

DATE IN <u>5/21/99</u>	SUSPENSE <u>N/R</u>	ENGINEER <u>BS</u>	LOGGED <u>KV</u>	TYPE <u>AMEND PC</u>
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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

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

MAY 21 1999

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	5/18/99
Print or Type Name	Signature	Title	Date

May 18, 1999

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**Re: Administrative Order PC-981
Owen 'B' Lease
Sec. 34, T21S-R37E
Lea County, New Mexico**

Apache Corporation proposes to amend the referenced Surface Commingling Permit to include additional pools.

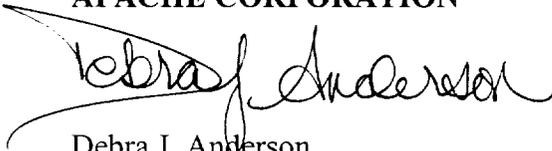
To support this request we have attached the following:

- 1) Tabulation of wells indicating the current producing pool, average daily production rates and API gravity of each pool.
- 2) The expected gravity is 38.2 and value of commingled production is 48 BOPD. The actual value of commingled production will not be less than the sum of production from each source. Allocation of production from each pool will be based on monthly well tests.
- 3) Production Facilities diagram
- 4) Plat of Owen 'B' lease
- 5) Copy of letter sent to Royalty Interest Owners and list of same.

