

DHC-HOB  
Order Number

401

API Number

30-25-27949

Operator

Apache Corporation

County

Lea

Order Date

9-7-10

Well Name

Bm Marcus

Number

002

Location

C

UL

20

Sec

20S

T (+Dir)

38E

R (+Dir)

Oil %

Gas %

Pool 1

10660

Blinebry Oil + Gas

47

74

Pool 2

63280

Warren Tubb

36

11

Pool 3

57000

Skaas-Drinkard

17

15

Pool 4

Comments:

Posted to RBDM S. 9-7-10 CH

DOWNHOLE COMMINGLE CALCULATIONS:

DHC-HOB-401

OPERATOR: Apache Corporation

API # 30-025-27949

PROPERTY NAME: BM Marcus

WNULSTR: #2 C-20-205-38E

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>107</u> <u>428</u> MCF
POOL NO. 2 <u>Warren Tubbs</u>	<u>142</u> <u>1420</u> MCF
POOL NO. 3 <u>Skaggs - Drinkard</u>	<u>142</u> <u>284</u> MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS <u>391</u> _____	

SECTION II:	Oil	Gas
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>47%</u>	<u>74%</u>
POOL NO. 2 <u>Warren Tubbs</u>	<u>36%</u>	<u>11%</u>
POOL NO. 3 <u>Skaggs - Drinkard</u>	<u>17% x 391 = 66.47</u>	<u>15%</u>
POOL NO. 4 _____		<u>&lt;66.00&gt;</u>

SECTION III:	OIL	GAS
<u>17% ÷ 142 = 835.29</u>		<u>&lt;835&gt;</u>

SECTION IV:	OIL	GAS
<u>47 x 835 = 392.45</u>		<u>392.00</u>
<u>36 x 835 = 300.6</u>		<u>301.00</u>
<u>17 x 835 = 141.95</u>		<u>142.00</u>

District I 1625 N. French Dr., Hobbs, NM 88201
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources

June 19, 2008

RECEIVED

AUG 30 2010

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-27949
5. Indicate Type of Lease STATE [ ] FEE [x]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name BM Marcus
8. Well Number 002
9. OGRID Number 873
10. Pool name or Wildcat Bli O&G/WarrenTubb/Skaggs Drinkard

SUNDRY NOTICES AND REPORTS ON WELLS
1. Type of Well: [x] Oil Well [ ] Gas Well [ ] Other:
2. Name of Operator Apache Corporation
3. Address of Operator 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705
4. Well Location Unit Letter C : 990 feet from the North line and 1980 feet from the West line Section 20 Township 20S Range 38E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3547' GL

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
DOWNHOLE COMMINGLE [x]

SUBSEQUENT REPORT OF:

- REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [ ] P AND A [ ]
CASING/CEMENT JOB [ ]

OTHER: Frac Tubb & Drinkard [x]

OTHER: [ ]

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 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

This well currently has been producing from the Blinebry only. Apache would like to re-open the Tubb and Drinkard, per the attached procedure, to produce all three zones together, per DHC-2118-A. R-11363

Pool Names: Blinebry Oil & Gas (6660) Actual Perforations: 5847'-6067'
Warren Tubb Oil (63280) 6493'-6660'
Skaggs Drinkard (57000) 6674'-6919'

Apache used the subtraction method to determine the allocation percentages for each zone as follows:

Table with 4 columns: Pool Name, OIL, GAS, WTR. Rows: Blinebry Oil & Gas (6660), Warren Tubb (63280), Skaggs-Drinkard (57000)

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

Spud Date:

10/12/1982

Rig Release Date:

DHC-HOB-401

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

SIGNATURE

Reesa Holland

TITLE Sr. Engr Tech

DATE 08/26/2010

Type or print name Reesa Holland

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

PHONE: 432/818-1062

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

AUG 31 2010

Conditions of Approval (if any):

R.M.