

DATE IN	ENGINEER	LOGGED IN	TYPE	APP NO.
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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

SEP 11 2001

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

[D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

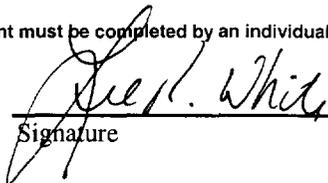
- [A] Working, Royalty or Overriding Royalty Interest Owners
 [B] Offset Operators, Leaseholders or Surface Owner
 [C] Application if One Which Requires Published Legal Notice
 [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

Lee R. White
 Print or Type Name


 Signature

Engineering Manager
 Title

9/10/2001
 Date

Lee.White@Apachecorp.com
 e-mail Address

September 10, 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-419
J G Hare Lease
Section 33, T-21S, R-37E
Lea County, New Mexico**

As per your letter dated August 27, 2001, Apache Corporation submits for your review the following information regarding our request for administrative approval of an amendment of the referenced Surface Commingling Permit.

- 1) One original Administrative Application Checklist was attached to the package submitted on August 16th, which included an original and two copies of the entire application. I have attached new Administrative Application Checklists and I will attach the checklist to each copy of future applications.
- 2) All gas produced will be commingled at the J G Hare lease facility separators then transported through the gas sales line to Duke Energy
- 3) See attached tabulation of wells indicating current gas producing rates for the commingled wells
- 4) Well No. 10 and No. 11 will be downhole commingled in the near future. See attached tabulation of wells for Downhole Commingling Permit numbers

5) Interest ownership between pools is common throughout

Apache also requests a correction of the San Andres pool referenced in the original application to amend the Pool Commingle. The original application referenced the Eunice; San Andres, SW pool. **The correct pool is the Eunice; San Andres (24150).**

If you have any questions or need additional information, 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 horizontal stroke extending 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

**J G HARE LEASE
PENROSE SKELLY; GRAYBURG
EUNICE; SAN ANDRES
PADDOCK / BLINEBRY**

<u>Well No.</u>	<u>Pool</u>	<u>Status</u>	<u>Avg. BOPD</u>		<u>Avg. MCFD</u>	<u>API Gravity</u>
1	Blinebry	Shut-In		0	0	
4	Paddock	Active		9	53	37.8
5	Paddock	Active		3	67	37.8
6	Blinebry (Pro Gas)	Active		0	40	
7	Blinebry	Active		3	10	37.8
8	Eumont; Yates-7 Rvrs-Queen	Active		0	74	
9	Penrose Skelly; Grayburg	Active		9	61	36.7
10	Penrose Skelly; Grayburg	Active		5	122	36.7
DHC-2922	Eunice; San Andres	Shut-In	Est. 3		Est. 30	37.1
11	Penrose Skelly; Grayburg	Active		4	158	36.7
DHC-2923	Eunice; San Andres	Shut-In	Est. 3		Est. 30	37.1
12	Penrose Skelly; Grayburg	Active		8	213	36.7

Downhole Commingle on J G Hare Well No. 10 and No. 11 has not yet been implemented. Volumes for Oil & Gas in the Eunice; San Andres pool are **estimates only** based on offset production in the same pool.

DATE: 8/21/01	SUBJECT: [REDACTED]	ENGINEER: DC	LOGGED IN: MW	TYPE: PC	APP NO.: 123537826
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AMEND
#419

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

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- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

AUG 21 PM 12:57

- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
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 NSL NSP SD
- Check One Only for [B] or [C]
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- [D] Other: Specify _____

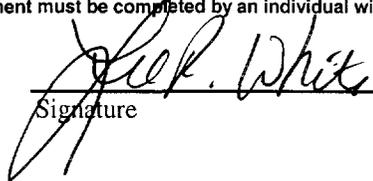
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application if One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval 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

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

Lee R. White
Print or Type Name


Signature

Engineering Manager
Title

8/16/2001
Date

Lee.White@Apachecorp.com
e-mail Address

August 16, 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-419
J G Hare Lease
Sec. 33, T21S, R37E
Lea County, New Mexico**

