

02/04/14 DATE IN	SUSPENSE	TRG ENGINEER	02/07/14 LOGGED IN	DHC TYPE	PPRG1403843340 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



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APR 24 P 3:15

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST 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:

[NSL-Non-Standard Location] [NSP-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] AMEND DHC-512

[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

DHC-512 (DHC-HOB-512)

Apache Corp
 V Laughlin No. 8
 30-025-39899

[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 is 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

\$
 PC-1253

[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.

REESA FISHER

Print or Type Name

Reesa Fisher
 Signature

SR STAFF REG ANALYST

Title

1/29/2014

Date

V LAUGHLIN #8
 AMEND DHC-512

Reesa.Fisher@apachecorp.com
 e-mail Address

January 29, 2014

**Mr. Phillip Goetze
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505-4225**

**RE: Application for Exception to Rule 303-C – Downhole Commingling
V Laughlin #8 API 30-025-39899
Unit C, Section 9, T20S, R37E
Monument; Tubb (47090), Skaggs; Drinkard (57000) & Monument;
Abo, Southeast (96764)
Lea County, New Mexico**

Dear Mr. Goetze:

Enclosed please find form C-107A and attachments for adding the Abo to our existing Downhole Commingling Order DHC-512 for the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

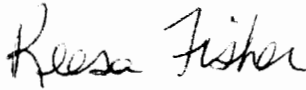
The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on

each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at (432) 818-1062.

Sincerely,

A handwritten signature in black ink that reads "Reesa Fisher". The signature is written in a cursive, flowing style.

Reesa Fisher
Sr. Staff Regulatory Analyst

District I
1625 N. French Drive, Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

District III
1000 Rio Brazos Road, Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation 303 Veterans Airpark Lane Suite 3000 Midland TX 79705
Operator Address
V Laughlin 008 C 9 20S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 873 Property Code 302374 API No. 30-025-39899 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Monument; Tubb	Skaggs; Drinkard	Monument; Abo, SE
Pool Code	47090	57000	96764
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6402'-6522'	6700'-6844'	6928'-7606'
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	38.7 ✓	38.7 ✓	40.1 ✓
Producing, Shut-In or New Zone	Producing	Producing	New Zone
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: Rates: SEE ATTACHED	Date: Rates: SEE ATTACHED	Date: Rates: SEE ATTACHED
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 46 % ✓ 38 % ✓	Oil Gas 34 % ✓ 36 % ✓	Oil Gas 20 % ✓ 26 % ✓

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐
NMOCD Reference Case No. applicable to this well: _____

Attachments:
C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
Production curve for each zone for at least one year. (If not available, attach explanation.)
For zones with no production history, estimated production rates and supporting data.
Data to support allocation method or formula.
Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling.

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Reesa Fisher TITLE Sr. Staff Regulatory Analyst DATE 1/29/2014
TYPE OR PRINT NAME Reesa Fisher TELEPHONE NO. (432) 818-1062
E-MAIL ADDRESS Reesa.Fisher@apachecorp.com

