

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
- Engineering Bureau -

**ADMINISTRATIVE APPLICATION COVERSHEET**

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

*2674*

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]

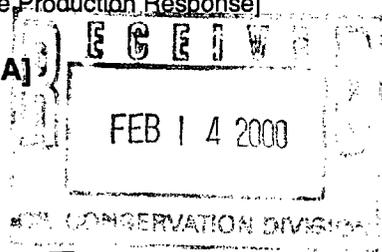
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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  
Print or Type Name

*Lee R. White*  
Signature

Engineering Manager  
Title

2/10/00  
Date



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

(713) 296-6000

February 10, 2000

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

**Re: Application to Downhole Commingle  
Owen 'B' No. 9  
Penrose; Skelly (Grayburg) Pool (50350) and Eunice; San Andres Pool (24150)  
Lea County, New Mexico**

Apache Corporation would like to request administrative approval to downhole commingle the production from the referenced pools in our Owen 'B' # 9 well.

To support this request we submit the following:

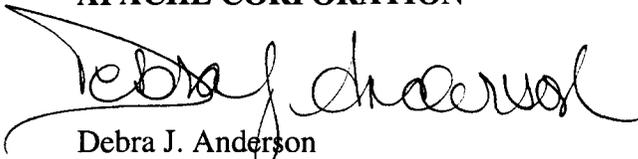
- 1) New Mexico – OCD Form C-107A
- 2) New Mexico – OCD Form C-102 for Penrose; Skelly (Grayburg) Pool
- 3) New Mexico – OCD Form C-102 for Eunice; San Andres Pool
- 4) Production Curve for the Owen 'B' # 7 in the Penrose; Skelly (Grayburg) Pool
- 5) Production Curve for offset well Mark Owen # 1 in the Penrose; Skelly (Grayburg) Pool
- 6) Production Curve for offset well E O Carson # 23 in the Eunice; San Andres Pool
- 7) Allocation formula is based on current production

- 8) Copy of letter sent (by Certified Mail) to Offset operators within one-half mile of the Owen 'B' # 9
- 9) Well Bore Diagrams of current completion and proposed completion

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

Sincerely,

**APACHE CORPORATION**

A handwritten signature in black ink, appearing to read "Debra J. Anderson". The signature is written in a cursive style with a large, sweeping initial "D".

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, TEXAS 77056-4400  
Operator Address  
OWEN 'B' 9 M - 34 - 21S - 37E LEA  
Lease Well No. Unit Ltr.-Sec-Twp-Rgn County  
Spacing Unit Lease Types: (one or more)

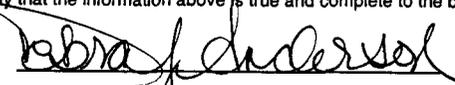
OGRID NO. 000873 Property Code 22879 API No. 30-025-34775  Federal  State  Fee

The following facts are submitted in support of downhole commingling:	Upper Zone	Intermediate Zones	Lower Zone
1. Pool Name and Pool Code	PENROSE; SKELLY (GRAYBURG) 50350		EUNICE; SAN ANDRES 24150
2. Top and Bottom of Pay Section (Perforations)	3598 - 3772		3822 - 4062
3. Type of production (Oil or Gas)	OIL		OIL
4. Method of Production (Flowing or Artificial Lift)	ARTIFICIAL LIFT		ARTIFICIAL LIFT
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current	a. (Current) 1150	a.	a. 1350
Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	b. (Original)	b.	b.
6. Oil Gravity (°API) or Gas BTU Content	36.8		37.1
7. Producing or Shut-in? Production Marginal? (Yes or No)	PRODUCING YES		SHUT-IN 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 ° If Producing, give date and oil/gas/water rates of recent test (within 80 days)	Date: Rates:  Date: 2/7/00 Rates: 49 x 174 x 117	Date: Rates:  Date: Rates:	Date: 1/12/00 Rates: 11 x 81 x 115  Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone (total of %'s to equal 100%)	Oil: 82% Gas: 68%	Oil: % Gas: %	Oil: 18% Gas: 32%

