

DATE IN <u>11/16/00</u>	SUSPENSE <u>N/R</u>	ENGINEER <u>MA</u>	LOGGED <u>KV</u>	TYPE <u>PC</u>
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AMEND

ABOVE THIS LINE FOR DIVISION USE ONLY

32247109

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

NOV 16 2000

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	11/10/00
Print or Type Name	Signature	Title	Date

November 10, 2000

Attn: Mark Ashley
State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**Re: Administrative Order PC-53
Southland Royalty A Lease
Section 4 and Section 9, T-21S, R-37E
Lea County, New Mexico**

Apache Corporation proposes to amend the referenced Surface Commingling Permit to include the Hare; San Andres, East and Penrose Skelly; Grayburg pools.

To support this request we have attached the following:

- 1) Tabulation of wells indicating the current or proposed producing pool, average daily production rates and API gravity of each pool.
- 2) The expected sum of commingled production from all eight wells is 100 BOPD and expected gravity is 36.3. The value of commingled production will not be decreased by adding the referenced pools. Allocation of production from each pool will be based on monthly well tests.
- 3) Production Facilities diagram
- 4) Plat of Southland Royalty A 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, appearing to read "Debra J. Anderson". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Debra J. Anderson
Sr. Engineering Technician

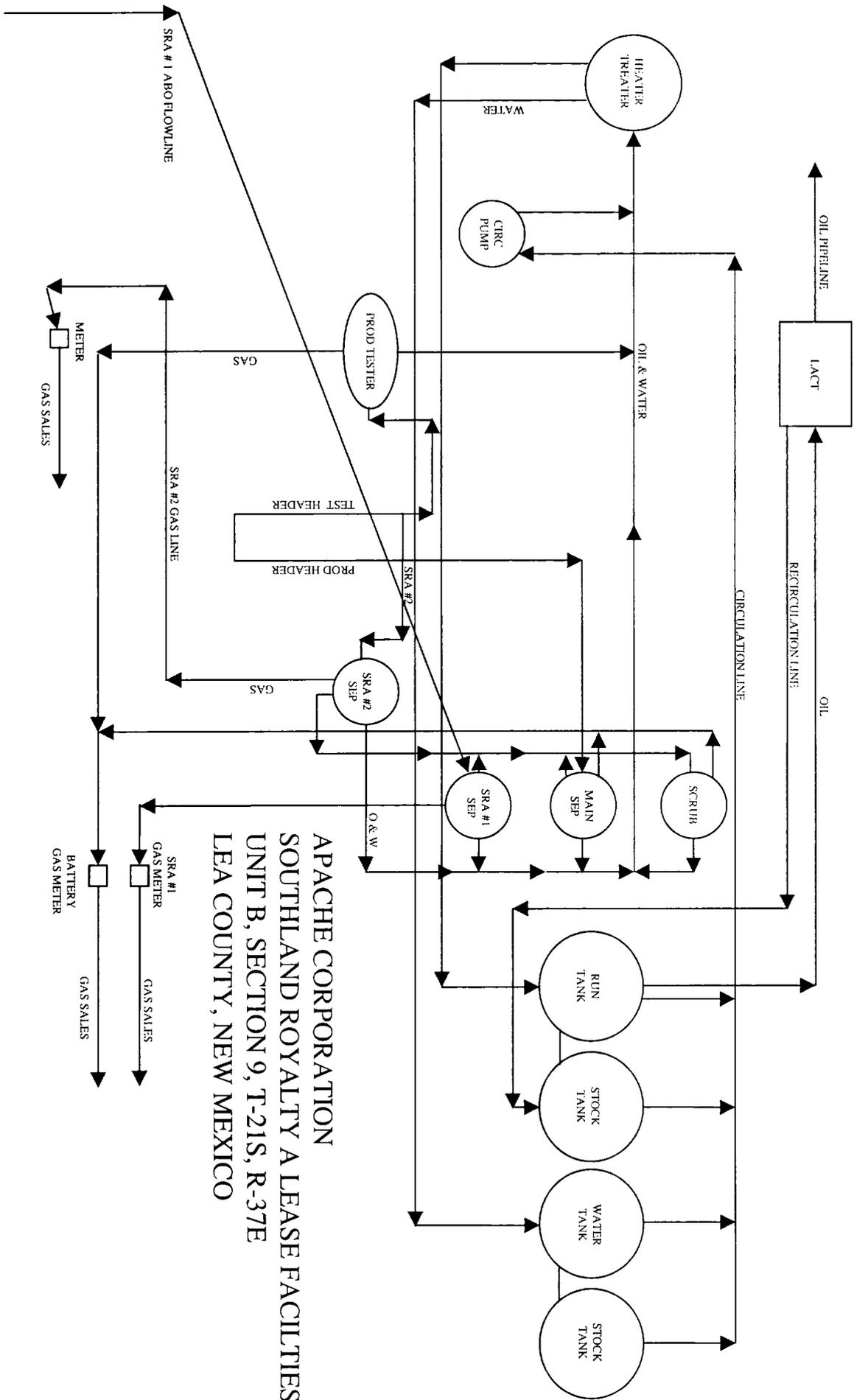
Attachments

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

**SOUTHLAND ROYALTY A LEASE
PENROSE SKELLY; GRAYBURG
HARE; SAN ANDRES, EAST
BLINEBRY OIL & GAS
TUBB OIL & GAS
DRINKARD POOLS**

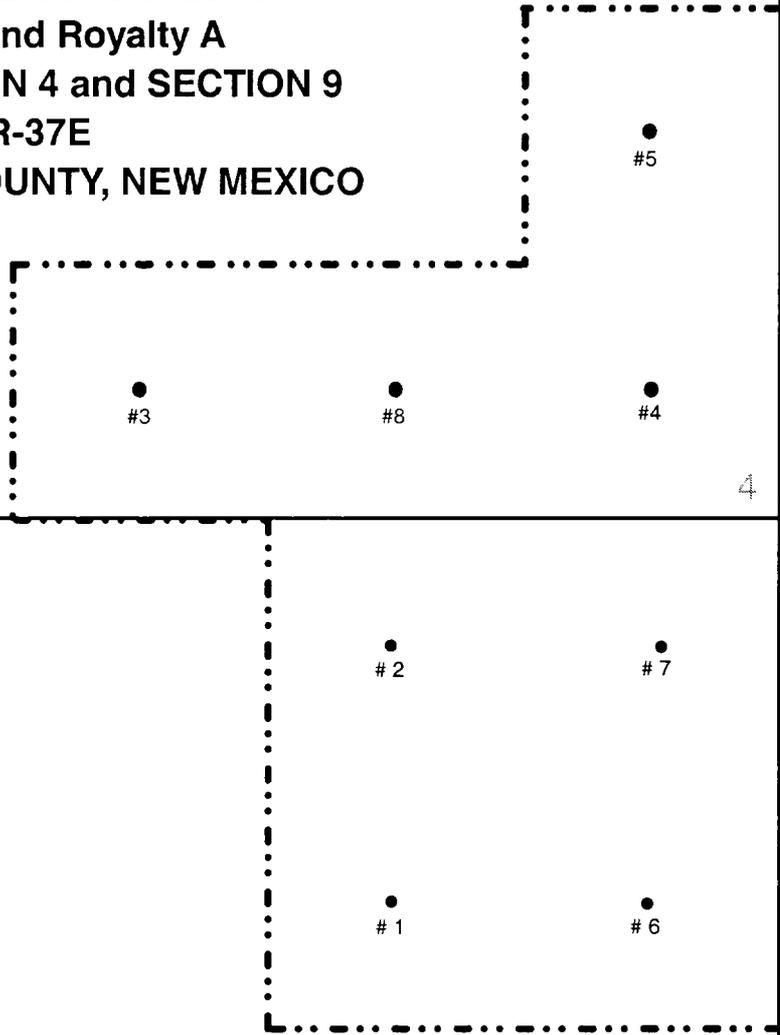
P.C. - 23112

<u>Well No.</u>	<u>Pool</u>	<u>Status</u>	<u>Avg. BOPD</u>	<u>API Gravity</u>
(30-025-06442) 1 (DHC-2477)	Blinebry Oil & Gas Tubb Oil & Gas Drinkard Wantz Abo	Active	7	36.4
(30-025-06443) 2 (R-7537)	Blinebry Oil & Gas Tubb Oil & Gas Drinkard	Active	2	36.4
(30-025-06395) 3 (R-7537)	Blinebry Oil & Gas Tubb Oil & Gas Drinkard	Active	4	36.4
(30-025-06396) 4	Penrose Skelly; Grayburg	Proposed (Est)	40	36.0
(30-025-06397) 5 (DHC-14)	Blinebry Oil & Gas Drinkard	Active	6	36.3
(30-025-06444) 6 (DHC-395)	Blinebry Oil & Gas Drinkard	Active	8	36.3
(30-025-06445) 7	Hare; San Andres, East	Active	40	36.0
(30-025-20069) 8 (R-4023)	Blinebry Oil & Gas Tubb Oil & Gas Drinkard	Active	3	36.4