Lease Name	Well Number	10DIGITAP	Location	Tubbs	Drinkard	Abos	Tubbs	Drinkard	Abos	Tubbs	Drinkard	Abos
J W COOPER G	3	3002505871	20S 37E 3E NW SW NW	2392			4903			43850		
BERTIE WHITMIRE	6	3002506016	20S 37E 8B SW NW NE			41227			116266			58034
BERTIE WHITMIRE	8	3002506018	20S 37E 8F			40260			164697			95258
BRITT B	9	3002506108	20S 37E 15J	261579	45473		3357547	729043	19707	9450	14500	
BRITT B	10	3002506109	20S 37E 15F SE NW	177763	2434		4173916	35808		23792	5748	
BRITT B	11	3002506110	20S 37E 15N	210896			586331			134562		
BRITT B	12	3002506111	20S 37E 15E	192523			2400651			120508		
BRITT B	10	3002506112	20S 37E 15D	25549			818601			32700		
BRITT B	14	3002506113	20S 37E 15L	146459			681426			5307		
SEMU BRITT	61	3002506114	20S 37E 15P			3970		279325				1467
SEMU TUBB	70	3002506115	20S 37E 15I	61629	166457		907596	3431375		66178	476621	
STATE Q	1	3002506116	20S 37E 16J W2 NW SE	59223			220345			28053		
HANSEN STATE	3	3002506126	20S 37E 16A W2 NE NE				2337		477	2450		
HANSEN STATE	5	3002506128	20S 37E 16H	76711			208565			50047		
BRITT B	18	3002520090	20S 37E 10N	115996			817668			10631		
BRITT B	19	3002520112	20S 37E 15B	171248			572822			34578		
L VAN ETEN	11	3002520217	20S 37E 9I C NE SE	68230			768554			12149		
BRITT B	20	3002520299	20S 37E 10L SW NW SW	165329			914967			8813		
APACHE STATE Q	4	3002520358	20S 37E 16I C NE SE	90226			587491			15157		
BARBER ADKINS B	1	3002520436	20S 37E 8D C NW NW	13912			184450			28345		
J W COOPER	1	3002520452	20S 37E 3F	216643			3306365			18164		
HANSEN STATE	6	3002520535	20S 37E 16G E2 SW NE	23027			96987			5697		
ELLEN WEIR	1	3002520589	20S 37E 3L	1509								
BRITT B	23	3002520648	20S 37E 3K	22550			97008			3438		
BRITT B	21	3002520649	20S 37E 10J	147611			1034526			18562		
SEMU BLINERY TUBB	85	3002520655	20S 37E 15H	152781			754197			31550		
E H B PHILLIPS B	1	3002520934	20S 37E 10F	203280			2114219			14857		
E H B PHILLIPS B	2	3002520935	20S 37E 10G	86676	38591		928515	354448		12763	8981	
E H B PHILLIPS C	1	3002521052	20S 37E 10A	9777			28534			751		
BRITT B	22	3002521064	20S 37E 10P	167751			777491			105307		
LAUGHLIN	1	3002521652	20S 37E 9H	53957			462225			61699		
BRITT PHILLIPS	1	3002521653	20S 37E 10E	24175			1093722			5219		
L VAN ETEN	12	3002521773	20S 37E 9O NW SW SE	3536			1009082			125654		
V LAUGHLIN	4	3002521926	20S 37E 9A	39976			172669			7415		
T ANDERSON	4	3002525292	20S 37E 8I	1781			8000			19238		
BRITT B	26	3002526486	20S 37E 15M	52981			229226			140671		
BRITT B	27	3002526941	20S 37E 15G		45786	142473		548219	7850793		24467	12341
ANDERSON	1	3002529962	20S 37E 8Q SW SE	12260			29946			101798		
BRITT B	28	3002530470	20S 37E 15K NE NE SW	13973	13192	3917	246379	465963	252835	59076	62193	49198
COOPER	1	3002530527	20S 37E 3B C NW NE	2591			1745439			1344		
GENERAL G STATE	3	3002530865	20S 37E 16D NW NW	2515			59419			45665		
L VAN ETEN	13	3002531727	20S 37E 9K SE NE SW	621		16793	368786		62692	2997		5342
L VAN ETEN	14	3002532518	20S 37E 9M NE SW SW	1564		14009	197064		188770	18214		25609
E H B PHILLIPS B	3	3002533015	20S 37E 10C C NE NW	1134			8299			1168		
W H LAUGHLIN	7	3002533141	20S 37E 9E	42052			430975			101148		
STATE CC 16	1	3002533284	20S 37E 16C	1966		36757	63910		121286	6687		584845
STATE H	1	3002533667	20S 37E 3H		85871			262152			4968	
BRITT B	32	3002533906	20S 37E 10M		134855			717490			237381	
BERTHA BARBER	16	3002533919	20S 37E 5K NW NE SW	33442		88931	85789		317485	3104		1808
HANSEN STATE	7	3002533967	20S 37E 16B			177071			724960			430491
STATE A	1	3002533970	20S 37E 3A				1692276			800		
STATE H	2	3002533971	20S 37E 3A		144468			2232910			10079	
E H B PHILLIPS C	2	3002533989	20S 37E 10H			2563			507302			13084
THEODORE ANDERSON	12	3002534021	20S 37E 8P SE SE SE		2118	21997		3695	436600		9528	48086
LAUGHLIN	2	3002534067	20S 37E 9G SW SW NE	10950			122756			35129		
APACHE STATE Q	7	3002534162	20S 37E 16J NE NW SE	11701		26684	24108		47022	17010		22682
HANSEN STATE	8	3002534203	20S 37E 16G C SW NE			8793			249155			
BERTHA BARBER	17	3002534204	20S 37E 5F SW SE NW	88982		3182	642565		13432	22436		1245
J COOPER	1	3002534206	20S 37E 3B NW NE		151389			1717924	19262		3756	
STATE A 3	3	3002534207	20S 37E 3I NE SE	30068			771771			75260		
THEODORE ANDERSON	14	3002534281	20S 37E 17A			3537			10270			4952
HANSEN STATE	9	3002534286	20S 37E 16H SE SE NE			14735			301315			6302
J W COOPER	5	3002534292	20S 37E 3B NE NW NE						55457			
J COOPER	2	3002534295	20S 37E 3G SW NE		99297			752861			2517	
STATE A 3	4	3002534308	20S 37E 3J NW SE	32518			582674			13690		
BERTHA BARBER	18Y	3002534327	20S 37E 5L SE NW SW	24837		3565	134986		70677	195999		29732
W H LAUGHLIN	8	3002534341	20S 37E 9F NW SE NW		2543	16152		10643	178085		95345	14920
L VAN ETEN	19	3002534528	20S 37E 9O SE SW SE	1530	191	8512	106	1327	18095	2664	2664	9949
STATE I	4	3002534954	20S 37E 16N NW SE SW	4368			25966			13504		
LAUGHLIN	1	3002534975	20S 37E 4N SW SE SW	33621	23076	4626	119569	84024	14213	11729	7804	1869
COOPER 5	6	3002535151	20S 37E 5G SW SW NE	16899	19057		57113	64220		14970	16884	
LAUGHLIN	2	3002535182	20S 37E 4L W2 NW SW	57372			414956			28368		
LAUGHLIN	3	3002535348	20S 37E 4O SE SW SE	50931			140910			35298		
COOPER 5	7	3002535399	20S 37E 5H S2 SE NE	120435			692004			29169		
LAUGHLIN	4	3002535477	20S 37E 4J SW NW SE	113499			312822			38365		
LAUGHLIN	5	3002535584	20S 37E 4H SE SE NE	18795			93700			112939		
LAUGHLIN	6	3002535676	20S 37E 4F SW SE NW	29063			79586			31840		
LAUGHLIN 5	1	3002535827	20S 37E 5P NE SE SE	35728			186362			114666		
LAUGHLIN 5	2	3002535862	20S 37E 5J SE NW SE	59200			649225			32173		
LAUGHLIN	8	3002535870	20S 37E 4M SE SW SW	32875			154362			25023		
LAUGHLIN	7	3002535891	20S 37E 4K SW NE SW	34811			139092			37216		
COOPER 4	3	3002535934	20S 37E 4E SW SW NW	2297			2101			1558		
LAUGHLIN	9	3002535958	20S 37E 4I SE NE SE	24532			58511			74291		
COOPER 5	9	3002535990	20S 37E 5B SE NW NE	37456			136715			114877		
LAUGHLIN 5	3	3002536000	20S 37E 5I NW NE SE	85348			745784			121242		
LAUGHLIN 5	4	3002536023	20S 37E 5O N2 SW SE	76366			198020			28389		
COOPER 5	8	3002536045	20S 37E 5A SW NE NE	95325			392696			398992		
BERTHA BARBER	21	3002536134	20S 37E 5C SE NE NW	57134			680718			125735		
LAUGHLIN 8	1	3002536147	20S 37E 8A	55490	7698	16635	265934	24129	53385	32294	9935	12008

