
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**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

Applicant: Apache Corporation

OGRID Number: 873

Well Name: State CK Well No. 1

API: 30-025-06672

Pool: Paddock, Tubb, and Blinebry

Pool Code: 49210/60240/19190

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

DHC
-844-A

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location - Spacing Unit - Simultaneous Dedication

☐ NSL☐ NSP (PROJECT AREA)☐ NSP (PRORATION UNIT)☐ SD

B. Check one only for [I] or [II]

[I] Commingling - Storage - Measurement

☒ DHC☐ CTB☐ PLC☐ PC☐ OLS☐ OLM

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

☐ WFX☐ PMX☐ SWD☐ IPI☐ EOR☐ PPR2) **NOTIFICATION REQUIRED TO:** Check those which apply.A. ☐ Offset operators or lease holdersB. ☐ Royalty, overriding royalty owners, revenue ownersC. ☐ Application requires published noticeD. ☒ Notification and/or concurrent approval by SLOE. ☐ Notification and/or concurrent approval by BLMF. ☐ Surface ownerG. ☐ For all of the above, proof of notification or publication is attached, and/or,H. ☐ No notice required**FOR OCD ONLY**☐

Notice Complete

☐Application
Content
Complete

3) **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 Fisher

Print or Type Name

Signature

May 1, 2017

Date

Phone Number

Reesa.fisher@apache.com

e-mail Address



April 13, 2017

State of New Mexico
OIL CONSERVATION DIVISION
1625 N. French Drive
Hobbs, New Mexico 88240

Re: Application for Downhole Commingling Permit – State CK #1 (30-025-06672)
Township 21 South, Range 37 East
Section 19: 330' FSL, 2209 FWL
Lea County, New Mexico

To Whom It May Concern:

On 3/11/2017, operations were completed to add perforations in the Drinkard formation and add the Tubb formation to production in this wellbore. Prior to this work, the well was producing under DHC-844 from both the Paddock and Drinkard at a rate of 7 BOPD, 15 MCFPD, and 160 BWPD. Post-work well tests show the well to now be producing 10 BOPD, 29 MCFPD, and 135 BWPD. Analysis of the incremental production increase on this well does not meet the expected increase based on the production from the very few offset Tubb wells, much less taking into account any applicable increase in production due to the additional Drinkard perms and stimulation. Apache therefore requests permission to attribute any additional production over the rate prior to the workover to the Tubb formation. Please see analysis below:

	DHC-844			New Allocation				
	Oil%	Gas%			Oil (bbls)	Gas(mcf)	Oil%	Gas%
Paddock	72	45		Paddock	$0.72 \times 7 = 5.04$	$0.45 \times 15 = 6.75$	50%	23%
Drinkard	28	55		Drinkard	$0.28 \times 7 = 1.96$	$0.55 \times 15 = 8.25$	20%	29%
				Tubb	3	14	30%	48%

If you have any question regarding the aforementioned, please do not hesitate contacting the undersigned at (432) 818-1961

Sincerely,
APACHE CORPORATION

Jacob Bower
Production Engineer
jacob.bower@apachecorp.com

Well Tests

4/13/2017 3:28:10 PM

Report Period: January 1, 2017 to April 13, 2017

Test	Chk	Tubing PSIG		Casing PSIG		Shut-in PSIG		BH	Pump	Clock	Valid	Volumes					Fluids		Pump	Ratio									
Date	Hrs	In	SPM	High	Low	High	Low	Tubing Casing PSIG	PIP	Freq	H2	Sec	Test	TU Liq	Oil	TU Gas	Frm Gas	Water	Lift	Level	Pump	Stroke	GOR	WGR	GLR	IGLR			
Region: PERMIAN		District: NW DISTRICT										Superintendent: NW DISTRICT (CARNES)										Foreman: EUNICE (DEAN)							
STATE/CKW #1:DR		Status: Producing																											
01/10/17	24												True	162.00	7.00	16.00	16.00	155.00					2.29	22.14	0.10				
02/08/17	24												True	167.00	7.00	15.00	15.00	160.00					2.14	22.86	0.09				
03/13/17	24												True	40.00	5.00	11.00	11.00	35.00					2.20	7.00	0.28				
03/16/17	24												True	39.00	6.00	12.00	12.00	33.00					2.00	5.50	0.31				
03/20/17	24												True	182.00	9.00	27.00	27.00	173.00					3.00	19.22	0.15				
03/21/17	24												True	141.00	8.00	17.00	17.00	133.00					2.13	16.63	0.12				
03/22/17	24												True	144.00	9.00	20.00	20.00	135.00					2.22	15.00	0.14				
03/23/17	24												True	142.00	10.00	25.00	25.00	132.00					2.50	13.20	0.18				
04/05/17	24												True	145.00	10.00	29.00	29.00	135.00					2.90	13.50	0.20				
Averages by Completion:														129.11	7.89	19.11	19.11	121.22											

Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
 District II
 811 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
 District III
 1000 Rai Brown Road, Artesia, NM 87410
 Phone: (505) 334-6178 Fax: (505) 334-6170
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

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

☐ AMENDED REPORT

HOBBBS OCD
 DEC 30 2016
 RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-06672		² Pool Code 60240	³ Pool Name Tubb Oil & Gas (Oil)
⁴ Property Code 23117	⁵ Property Name State CK		⁶ Well Number 001
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation		⁹ Elevation 3516'

" 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	19	21S	37E		330	South	2209	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

¹⁰ Dedicated Acres 40	¹¹ Joint or Infill	¹² Consolidation Code	¹³ 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.

