

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - 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

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.

Elaine Linton Print or Type Name	 Signature	Engineering Technician Title	7/14/2006 Date
		Elaine.linton@apachecorp.com e-mail Address	



TWO WARREN PLACE / SUITE 1500 / 6120 S. YALE / TULSA, OKLAHOMA 74136-4224

July 14, 2006

Telephone (918) 491-4900
WWW.APACHECORP.COM

New Mexico Oil Conservation Division
Attn: William Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: *Downhole Commingle the Apache Corporation
H. Corrigan No. 15 Well
Section 4, T 22S, R 37E
Lea County, New Mexico*

Apache Corporation as Operator of the referenced well respectfully requests administrative approval for downhole commingling and measurement of production.

Apache Corporation proposes to commingle the *Penrose Skelly; Grayburg and Eunice San Andres* pools. All interests are identical in both pools and commingling will not reduce the value of the individual pools.

Apache Corporation drilled the H. Corrigan No. 15 well in June 2005 and perforated the *San Andres* and *Grayburg* formations. Initial completion in July 2005, was in the *Grayburg* pool with a 7/24/2006 test at 77 BOPD & 261 MCFPD declining to 11 BO & 139 MCF on 11/23/2005. On January 15, 2006, we retrieved the RBP to test the *San Andres* pool. While initial tests did not show much improvement, over time, production has stabilized and tested on 5/10/2006 with 31 BOPD & 520 MCFPD. Based on this information, Apache Corporation files the enclosed C-107A so that we can continue to commingle both pools. The "Individual Well Test Report" in lieu of one year production curve is enclosed for your consideration. Production allocation will be based on subtraction of the *Grayburg* only test from the commingled *Grayburg/San Andres* test. Also enclosed is the "Allocation Based on Subtraction Method of Tests" providing the allocation percentages to each pool.

Should you require any additional information concerning this application, please do not hesitate to contact me or Clint Mills 918.491.4970.

Regards,

Elaine Linton
Engineering Technician
918.491.5362

cc: New Mexico Oil Conservation Division
Attn: Donna Mull
1625 N. French Drive
Hobbs, NM 88240

2006 JUL 17 PM 9 37

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

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

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

District III
1000 Rio Brazos Road, Aztec, NM 87410

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

APPLICATION FOR DOWNHOLE COMMINGLING

DAC-3743

Apache Corporation 6120 South Yale, Suite 1500 Tulsa, OK 74136-4224
Operator Address

H CORRIGAN 15 UNIT H, SEC 4, T 22S, R 37E LEA
Lease Well No. Unit Letter-Section-Township-Range County

OGRID No. 00873 Property Code 26470 API No. 30-025-37264 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose Skelly; Grayburg ^{oil}		Eunice; San Andres ^{oil}
Pool Code	50350		24150
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)			
Method of Production (Flowing or 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)	34.7 API		33.6 API
Producing, Shut-In or New Zone	Producing		Producing w/ intent to SI
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: 11/23/2005 Rates: 11BO/139MCF/201BW	Date: Rates:	Date: 05/10/2006 Rates: 20BO/381MCF/509BW
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 35 % Gas 27 %	Oil % Gas %	Oil 65 % Gas 73 %

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 Elaine Linton TITLE Engineering Technician DATE 07/14/2006

TYPE OR PRINT NAME Elaine Linton TELEPHONE NO. (_____) (918)491-5362

E-MAIL ADDRESS elaine.linton@apachecorp.com

DISTRICT I
1625 N. FRENCH DR., HOBBBS, 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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37264	Pool Code 50350	Pool Name Penrose Skelly; Grayburg
Property Code 26470	Property Name H CORRIGAN	Well Number 15
OGRID No. 00873	Operator Name APACHE CORPORATION	Elevation 3449'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	4	22-S	37-E		1890	NORTH	990	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.
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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

LOT 4 39.91 AC	LOT 3 39.86 AC	LOT 2 39.80 AC	LOT 1 39.75 AC
GEODETIC COORDINATES NAD 27 NME Y=519514.7 N X=861375.8 E LAT.=32°25'22.13" N LONG.=103°09'43.97" W			1890' 990'

OPERATOR CERTIFICATION

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

Elaine Linton
Signature
Elaine Linton
Printed Name
Engineering Technician
Title
July 14, 2006
Date

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.

DECEMBER 15, 2004
Date Surveyed DEL

Signature & Seal of Professional Surveyor
Gary E. Eidsen
04.11.1669

Certificate No. GARY EIDSON 12841

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 87605

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-37264	Pool Code 24150	Pool Name Eunice; San Andres
Property Code 26470	Property Name H CORRIGAN	Well Number 15
OGRID No. 00873	Operator Name APACHE CORPORATION	Elevation 3449'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	4	22-S	37-E		1890	NORTH	990	EAST	LEA

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<p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=519514.7 N X=861375.8 E</p> <p>LAT.=32°25'22.13" N LONG.=103°09'43.97" W</p>			

OPERATOR CERTIFICATION

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

Elaine Linton
Signature

Elaine Linton
Printed Name

Engineering Technician
Title

July 14, 2006
Date

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.