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

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
Engineering Technician

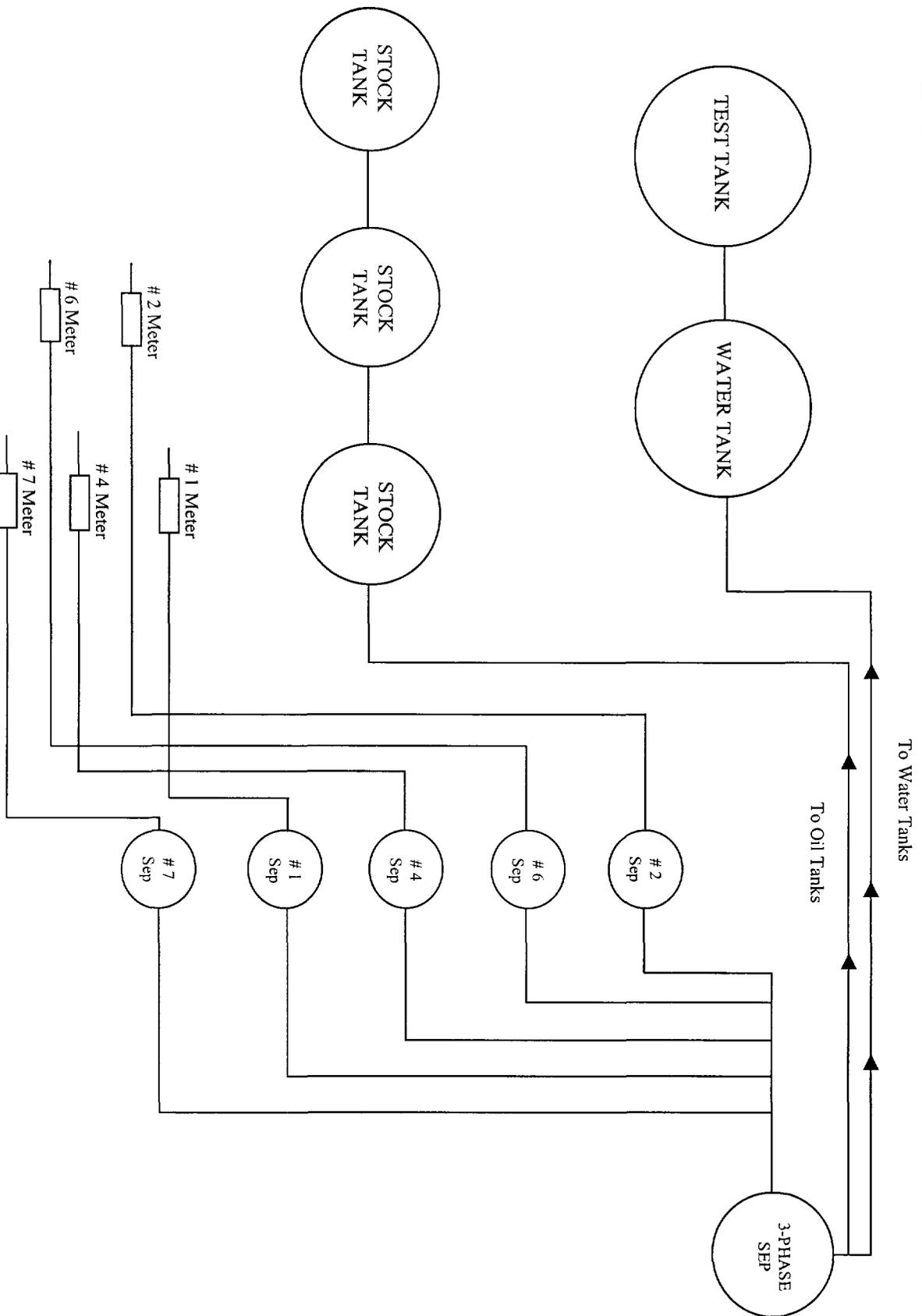
Attachments

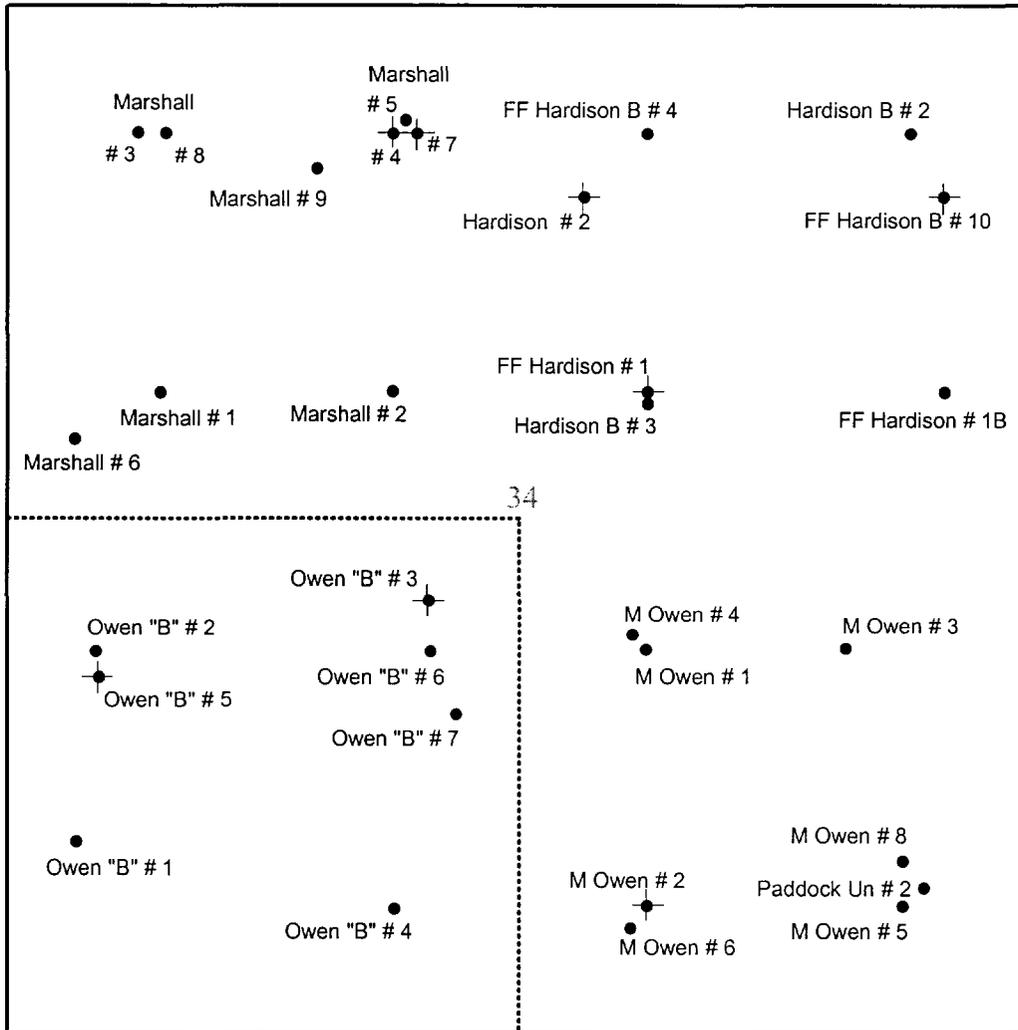
cc: State of New Mexico
Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