Apache Corporation request an amendment of the referenced Surface Commingling Permit to include the currently producing pools and add the Eunice; San Andres SW pool. Apache is developing San Andres production in addition to existing Penrose Skelly; Grayburg, Eumont; Yates-7 Rivers-Queen, Paddock and Blinebry production. Working Interest is owned by Apache Corporation – 100%

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 estimated sum of commingled production from all ten wells is 45-50 BOPD and expected gravity is 37.2. The value of the commingled production will not be decreased by adding the Eunice; San Andres, SW pool. Allocation of production from each pool will be based on monthly well tests.
- 3) Production Facilities diagram
- 4) Plat of J G Hare 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 and then curves back under the name.

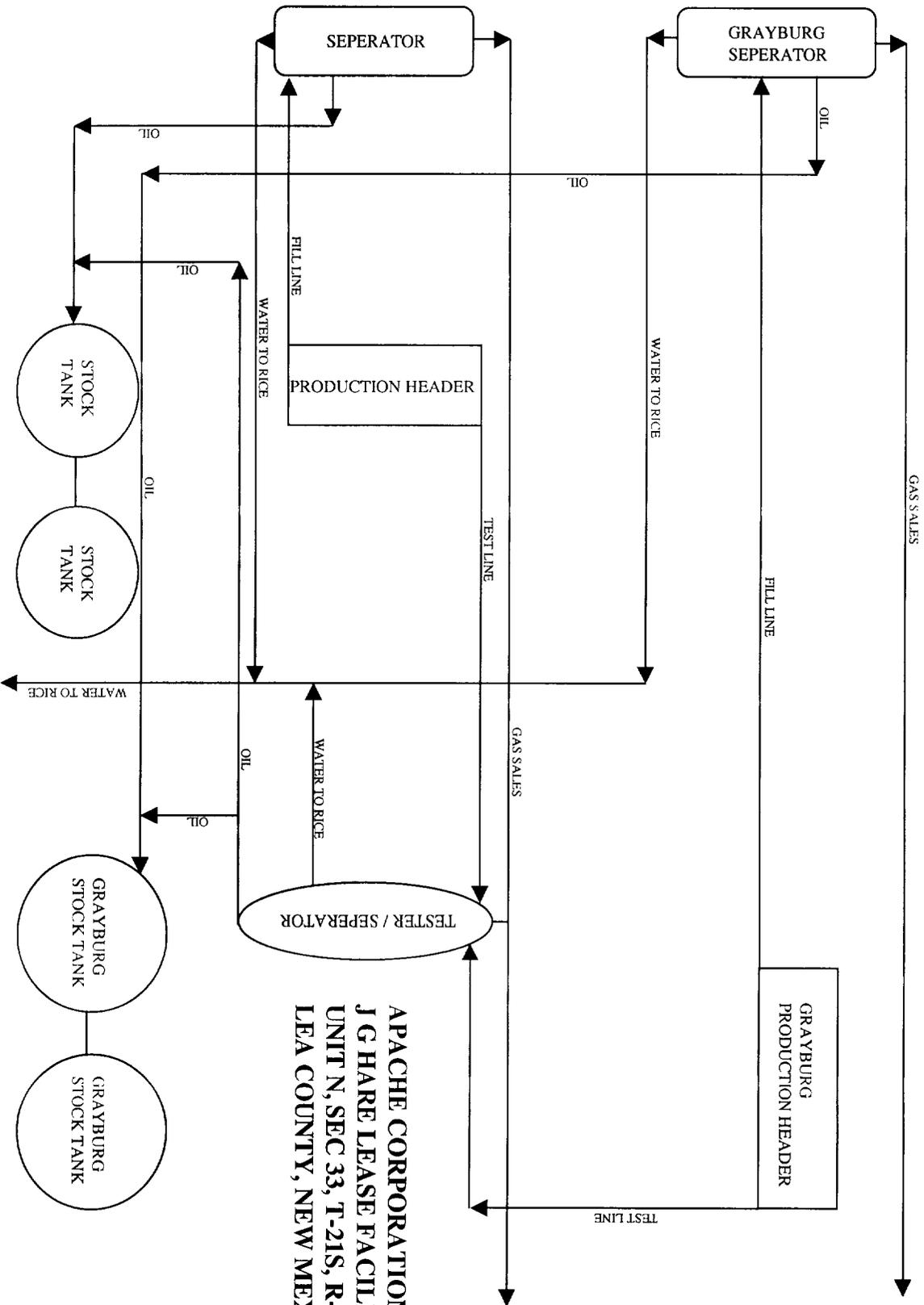
Debra J. Anderson
Sr. Engineering Technician