	" 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 in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.		
	Signature: <u>Reesa Fisher</u> Date: <u>12/27/2016</u>		
	Printed Name: <u>Reesa Fisher</u>		
	E-mail Address: <u>Reesa.Fisher@apachecorp.com</u>		
	"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 of Survey: _____		
	Signature and Seal of Professional Surveyor: _____		
	Certificate Number: _____		

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STATE OF	
FILE	
USCG	
LAND OFFICE	
TRANSPORTATION	OIL GAS
PRODUCTION OFFICE	
OPERATION	

NEW MEXICO OIL CONSERVATION COMMISSION

FORM C-128
Revised 5/1/57

WELL LOCATION AND ACREAGE DEDICATION PLAT

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator Pan American Petroleum Corporation			Lease State OK		Well No. 1
Unit Letter N	Section 19	Township 21-S	Range 37-E	County Lea	
Actual Footage Location of Well: 330 feet from the South line and 2209 feet from the West line					
Ground Level Elev. 3516 RDB	Producing Formation Paddock		Pool Undesignated		Dedicated Acreage: 40 Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ____ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communization agreement or otherwise? YES ____ NO ____ . If answer is "yes," Type of Consolidation ____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B

CERTIFICATION

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

Name
Position Area Superintendent
Company Pan American Pet. Corp.
Date January 23, 1962

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed
By State Professional Engineer and or Land Surveyor

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

REQUEST FOR (OIL) - (GAS) ALLOWABLE

New Well
Recommendation

This form shall be submitted by the operator before an initial allowable will be assigned to any completed Oil or Gas well. Form C-104 is to be submitted in QUADRUPLICATE to the same District Office to which Form C-101 was sent. The allowable will be assigned effective 7:00 A.M. on date of completion or recompletion, provided this form is filed during calendar month of completion or recompletion. The completion date shall be that date in the case of an oil well when new oil is delivered into the stock tanks. Gas must be reported on 15.025 psia at 60° Fahrenheit.

Hobbs, New Mexico

January 23, 1962

(Place)

(Date)

WE ARE HEREBY REQUESTING AN ALLOWABLE FOR A WELL KNOWN AS:

Pan American Petroleum Corporation State "OK", Well No. 1 SE 1/4 SW 1/4
(Company or Operator) (Lease)

N 19 Sec. 21-S R 37-E WIPM, Undesignated (Drinkard) Pool

Lea

County Date Spudded 11-23-61

Date Drilling Completed 12-24-61

Please indicate location

Elevation 3516' RDB Total Depth 6753' FBTD 6724'

Top Oil/Gas Pay 6630' Type of Prod. Form. Drinkard

PRODUCING INTERVAL -

Perforations 6631'-6654'; 6661'-6667' w/2 JSPP

Open Hole 6753' Depth 6631'

OIL WELL TEST -

Natural Prod. Test: bbls. oil, bbls. water in hrs, min. Size

Test After Acid or Fracture Treatment: volume of oil equal to volume of Choke 34/64"

GAS WELL TEST -

Natural Prod. Test: Choke Size

Method of Testing (pitot, back pressure, etc.)

Test After Acid or Fracture Treatment: hrs. days hours flowed

Choke Size Method of Testing

Acid or Fracture Treatment (Give amounts of materials used, such as acid, water, oil, and sand): 3000 gallons LSTINE Acid.

Casing Pkr. Tubing 635 with 1150' Press. 1-1-62

Oil Transporter The Permian Corporation (Trucks)

Gas Transporter None

Remarks:

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

Approved: 19

Pan American Petroleum Corporation

(Company or Operator)

OIL CONSERVATION COMMISSION

By: V. E. Staley (Signature)

By:

Title Area Superintendent

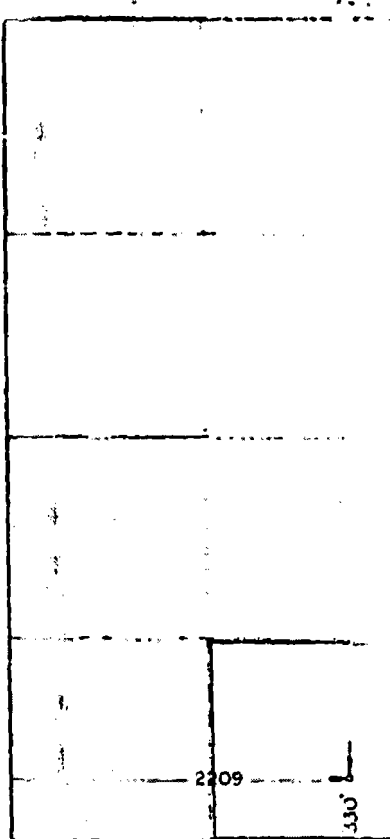
Send Communications regarding well to:

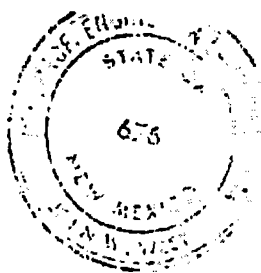
Title

Name V. E. Staley

Address Box 68, Hobbs, New Mexico

ILLEGIBLE

WELL LOCATION			
SEE INSTRUCTIONS			
Operator PAN AMERICAN PETROLEUM CORPORATION		STATE CK	
Unit Letter N	Section 19	21 SOUTH	37 EAST
Actual Footage Location of Well 330		SOUTH	2209
Ground Level Elev. Not available		Drinkard	WEST
Blinebry & Paddock		Blinebry & Paddock	40
1. Is the operator the person who has the right to produce and sell the oil and gas?			
2. If the answer to question 1 is "yes", is the operator a resident of the State of New Mexico?			
3. If the answer to question 1 is "no", is the operator a resident of the State of New Mexico?			
Answer			
			
O 330 640 990 120 150 180 210			



Area Superintendent
Pan American Petroleum Corp
November 16, 1961

Nov. 10, 1961

John L. Smith



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ADMINISTRATIVE ORDER DHC-844

Amoco Production Company
P.O. Box 3092
Houston, Texas 77253

Attention: K.W. Brand

*State "CK" Well No. 1
Unit N, Section 19, Township 21 South, Range 37 East, NMPM,
Lea County, New Mexico.
Drinkard & Paddock Pools*

Dear Mr. Brand:

Reference is made to your recent application for an exception to Rule 303-A of the Division Rules and Regulations to permit the subject well to commingle production from both pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303-C, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the two zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303-C-4., total commingled oil production from the subject well shall not exceed 40 barrels per day, and total water production shall not exceed 80 barrels per day. The maximum amount of gas which may be produced daily from the well shall be determined by multiplying 2000 by the top unit allowable for the Paddock Pool.

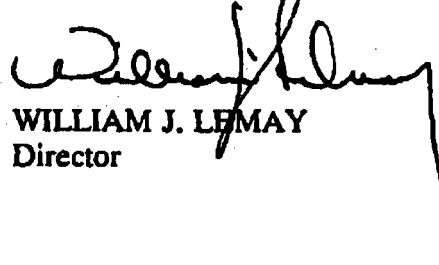
Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Paddock Pool:	Oil	72%,	Gas	45%
Drinkard Pool:	Oil	28%,	Gas	55%

Pursuant to Rule 303-C-5, the commingling authority granted by the order may be rescinded by the Division Director if, in his opinion, conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 31st day of July, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

SEAL

xc: NMSLO - Oil & Gas Division
OCD - Hobbs



4/19/2017

State of New Mexico
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Application for Down Hole Commingling (Identical Ownership)
Township 21 South, Range 37 East, Section 19
Lea County, New Mexico

Ladies and Gentlemen:

Identical ownership (working interest, royalty and overriding royalty owners) exists under State of New Mexico Lease ST NM A0-4096 as it pertains to the following described lands:

Township 21 South, Range 37 East
Section 19: E/2SW/4
Lea County, New Mexico

Depths included in Identical Ownership are all depths below the base of the Queen.

State CK #1 (30-025-06672) - 330' FSL & 2209' FWL Unit N, Sec. 19, T-21S, R-37E - Drinkard/Paddock/Tubb

Very truly yours,

APACHE CORPORATION

Derek Webb
Landman
Apache Permian Region

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
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
Revised July 18, 2013

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. 30-025-06672
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Apache Corporation		6. State Oil & Gas Lease No. A0-4096-0020
3. Address of Operator 303 Veterans Airpark Lane, Suite 1000 Midland, TX 79705		7. Lease Name or Unit Agreement Name State CK [23117]
4. Well Location Unit Letter N : 330 feet from the FSL line and 2209 feet from the FWL line Section 19 Township 21S Range 37E NMPM County Lea		8. Well Number 001
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3516' GL		9. OGRID Number 873
		10. Pool name or Wildcat Paddock 49210/Tubb 60240/Drinkard 19190

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input checked="" type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: AMEND DHC-844 <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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

Apache requests amending DHC-844 to add the Tubb, as follows:

Pool Names: Paddock	49210	Perforations: Paddock	5153'-5166'
Tubb O&G (Oil)	60240	Tubb	6198'-6612'
Drinkard	19190	Drinkard	6664'-6700'

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

	OIL	GAS	Water
Paddock	50%	23%	50%
Tubb	30%	48%	30%
Drinkard	20%	29%	20%

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

Spud Date:

11/23/1961

Rig Release Date:

12/24/1961

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

SIGNATURE

Reesa Fisher

TITLE Sr. Staff Reg Analyst

DATE 4/14/2017

Type or print name Reesa Fisher

E-mail address: Reesa.Fisher@apachecorp.com

PHONE: (432) 818-1062

For State Use Only

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):