

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order DHC-4639
Order Date: September 23, 2013
Application Reference Number: pPRG1322735552

Apache Corporation
303 Veterans Airpark Lane, Ste 3000
Midland, TX 79705

Attention: Reesa Holland Fisher

New Mexico S State Well No. 54
API No: 30-025-38119
Unit M, Section 2, Township 22 South, Range 37 East, NMPM
Lea County, New Mexico

Pool	PENROSE SKELLY; GRAYBURG	Oil	50350
Names:	EUNICE; SAN ANDRES, SOUTH	Oil	24170

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable and allocation of production from the well shall be as follows:

PENROSE SKELLY; GRAYBURG (OIL) POOL	Pct Gas: 50	Pct Oil: 52
EUNICE; SAN ANDRES, SOUTH (OIL) POOL	Pct Gas: 50	Pct Oil: 48

REMARKS: The operator shall notify the Division's District I office upon implementation of commingling operations.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District
State Land Office – Oil, Gas, and Minerals Division