Attachments

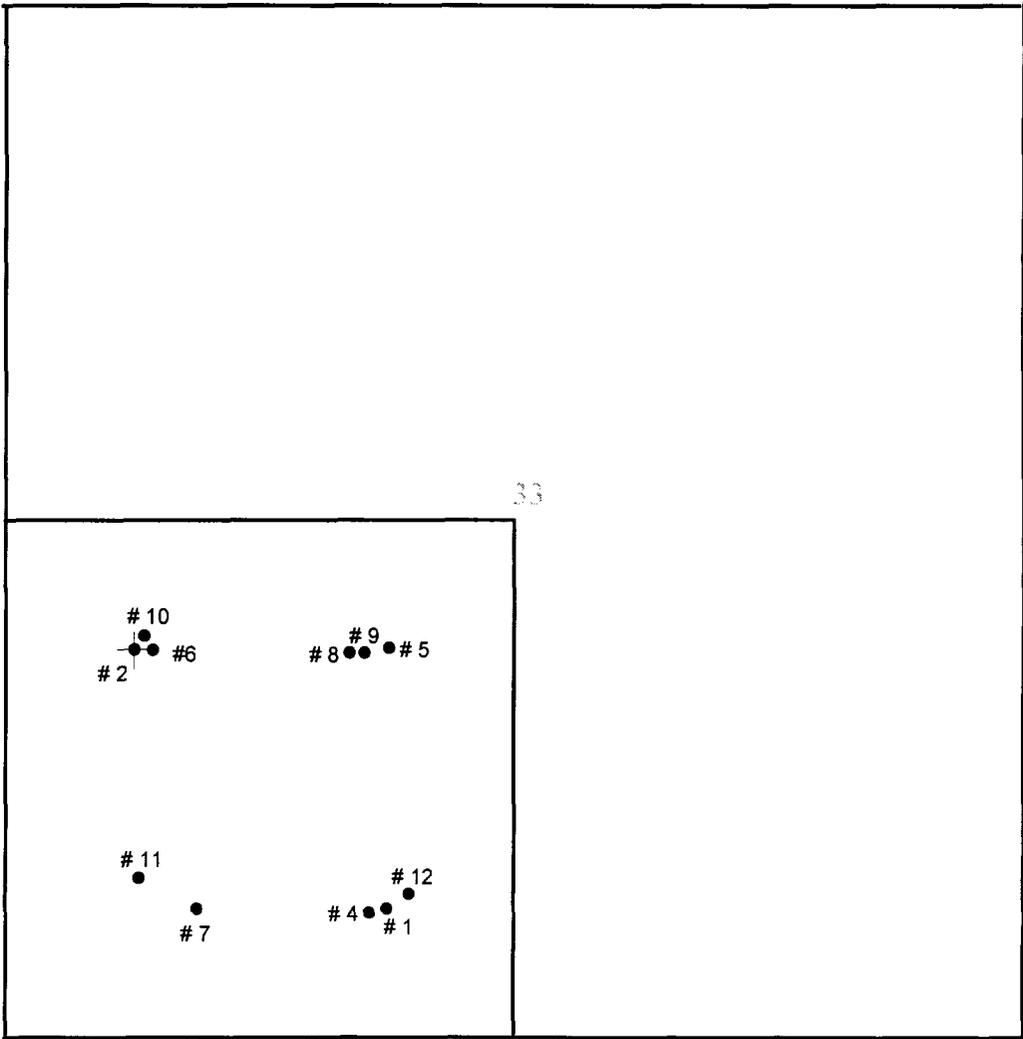
cc: State of New Mexico
Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