OWEN 'B' LEASE
BLINEBRY OIL & GAS / TUBB OIL & GAS / DRINKARD
WANTZ ABO / PENROSE; SKELLY-GRAYBURG POOLS

<u>Well No.</u>	<u>Pool</u>	<u>Status</u>	<u>Avg. BOPD</u>	<u>API Gravity</u>
1	✓ Blinebry O&G	Active	0	
2	✓ Drinkard	Active	3	38.2
	✓ Tubb O&G	Active	0	
3	Drinkard	P&A		
4	✓ Blinebry O&G	Active	1	38.2
	✓ Drinkard	Active	3	38.2
5	Eunice	P&A		
6	✓ Tubb	Active	0	
	✓ Drinkard	Active	1	38.2
	✓ Wantz ABO	Active	3	38.2
7	Penrose; Skelly-Grayburg	Active	37	38.7

Owen "B" Production Facilities

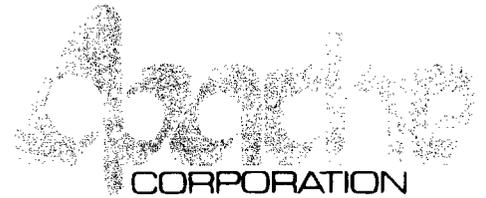






Apache
 CORPORATION
 WESTERN REGION

OWEN 'B' LEASE
 SECTION 34
 T21S - R37E
 LEA COUNTY, NEW MEXICO
 SCALE: 1" = 1000'



May 18, 1999

Royalty Interest Owners

**Re: Administrative Order PC-981
Owen 'B' Lease
Sec. 34, T21S-R37E
Lea County, New Mexico**

Attached please find an application to amend the referenced Surface Commingling Permit to add additional pools 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".

Debra J. Anderson
Engineering Technician

Attachment

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

**OWEN 'B' LEASE
ROYALTY INTEREST OWNERS**

James A Bryant
8204 Indigo Ct NE
Albuquerque, New Mexico 87122
Certified Rcpt # 116 148 759

Stephens Family Trust
Rt 1, Box 56A
Paden, Oklahoma 74860-9746
Certified Rcpt # 116 148 763

Geraldine Osborn
P O Box 1285
Jal, New Mexico 88252
Certified Rcpt # 116 148 760

Wayne Collier Stephens
910 Fountain Dr
Carlsbad, New Mexico 88220-3086
Certified Rcpt # 116 148 764

Johnny Mack Owens
P O Box 1013
Jal, New Mexico 88252-1013
Certified Rcpt # 116 148 761

William Owen Stephens
P O Box 115
Eunice, New Mexico 88231-0115
Certified Rcpt # 116 148 765

Delrose Scott
2000 N Fowler
Hobbs, New Mexico 88240-2803
Certified Rcpt # 116 148 762

Toussaint Family 1989 Trust
1525 Star Way
Reno, Nevada 89511-8691
Certified Rcpt # 116 148 766