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 \_\_\_\_\_

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 2/10/00  
TYPE OR PRINT NAME Debra J. Anderson TELEPHONE NO. 713-296-6338

DISTRICT I  
P.O. Box 1220, Hobbs, NM 88241-1220

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
P.O. Drawer 22, Artesia, NM 88211-0719

DISTRICT III  
1600 Rio Brazos Ed., Aztec, NM 87410

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT IV  
P.O. Box 2088, Santa Fe, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34775	Pool Code 50350	Pool Name Penrose; Skelly (Grayburg)
Property Code 22879	Property Name OWEN B	Well Number 9
OGHD No. 873	Operator Name APACHE CORPORATION	Elevation 3435

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	21 S	37 E		459	SOUTH	752	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

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Debra J. Anderson</i> Signature</p> <p>Debra J. Anderson Printed Name</p> <p>Sr. Engineering Technician Title</p> <p>02/07/00 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>NOVEMBER 19, 1999</p> <p>Date Surveyed _____ LMP</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Ronald J. Edson</i> RONALD J. EDSON 3239 99-11-0987 NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR</p>
	<p>Certificate No. RONALD J. EDSON 3239 CARY EDSON 12641 EDSON, RONALD 12185</p>

DISTRICT I  
P.O. Box 1888, Hobbs, NM 88241-1888

DISTRICT II  
P.O. Drawer 222, Artesia, NM 88211-0718

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

DISTRICT IV  
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025- 34775	Pool Code 24150	Pool Name Eunice; San Andres
Property Code 22879	Property Name OWEN B	Well Number 9
OGRD No. 873	Operator Name APACHE CORPORATION	Elevation 3435

Surface Location

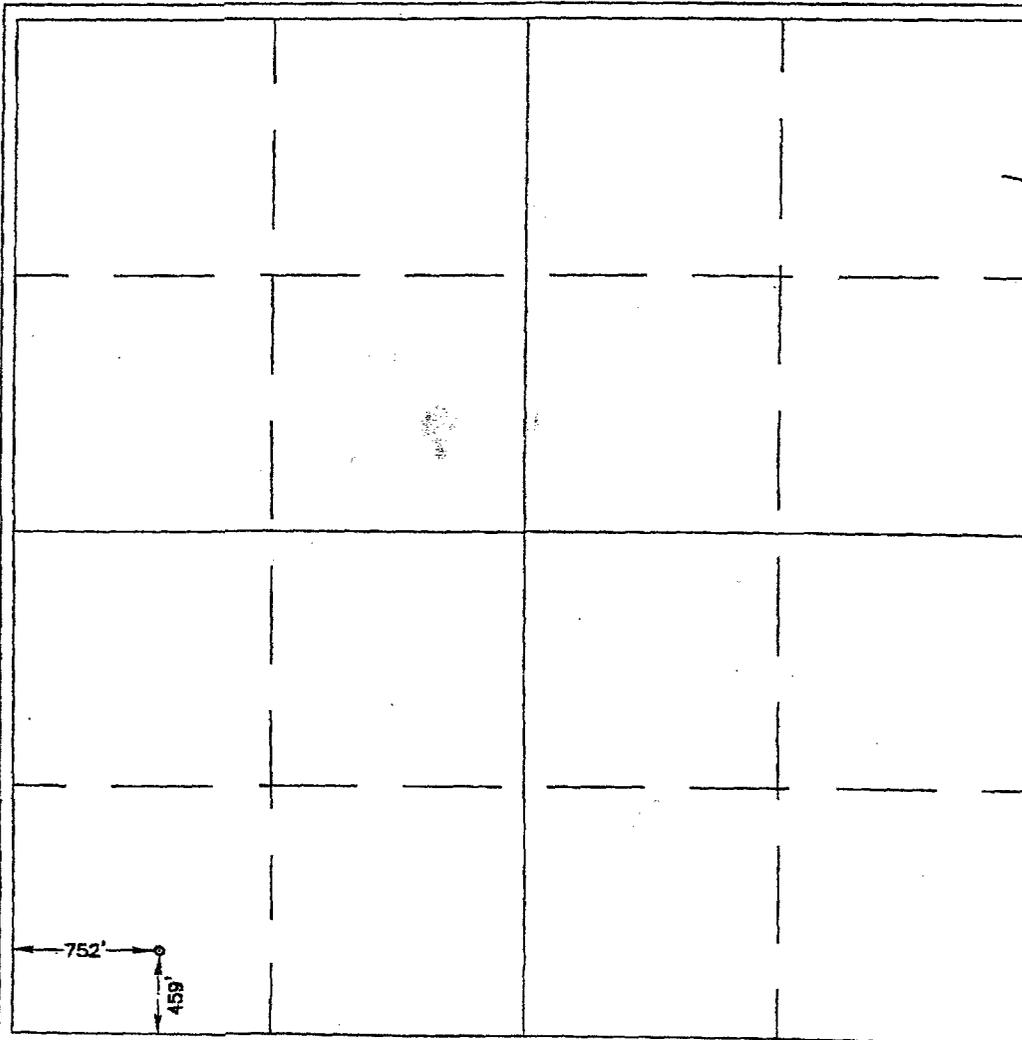
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	21 S	37 E		459	SOUTH	752	WEST	LEA