**J G HARE LEASE
PENROSE SKELLY; GRAYBURG
EUNICE; SAN ANDRES, SW
PADDOCK / BLINEBRY**

<u>Well No.</u>	<u>Pool</u>	<u>Status</u>	<u>Avg. BOPD</u>	<u>API Gravity</u>
30-025-06961 1	Blinebry ✓	Shut-In	0	
06964 4	Paddock	Active	9	
06965 5	Paddock ✓	Active	3	
06966 6	Blinebry (Pro Gas) ✓	Active	0	
06967 7	Blinebry ✓	Active	3	37.8
25872 8	Eumont; Yates-7 Rvrs-Queen ✓	Active	0	
34244 9	Penrose Skelly; Grayburg ✓	Active	9	36.7
34336 10	Penrose Skelly; Grayburg ✓ Eunice; San Andres, SW	Active Shut-In	5 Est. 3	36.7 37.1
34334 11	Penrose Skelly; Grayburg ✓ Eunice; San Andres, SW	Active Shut-In	4 Est. 3	36.7 37.1
34335 12	Penrose Skelly; Grayburg ✓	Active	8	36.7

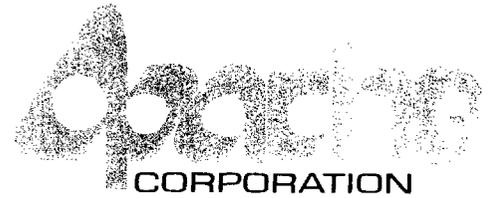


APACHE CORPORATION
 J G HARE LEASE FACILITIES
 UNIT N, SEC 33, T-21S, R-37E
 LEA COUNTY, NEW MEXICO



APACHE CORPORATION
J G HARE LEASE
SW/4
SEC 33 / T-21S / R-37E
LEA COUNTY, NEW MEXICO

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



WWW.APACHECORP.COM
(713) 296-6000

August 16, 2001

Royalty Interest Owners

**Re: Administrative Order PC-419
J G Hare Lease
Sec. 33, 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, 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

**J G HARE LEASE
ROYALTY INTEREST OWNERS**

Black Stone Minerals Company LP
P O Box 201709
Houston, Texas 77216-1709
Certified Receipt #
7000-2870-0000-2222-2996

Jessie Faye Oliver Castlemen
P O Box 201595
Houston, Texas 77216-1595
Certified Receipt #
7000-2870-0000-2222-3009

Coates Energy Trust
P O Box 171717
San Antonio, Texas 78217
Certified Receipt #
7000-2870-0000-2222-3016

Everett Coon Jr
3536 Rankin
Dallas, Texas 75205
Certified Receipt #
7000-2870-0000-2222-3023

Carolyn G Cowden
P O Box 482
Midland, Texas 79702
Certified Receipt #
7000-2870-0000-2222-3030

Wright E Cowden Jr
P O Box 2377
Midland, Texas 79702
Certified Receipt #
7000-2870-0000-2222-3047

Eunice James Gray
197 Tweed Blvd
Nyack, New York 10960-4913
Certified Receipt #
7000-2870-0000-2222-3054

Stephen N James
6521 Needham Lane
Austin, Texas 78739-1518
Certified Receipt #
7000-2870-0000-2222-3061

Montgomery Petroleum Inc
P O Box 600490
Dallas, Texas 75360-0490
Certified Receipt #
7000-2870-0000-2222-3078

Donald Cowden Oliver Trust # 12
P O Box 2015
Houston, Texas 77216
Certified Receipt #
7000-2870-0000-2222-3085