DECEMBER 15, 2004

Date Surveyed DEL

Signature & Seal of
Professional Surveyor

Gary B. Edson 12/23/04
04.11.1669

Certificate No. GARY EDSON 12641

APACHE CORPORATION - Permian Basin

Individual Well Test Report

Well: **CORRIGAN, H #15**

Reservoir: **GRAYBURG-SAN ANDR**

Well Status: **po-p**

<i>Date</i>	<i>BOPD</i>	<i>BWPD</i>	<i>MCFPD</i>	<i>Date</i>	<i>BOPD</i>	<i>BWPD</i>	<i>MCFPD</i>
7/7/2005	74	194	189	2/26/2006	9	430	272
7/18/2005	74	194	189	2/27/2006	11	464	276
7/19/2005	57	155	189	3/4/2006	11	465	266
7/20/2005	63	151	194	3/8/2006	11	482	269
7/21/2005	64	166	228	3/13/2006	15	555	286
7/22/2005	65	163	229	3/15/2006	13	502	318
7/24/2005	77	183	261	3/27/2006	11	450	268
7/25/2005	56	140	207	4/4/2006	14	542	310
7/26/2005	57	144	201	4/8/2006	15	583	310
7/30/2005	56	166	199	4/13/2006	12	513	314
7/31/2005	50	134	192	5/5/2006	12	460	330
8/2/2005	46	131	199	5/10/2006	31	710	520
8/4/2005	40	119	200	5/11/2006	28	625	495
8/6/2005	40	120	200	5/14/2006	19	580	479
8/7/2005	36	110	180	5/16/2006	18	556	472
8/8/2005	37	126	201	5/17/2006	18	582	474
8/9/2005	31	109	173	5/20/2006	15	494	468
8/10/2005	33	125	202	5/21/2006	15	541	467
8/11/2005	26	97	159	5/22/2006	14	504	461
8/13/2005	28	114	182	5/23/2006	15	526	463
8/15/2005	28	109	169	5/27/2006	15	560	464
8/16/2005	24	101	60	6/3/2006	14	502	446
8/17/2005	25	109	174	6/4/2006	14	490	446
9/17/2005	16	220	164	6/8/2006	13	508	441
10/14/2005	14	201	159	6/13/2006	13	500	330
11/14/2005	13	199	141	6/17/2006	12	469	310
11/23/2005	11	201	139	6/18/2006	13	496	429
12/25/2005	20	35	169	6/19/2006	13	498	430
12/29/2005	13	31	211	6/20/2006	14	540	438
1/14/2006	18	764	299	6/25/2006	11	514	250
1/18/2006	16	730	278				
1/25/2006	11	666	341				
1/29/2006	14	613	293				
2/14/2006	3	436	145				
2/20/2006	6	511	159				
2/24/2006	13	512	292				
2/25/2006	8	500	290				

H. CORRIGAN #15

Allocation Based on Subtraction Method of Tests

	<u>Test Date</u>	<u>BO</u>	<u>%</u>	<u>MCF</u>	<u>%</u>	<u>BW</u>	<u>%</u>	<u>GOR</u>
Grayburg	11/23/2005	11	35	139	27	201	28	12,636
San Andres	5/10/2006	<u>20</u>	<u>65</u>	<u>381</u>	<u>73</u>	<u>509</u>	<u>72</u>	19,050
		31	100	520	100	710	100	16,774

San Andres Subtraction

Grayburg/San Andres Combined	5/10/2006	31		520		710		
Minus Grayburg Only	11/23/2005	11		139		201		
San Andres		20		381		509		

Attachment C-107A
H. Corrigan No. 15 Well
Offset Operators

BEC Corporation
P.O. Box 1392
Midland, TX 79702

Chesapeake Operating, Inc.
P.O. Box 11050
Midland, TX 79702-8050

Range Operating New Mexico, Inc.
777 Main Street
Suite 800
Fort Worth, TX 76102

Zia Energy, Inc.
2203 Timberloch Place, Suite 229
The Woodlands, TX 77380



July 14, 2006

Telephone (918) 491-4900
WWW.APACHECORP.COM

BEC Corporation
P.O. Box 1392
Midland, TX 79702

Re: *Downhole Commingle the Apache Corporation
H. Corrigan No. 15 Well
Section 4, T 22S, R 37E
Lea County, New Mexico*

Apache Corporation has submitted an application to Downhole Commingle (C-107A) production for the referenced well. Apache Corporation intends to commingle production from the *Penrose Skelly; Grayburg and Eunice; San Andres* pools. As required by the Oil Conservation Division (OCD), attached to this letter is a copy of the application submitted to the OCD for notification.

If you have any questions, please do not hesitate to contact me.

Regards,

A handwritten signature in cursive script that reads "Elaine Linton".

Elaine Linton
Engineering Technician
918.491.5362

cc:

✓ New Mexico Oil Conservation Division
Attn: William Jones
1220 South St. Francis Drive
Santa Fe, NM 87505

July 14, 2006

Telephone (918) 491-4900
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Midland, TX 79702-8050

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Engineering Technician
918.491.5362

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- ✓ New Mexico Oil Conservation Division
Attn: William Jones
1220 South St. Francis Drive
Santa Fe, NM 87505



TWO WARREN PLACE / SUITE 1500 / 6120 S. YALE / TULSA, OKLAHOMA 74136-4224

July 14, 2006

Telephone (918) 491-4900
WWW.APACHECORP.COM

Range Operating New Mexico, Inc.
777 Main Street
Suite 800
Fort Worth, TX 76102

Re: *Downhole Commingle the Apache Corporation
H. Corrigan No. 15 Well
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1220 South St. Francis Drive
Santa Fe, NM 87505



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July 14, 2006

Telephone (918) 491-4900
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Zia Energy, Inc.
2203 Timberloch Place, Suite 229
The Woodlands, TX 77380

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