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

Dedicated Acres	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



OPERATOR CERTIFICATION

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

*Debra J. Anderson*  
 \_\_\_\_\_  
 Signature  
 Debra J. Anderson  
 Printed Name  
 Sr. Engineering Technician  
 Title  
 01/20/2000  
 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.

NOVEMBER 19, 1999

Date Surveyed \_\_\_\_\_ LMP  
 Signature of Seal of Professional Surveyor  
  
 Ronald J. Edson  
 3238  
 99-11-098A  
 Certified by: Mr. RONALD J. EDSON 3238  
 12841  
 12185

Lease: OWEN B (7)



Oil (bbl/day)  
Water (bbl/day)

Gas (mcf/day)

County: LEA  
Field: PENROSE SKELLY (GRAYBU  
Reservoir: GRAYBURG  
Operator: APACHE CORP  
F.P. Date: 04/99  
Oil Cum: 4619 bbl  
Gas Cum: 23.47 mmcf  
Location: 34K 21S 37E

Lease: MARK OWEN (1)



Oil (bb/day)  
Water (bb/day)

County: LEA

Field: PENROSE SKELLY (GRAYBU

Reservoir: GRAYBURG

Operator: CHEVRON U S A INC

F.P. Date: N/A

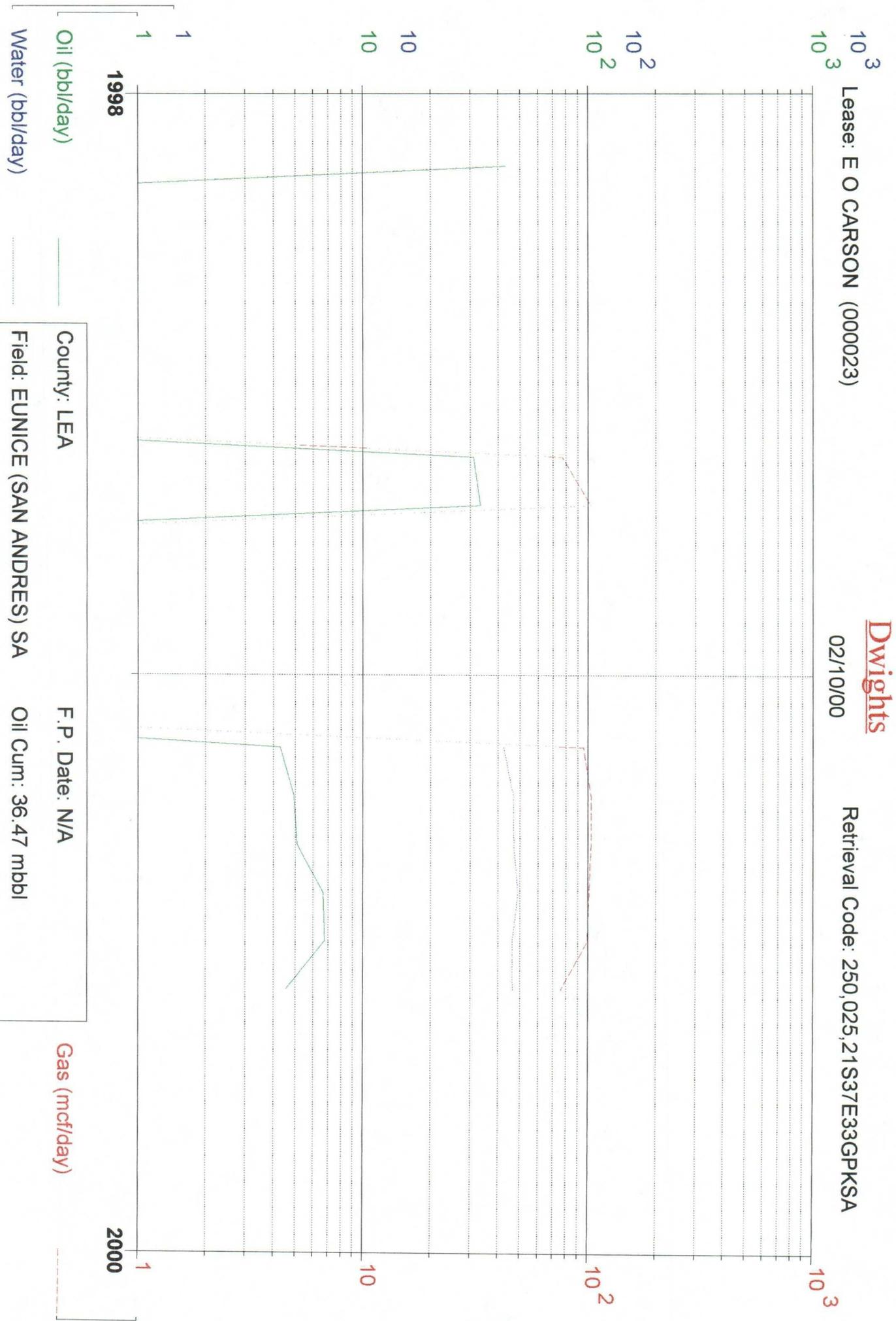
Oil Cum: 132.7 mbbl

Gas Cum: 386.4 mmcf

Location: 34J 21S 37E

Gas (mcf/day)

Lease: E O CARSON (000023)



County: LEA F.P. Date: N/A

Field: EUNICE (SAN ANDRES) SA Oil Cum: 36.47 mbbl

Reservoir: SAN ANDRES Gas Cum: 652.3 mmcf

Operator: TITAN RESOURCES I INC Location: 33G 21S 37E