V Laughlin #8
30-025-39899
Apache Corp.

Lease Name	Well Number	10DIGITAPI	Location	Tubb	Drinkard	Abo	Tubb	Drinkard	Abo	Tubb	Drinkard	Abo
LAUGHLIN	10	3002536161	20S 37E 4P NW SE SE	27027			82878			78557		
BERTIE WHITMIRE	11	3002536331	20S 37E 8B W2 NW NE	47758			177109			77669		
COOPER 8	2	3002536529	20S 37E 8H SE NE	3307		39	16594			27301		1278
V LAUGHLIN	5	3002536675	20S 37E 9C	5536		31682	16494		112037	4474		18996
BARBER ADKINS 8	2	3002536717	20S 37E 8L SW NW SW			10863			79513			29677
APACHE STATE Q	8	3002537267	20S 37E 16P NE SE SE	30233	21814		216611	202915		27524	16072	
STATE A 3	8	3002539220	20S 37E 3P E2 SE SE	3091			9868			215072		
HANSEN STATE	11	3002539562	20S 37E 16			28988			92160			91289
HANSEN STATE	12	3002539563	20S 37E 16H	635		1498	3718		18037			6655
BERTHA BARBER	22	3002539564	20S 37E 5	10364	3560		1742	42446		64038	63276	
BERTHA BARBER	23	3002539565	20S 37E 5	16370			63068			112714		
V LAUGHLIN	7	3002539587	20S 37E 9D	3976	3419	19553	31756	10104	57891	17027	14651	87319
HANSEN STATE	14	3002539635	20S 37E 16B NW NE	1147		1578	40999		34005	10707		12058
V LAUGHLIN	8	3002539899	20S 37E 9C			9762			83507			11370
T ANDERSON	5	3002539900	20S 37E 8N	1664	509	4548	6331	1237	19675	3267	999	29607
W H LAUGHLIN	12	3002539905	20S 37E 9E	1298	528	7927	9824	5456	84885	22025	8973	18663
APACHE STATE Q	9	3002539906	20S 37E 16I	1304	1195		11089	8148		17647	13331	
W H LAUGHLIN	11	3002539909	20S 37E 9F		4300	5669		46163	73118		3648	2377
T ANDERSON	6	3002540145	20S 37E 8K			22334			40931			34272
T ANDERSON	7	3002540146	20S 37E 8N			14776			29862			25812
V LAUGHLIN	11	3002540148	20S 37E 9B			6493			39892			89325
LAUGHLIN	5	3002540207	20S 37E 9G	105	2548		10320	15484		1910	61850	
TOTALS				4,555,740	1,024,339	858,129	42,772,731	12,047,509	12,559,751	4,004,314	1,177,638	1,886,453
AVERAGES				53,597	39,398	24,518	497,357	463,366	330,520	47,110	45,294	55,484

