

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP. NO.
4/27/01	N/R	DC	NW	AMEND PC #91	112151620

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 COVERSHEET

THIS COVERSHEET 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:

- [NSP-Non-Standard Location] [NSL-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]

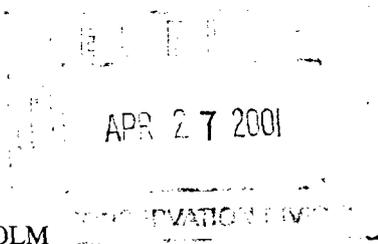
[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [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



[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 - Certification**

I hereby certify that I, or personnel under my supervision, have reviewed the 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 understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Lee R. White
 Print or Type Name

Lee R. White
 Signature

Engineering Manager
 Title

4/26/01
 Date

Lee.White@apachecorp.com
 e-mail Address



April 26, 2001

Attn: David Catanach
State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Order PC-91
Hawk B-10 Lease
Section 10, T-21S, R-37E
Lea County, New Mexico

NM-2512

Apache Corporation requests an amendment of the referenced Surface Commingling Permit to include the currently producing pools and add the Penrose Skelly; Grayburg pool. Apache is developing Grayburg production in addition to existing Wantz Abo and Hare Simpson production. The original Surface Commingling permit included the Brunson, Drinkard, Tubb and Blinebry pools, which are no longer active on this lease. The mineral rights are held by the Federal Government and working interest is owned by Apache – 50%, Chevron – 25% and Petroleum Strategies – 25%.

To support this request we have attached the following:

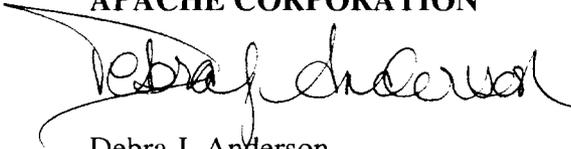
- 1) Tabulation of wells indicating the current or proposed producing pool, average daily actual/estimated production rates and API gravity of each pool.
- 2) The estimated sum of commingled production from all five wells is 130-175 BOPD and expected gravity is 39.1. The value of commingled production will not be decreased by adding the Penrose Skelly; Grayburg pool. Allocation of production from each pool will be based on monthly well tests.
- 3) Production Facilities diagram

- 4) Plat of Hawk B-10 Lease which consists of E/2 of NW/4, W/2 of NE/4 and SE/4 of NE/4, Section 10, T-21S, R-37E
- 5) A copy of the letter sent to the Bureau of Land Management requesting their concurrent permission to amend the referenced surface commingle.

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", written over a horizontal line.