**Owen 'B' No 9 Downhole Commingle Application  
Offset Operators**

BEC Corporation  
110 N. Marienfeld, Suite 370  
Midland, Texas 79702  
Certified Rcpt. # Z 142 208 187

John H Hendrix Corporation  
110 N. Marienfeld, Suite 400  
Midland, Texas 79702-3040  
Certified Rcpt. # Z 142 208 186

Chevron USA Inc.  
P O Box 1150  
Midland, Texas 79702  
Certified Rcpt. # Z 142 208 184

Mobil Producing TX & NM  
Box 1800  
Hobbs, New Mexico 88240  
Certified Rcpt. # Z 142 208 189

Collins & Ware  
303 W. Wall, Suite 2200  
Midland, Texas 79701  
Certified Rcpt. # Z 142 208 188

Titan Resources I Inc.  
500 W. Texas, Suite 500  
Midland, Texas 79701  
Certified Rcpt. # Z 142 208 190



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

[713] 296-6000

February 10, 2000

Offset Operators

**Re: Application to Downhole Commingle  
Owen 'B' No. 9  
Penrose; Skelly (Grayburg) Pool (50350) and Eunice; San Andres Pool (24150)  
Sec. 34, T21S - R37E  
Lea County, New Mexico**

Attached please find a copy of an Application to Downhole Commingle the production from the referenced pools in the Owen 'B' # 9 well that Apache Corporation has filed with the New Mexico Oil Conservation Division. If you have any objection to this application, you must notify the OCD in writing within 20 days from the date of this letter. Thank you.