Proposed Allocations	Oil	Gas	Water
Tubb	46%	38%	32%
Drinkard	34%	36%	30%
Abo	20%	26%	38%
TOTAL	100%	100%	100%

Well Test History Report

Page 1 of 1
1/24/2014 7:34:11 am

Select By: Field

Display: All well tests between 07/01/2013 - 01/22/2014

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes					Ratios					Fluid Level
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
Field: MONUMENT														
LAUGHLIN, V #8														
7/25/2013	7/25/2013	24	A	74	10	39	64	0	3,900	527	0	0	527	
8/29/2013	8/29/2013	24	A	69	9	38	60	0	4,222	551	0	0	551	
9/26/2013	9/26/2013	24	A	32	8	38	24	0	4,750	1,188	0	0	1,188	
10/30/2013	10/30/2013	24	A	34	9	39	25	0	4,333	1,147	0	0	1,147	
11/10/2013	11/10/2013	24	A	32	9	38	23	0	4,222	1,188	0	0	1,188	
12/26/2013	12/26/2013	24	A	60	12	33	48	0	2,750	550	0	0	550	
Averages by Completion				50	10	38	41	0						

** All values are recorded using imperial units.

Fisher, Reesa

From: Mull, Donna, EMNRD <donna.mull@state.nm.us>
Sent: Tuesday, January 28, 2014 1:57 PM
To: Fisher, Reesa
Subject: V Laughlin #8, API # 30-025-39899

caps!
(i)

Reesa,

I have the paperwork you sent in on this well asking to amend DHC-512 to add the Monument Abo SE.

We cannot do this DHC in the District office. Monument Abo SE is not in the Pre Approved pools.

You need to fill out the C-107A and sent the original and attachments to the OCD Santa Fe with a copy of everything to OCD District I.

We will approved the other C-103 Intent to DHC with the condition that you cannot produce this well until you get the DHC approved by OCD Santa Fe.

Have a nice day. Donna

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-39899
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name V Laughlin
8. Well Number 008
9. OGRID Number 873
10. Pool name or Wildcat Tubb(47090)/Drinkard(57000)/Abo(96764)

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other:	
2. Name of Operator Apache Corporation	
3. Address of Operator 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	
4. Well Location Unit Letter C : 950 feet from the North line and 2310 feet from the West line Section 9 Township 20S Range 37E NMPM County Lea	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3550' GR	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input checked="" type="checkbox"/>			
OTHER: AMEND DHC-512 <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Apache would like to amend DHC-512, adding the Abo pool:

Pool Names:		Perforations:	
Monument; Tubb	47090	Tubb	6402'-6522'
Skaggs; Drinkard	57000	Drinkard	6700'-6844'
Monument; Abo, Southeast	96764	Abo	6928'-7606'

The allocation method will be as follows based on offset production. (See attached application for exception to Rule 303-C.)

	OIL	GAS	WATER
Tubb	46%	38%	32%
Drinkard	34%	36%	30%
Abo	20%	26%	38%

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

Spud Date: 11/27/2010

Rig Release Date: 12/13/2010

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Reesa Fisher TITLE Sr. Staff Reg Analyst DATE 01/24/2014

Type or print name Reesa Fisher E-mail address: Reesa.Fisher@apachecorp.com PHONE: 432/818-1062

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any): _____



January 24, 2014

**Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240**

**RE: Application for Exception to Rule 303-C – Downhole Commingling
V Laughlin #8 API 30-025-39899
Unit C, Section 9, T20S, R37E
Monument; Tubb (47090), Skaggs; Drinkard (57000) & Monument;
Abo, Southeast (96764)
Lea County, New Mexico**

Dear Mr. Kautz,

Enclosed please find form C-103 and attachments for adding the Abo to our existing Downhole Commingling Order DHC-512 for the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on

each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at (432) 818-1062.

Sincerely,

A handwritten signature in cursive script that reads "Reesa Fisher". The signature is written in black ink and is positioned below the word "Sincerely,".

Reesa Fisher
Sr. Staff Regulatory Analyst