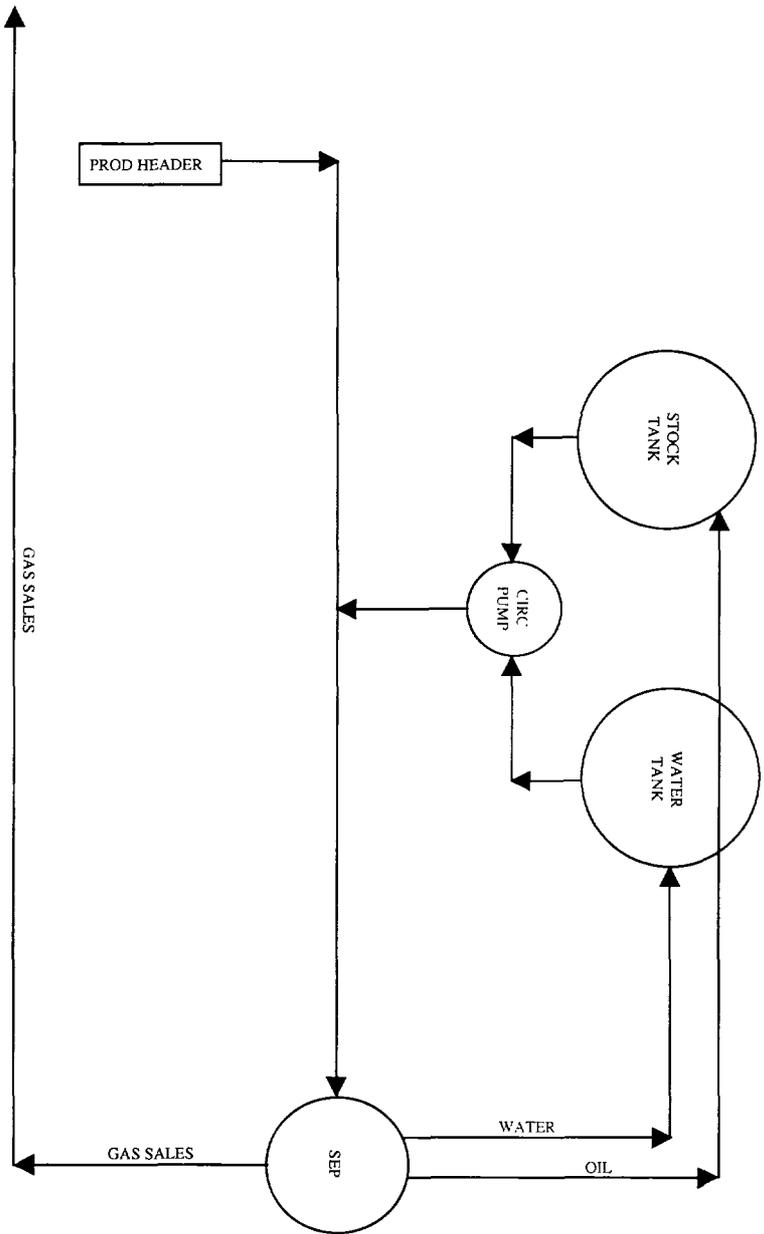
Debra J. Anderson
Sr. Engineering Technician

Attachments

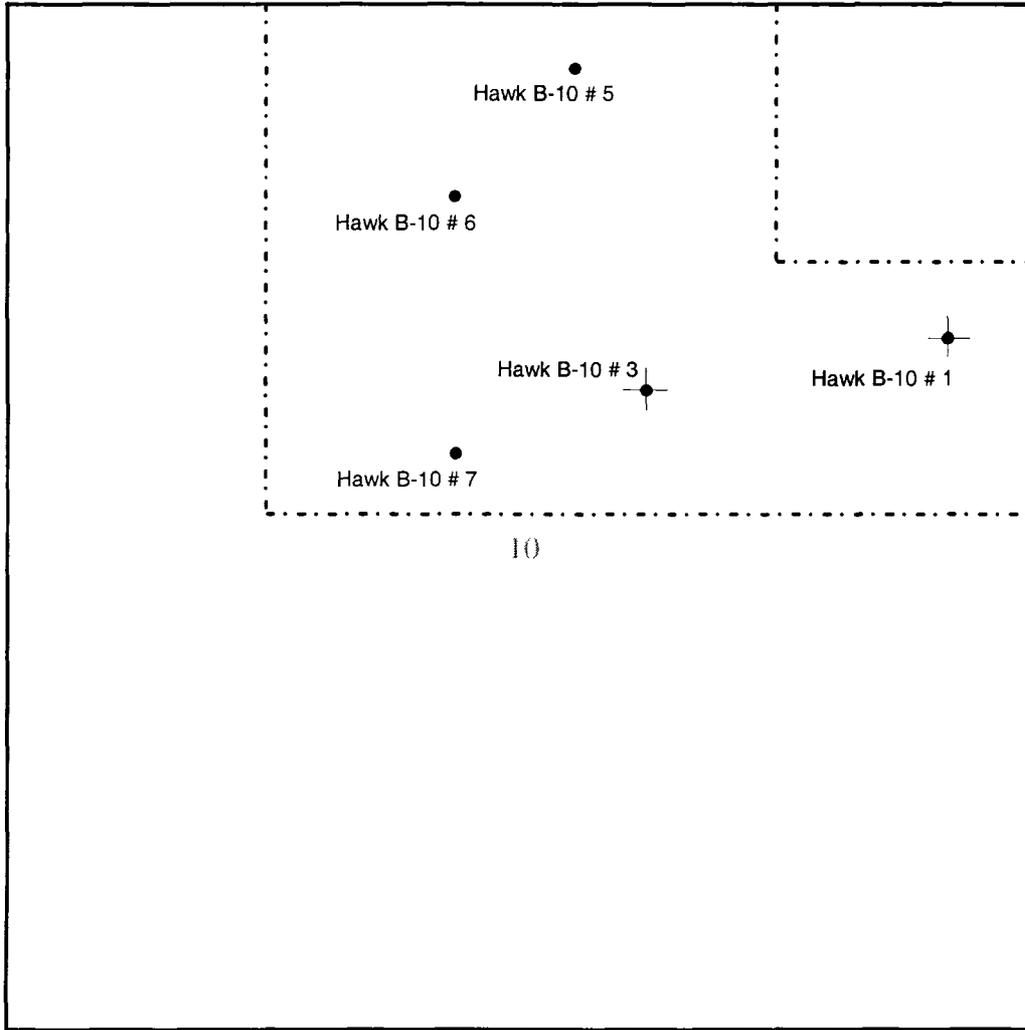
cc: State of New Mexico
Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