Sincerely

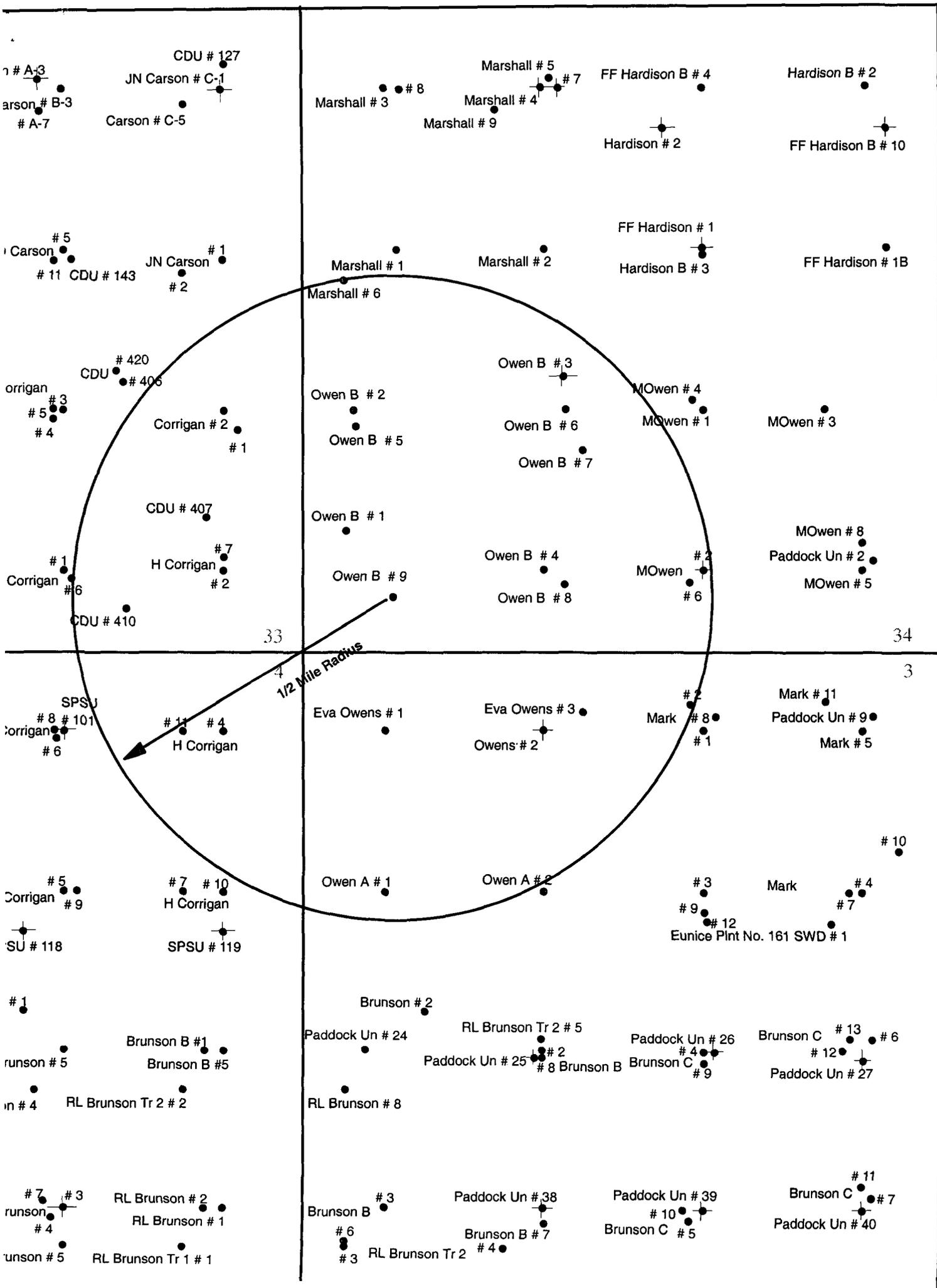
**APACHE CORPORATION**

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Debra J. Anderson  
Sr. Engineering Technician