APACHE CORPORATION
SOUTHLAND ROYALTY A LEASE FACILITIES
UNIT B, SECTION 9, T-21S, R-37E
LEA COUNTY, NEW MEXICO

APACHE CORPORATION
Southland Royalty A
SECTION 4 and SECTION 9
T-21S, R-37E
LEA COUNTY, NEW MEXICO



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November 10, 2000

Royalty Interest Owners

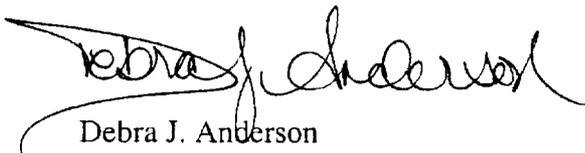
**Re: Administrative Order PC-53
Southland Royalty A Lease
Section 4 and Section 9, T-21S, R-37E
Lea County, New Mexico**

Attached please find an application to amend the referenced Surface Commingling Permit, that Apache Corporation has filed with the New Mexico Oil Conservation Division. This amendment is to include the Hare; San Andres, East and Penrose Skelly; Grayburg pools. Production, from the Blinebry O&G, Tubb O&G, Drinkard and Wantz Abo pools, is currently being commingled at the Southland Royalty A surface facilities. Adding the referenced pools will not decrease the value of commingled production.

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



Debra J. Anderson
Sr. Engineering Technician

Attachment

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

**SOUTHLAND ROYALTY A LEASE
ROYALTY INTEREST OWNERS**

Julia Ann Benham
P O Box 39
Gonzales, LA 70707
Certified Receipt # Z-207-261-449

Ronald O Holman
5949 Sherry Lane, Suite 1700
Dallas, TX 75225
Certified Receipt # Z-207-261-459

Ohio State University
53 W 11th Avenue
Columbus, OH 43201
Certified Receipt # Z-207-261-469

J L Burke III
8928 Meadow Knoll Drive
Dallas, Texas 75243
Certified Receipt # Z-207-261-450

Betty Owens Horton
1605 Melrose Circle
Garland, TX 75042
Certified Receipt # Z-207-261-460

Helen M Owens
219 Rosebud
Stephenville, TX 76401
Certified Receipt # Z-207-261-470

Burlington Resources
P O Box 840656
Dallas, Texas 75284
Certified Receipt # Z-207-261-451

Katherine A Keck
1801 Avenue of the Stars, Suite 446
Los Angeles, CA 90067
Certified Receipt # Z-207-261-461

Hersel T & Judy B Owens
1235 S Marion Avenue
Tulsa, OK 74112
Certified Receipt # Z-207-261-471

Anna Bess Calfin
3008 49th Street
Lubbock, TX 79413
Certified Receipt # Z-207-261-452

Tony G & Laurie A Knott
129 W Wolfcamp
Hobbs, NM 88240
Certified Receipt # Z-207-261-462

James M Owens
P O Box 1003
Dumas, TX 79029
Certified Receipt # Z-207-261-472

College of the Southwest
6610 Lovington Highway
Hobbs, NM 88240-9120
Certified Receipt # Z-207-261-453

Bill J Markham Trust
P O Box 21346
Mesa, AZ 85277
Certified Receipt # Z-207-261-463

Janet Owens Estate
1605 Melrose Circle
Garland, TX 75042
Certified Receipt # Z-207-261-473

J R Cone Et Ux
P O Box 10217
Lubbock, TX 79408
Certified Receipt # Z-207-261-454

C B Markham Jr Estate Trust
2512 Metzgar Road SW
Albuquerque, NM 87105
Certified Receipt # Z-207-261-464

Lana Owens
764 Wildwood Trail
Weatherford, TX 76085
Certified Receipt # Z-207-261-474

Clebbie F & Gene L Duke
1813 Gillham Drive
Brownfield, TX 79316
Certified Receipt # Z-207-261-455

Clarence R Markham
3110 - 38th Street
Lubbock, TX 79413
Certified Receipt # Z-207-261-465

Pete Proctor Estate
1209 South County Road West
Odessa, TX 79763
Certified Receipt # Z-207-261-475

Fairway Oil & Gas Company
P O Box 845
Sparta, NJ 07871
Certified Receipt # Z-207-261-456

Donald Marshall Markham Family
P O Box 241
Center Point, TX 78010
Certified Receipt # Z-207-261-466