**HAWK B-10 LEASE
PENROSE SKELLY; GRAYBURG
WANTZ ABO
HARE SIMPSON**

<u>Well No.</u>	<u>Pool</u>	<u>Status</u>	<u>Avg. BOPD</u>	<u>API Gravity</u>
30-025-06475 1	Penrose Skelly; Grayburg	Proposed Re-Entry	(Est) 40	37.6
3	Penrose Skelly; Grayburg	Proposed Re-Entry	(Est) 40	37.6
	Wantz Abo	Proposed Re-Entry	(Est) 10	42.4
06455 5	Hare Simpson	Active	15	41.9
06458 6	Penrose Skelly; Grayburg	Proposed Plugback	(Est) 40	37.6
	Wantz Abo	Active	3	42.4
06457 7	Penrose Skelly; Grayburg	Proposed Plugback	(Est) 40	37.6



APACHE CORPORATION
 HAWK B-10 LEASE FACILITIES
 UNIT C, SECTION 10, T-21S, R-37E
 LEA COUNTY, NEW MEXICO



**APACHE CORPORATION
HAWK B-10 LEASE
SEC 10 / T-21S / R-37E
LEA COUNTY, NEW MEXICO**



April 26, 2001

Attn: David Glass
United States Department of the Interior
Bureau of Land Management
2909 West 2nd Street
Roswell, New Mexico 88201-2019

**Re: Administrative Order PC-91
Hawk B-10 Lease
Section 10, T-21S, R-37E
Lea County, New Mexico**

Attached please find an application to amend the referenced Surface Commingling Permit. This amendment seeks to remove the Brunson, Drinkard, Tubb and Blinebry pools, which are no longer active on this lease, and include the Penrose Skelly; Grayburg pool which Apache is actively developing. Production from the Hare Simpson and Wantz Abo is currently being commingled at the Hawk B-10 surface facilities. Adding the referenced pool will not decrease the value of commingled production.

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".

Debra J. Anderson
Sr. Engineering Technician

Attachment

cc: New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

OPERATOR'S COPY



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

MAILING APACHE CORP COM
(713) 295-6000

SOUTHERN REGION
PRODUCTION DEPT

April 26, 2001

ILLEGIBLE

Attn: David Glass
United States Department of the Interior
Bureau of Land Management
2909 West 2nd Street
Roswell, New Mexico 88201-2019



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Sincerely,

APACHE CORPORATION

Debra J. Anderson
Debra J. Anderson
Sr. Engineering Technician

Attachment

cc: New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

APPROVED
APR 28 2001

David A. Glass
AUTHORIZED OFFICER, MINERALS
BUREAU OF LAND MANAGEMENT

FOR
OF