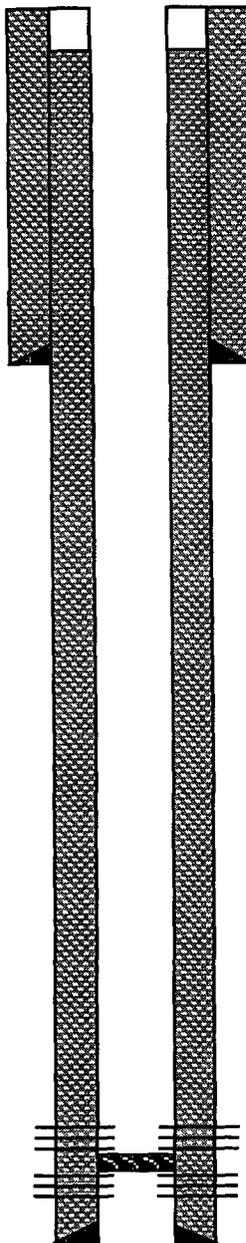
Attachments

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



Well: Owen 'B' # 9  
Pool: Penrose; Skelly (Grayburg)  
Location: 459' FSL & 752' FWL  
Unit M, Section 34, Township 21S, Range 37E  
API#: 30-025-34775

Current Status: Active Oil  
Penrose; Skelly (Grayburg)



**Surface Casing:** 12-1/4" Hole  
8-5/8" 24# CSA 1092'  
Cement w / 460 sx  
Circulated to Surface

**Penrose; Skelly (Grayburg) Perfs:**  
3598-3602, 06-09, 20-24, 80-3702,  
08-21, 27-32, 44-72  
4" - 339 Holes

**RBP @ 3800'**

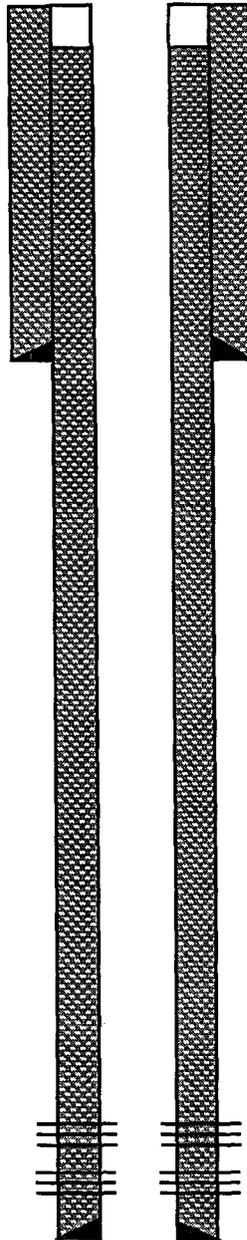
**Eunice; San Andres Perfs:**  
3822-30, 48-52, 88-96, 3953-56,  
4024-28, 50-62  
4" - 156 Holes

**Production Casing:** 7-7/8" Hole  
5-1/2" 17# CSA 4150'  
Cement w / 830 sx  
TOC @ 100' (CBL)

**TD @ 4150'**  
**PBTD @ 4125'**

Well: Owen 'B' # 9  
Pool: Penrose; Skelly (Grayburg) / Eunice; San Andres  
Location: 459' FSL & 752' FWL  
Unit M, Section 34, Township 21S, Range 37E  
API#: 30-025-34775

Proposed Status: Active Oil  
Downhole Commingle  
Penrose; Skelly (Grayburg) &  
Eunice; San Andres Pools



**Surface Casing:** 12-1/4" Hole  
8-5/8" 24# CSA 1092'  
Cement w / 460 sx  
Circulated to Surface

**Penrose; Skelly (Grayburg) Perfs:**  
3598-3602, 06-09, 20-24, 80-3702,  
08-21, 27-32, 44-72  
4" - 339 Holes

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3822-30, 48-52, 88-96, 3953-56,  
4024-28, 50-62  
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