John Redfern III
P O Box 50890
Midland, TX 79710
Certified Receipt # Z-207-261-476

Nancy I Farmer
5136 E 35th Street
Tulsa, OK 74135
Certified Receipt # Z-207-261-457

Jack Markham
1500 Broadway, Suite 1212
Lubbock, TX 79401
Certified Receipt # Z-207-261-467

Marilyn Burke Salter
20031 82 Avenue W
Edmonds, WA 98026
Certified Receipt # Z-207-261-477

Herd Partners Ltd
P O Box 130
Midland, TX 79702
Certified Receipt # Z-207-261-458

Montgomery Petroleum Inc
P O Box 600490
Dallas, TX 75360
Certified Receipt # Z-207-261-468

Southwestern Baptist
1601 Elm Street, Suite 1700
Dallas, TX 75201
Certified Receipt # Z-207-261-478

Beverly B Strohl
4353 Bromfield Avenue
San Diego, CA 92122
Certified Receipt # Z-207-261-479

Texas Technological University
P O Box 41098
Lubbock, TX 79409
Certified Receipt # Z-207-261-480

Eldon K & Ruedele Turner
5306 77th Street
Lubbock, TX 79424
Certified Receipt # Z-207-261-481

Waikiki Partners LP
P O Box 2127
Midland, TX 79702
Certified Receipt # Z-207-261-482

West Texas State University
301 Tarrow, Suite 519
College Station, TX 77840
Certified Receipt # Z-207-261-483

Albert D White Jr
2402 Sweetwater Country Club
Apopka, FL 32712
Certified Receipt # Z-207-261-484



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

November 2, 2000

Apache Corporation
2000 Post Oak Boulevard, Suite 100
Houston, Texas 77056-4400

Attention: Ms. Debra Anderson

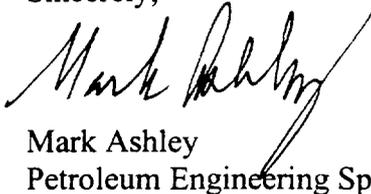
RE: Temporary Pool Commingling
Southland Royalty A Lease
Southland Royalty A Wells No. 4, and 7
Unit P of Section 4, and Unit A of Section 9, Township 21 South, Range 37 East,
NMPM, Lea County, New Mexico
Hare-San Andres Pool and Penrose Skelly-Grayburg Pool

Dear Ms. Anderson:

Apache is hereby authorized to temporarily surface commingling production from the above mentioned lease and pools with production that is currently surface commingled under Administrative Order No. PC-53. Ownership is common throughout the lease, and commingling will not decrease the value of production. Authority to temporarily surface commingle will terminate December 2, 2000.

If you have any questions, please call me at (505) 827-8183.

Sincerely,



Mark Ashley
Petroleum Engineering Specialist

cc: Oil Conservation Division - Hobbs

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

CORPORATION

(713) 296-6000

November 02, 2000

Attn: Mark Ashley
New Mexico - Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

30 DAY
VERBAL.
EXP. 12-2-00.
MW

**Re: Administrative Order PC-53 (Amended April 13, 1982 under Amoco Prod. Co.)
Southland Royalty A Lease
Section 4 and Section 9, Township 21 South, Range 37 East
Production Facilities - Unit B, Section 9, T-21S, R-37E
Lea County, New Mexico**

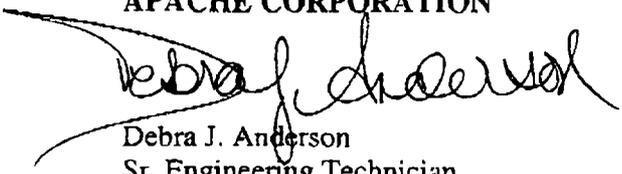
Apache Corporation would like to request temporary verbal permission to surface commingle the existing production at our Southland Royalty A lease with the production from our Southland Royalty A # 7 well, currently being recompleted in the Hare; San Andres, East (96601) pool and Southland Royalty A # 4 to be recompleted in the Penrose Skelly; Grayburg (50350) pool. Our records indicate the royalty ownership is the same for all pools. The expected gravity is 36.1 and adding the referenced pools will not decrease the value of commingled production.

I am working on the necessary information to amend the referenced commingling permit and anticipate submitting same to you next week.

If you have any questions, please contact me at 713-296-6338. Your assistance in this matter is greatly appreciated. Thank you.

Sincerely,

APACHE CORPORATION


Debra J. Anderson
Sr. Engineering Technician

cc: Chris Williams
District 1

TOTAL P.01