Fay Power Trust
P O Box 54
Lovington, New Mexico 88260
Certified Receipt #
7000-2870-0000-2222-3092

Sabine Royalty Trust
Department # 0887
Dallas, Texas 75284-0887
Certified Receipt #
7000-2870-0000-2222-3108

Kirby D Schenck
P O Box 1225
Lovington, New Mexico 88260
Certified Receipt #
7000-2870-0000-2222-3115

Kirby D Schenck Trusts
P O Box 1627
Lovington, New Mexico 88260
Certified Receipt #
7000-2870-0000-2222-3122

Virginia P Selby
P O Box 5434
Midland, Texas 79704-5434
Certified Receipt #
7000-2870-0000-2222-3139

Snow Operating Company Inc
5719 Airport Freeway
Fort Worth, Texas 76117-6007
Certified Receipt #
7000-2870-0000-2222-3153

Tritex Production Company
2882 Sand Hill Road, Suite 117
Menlo Park, California 94025
Certified Receipt #
7000-2870-0000-2222-3177

Williams Trust FBO
P O Box 1401
Lubbock, Texas 79408
Certified Receipt #
7000-2870-0000-2222-3191

J E Simmons Trust A-JSS / B-MJH
P O Box 5383
Denver, Colorado 80217
Certified Receipt #
7000-2870-0000-2222-3146

June P Speight
Drawer 1687
Lovington, New Mexico 88260
Certified Receipt #
7000-2870-0000-2222-3160

Vaughn Petroleum Royalty
3738 Oak Lawn, Suite 101
Dallas, Texas 75219
Certified Receipt #
7000-2870-0000-2222-3184

***New Mexico Oil Conservation Division---Engineering Bureau
Administrative Application Process Documentation***

Date Application Received: 8/21/01

Date of Preliminary Review: 8/27/01
(Note: Must be within 10-days of received date)

Results: _____ Application Complete Application Incomplete

Date Incomplete Letter Sent: 8/27/01

Deadline to Submit Requested Information: 9/3/01

Phone Call Date: _____
(Note: Only applies if requested data is not submitted within the 7-day deadline)

Phone Log Completed? _____ Yes _____ No

Date Application Processed: _____

Date Application Returned: _____
(Note: Only as a last resort & only after repeated attempts by the Division to obtain the necessary information to process the application)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

August 27, 2001

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

Attention: Ms. Debra J. Anderson

Re: Surface Commingling Application
Amend Order No. PC-419
J. G. Hare Lease
Section 33, T-21 South, R-37 East, NMPM,
Lea County, New Mexico

Dear Ms. Anderson:

This letter acknowledges the receipt of your administrative application dated August 16, 2001, to amend Division Order No. PC-419 to add the Southwest Eunice-San Andres Pool on the J. G. Hare Lease. The Division received your application on August 21, 2001.

Our preliminary review indicates that the information provided in the application is not sufficient to process the administrative order. The following information is necessary:

- a) **Administrative Application Checklist (enclosed)**
- b) **Is the gas production going to be commingled?**
- c) **What is the current gas producing rates for the commingled wells?**
- d) **Are Wells No. 10 and 11 downhole commingled?**
- e) **Is the interest ownership between the pools common throughout?**

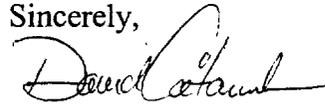
Since the submitted information is insufficient to review, the application was **Ruled Incomplete** on August 27, 2001. Please submit the above stated information by September 3, 2001.

The Division cannot proceed with your application until the required information is submitted. Upon receipt, the division will continue to process your application. The additional information can be faxed, or mailed to the Division. If the necessary information is not submitted, your application will be returned to you.

Administrative Application Letter
Apache Corporation
August 27, 2001

If you have any questions, please contact me in Santa Fe, at (505) 476-3466.

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach". The signature is written in a cursive style with a large, looping initial "D".

David Catanach
Petroleum Engineer