

06/15/12 DATE IN	SUSPENSE	Jones, W ENGINEER	06/15/12 LOGGED IN	DHC TYPE	PJDO 1216759142 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 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]
- [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 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

06RID 873
 API 30-025-39563
 Name Hansen State
 Locate H 16 205 37E

- [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.

Print or Type Name

Signature

Title

Date

e-mail Address

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
Hansen State 012 H 16 20S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 873 Property Code 306601 API No. 30-025-39563 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE UNDES
Pool Name		Monument; Tubb	Weir; Drinkard
Pool Code		47090	63840
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)		6354'-6546' (Actual)	6690'-6792' (Proposed)
Method of Production (Flowing or 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)		N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)		36.5	36.5
Producing, Shut-In or New Zone		Producing	New
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:	Date: Rates: **Will turn in a fixed allocation after workover	Date: Rates: **Will turn in a fixed allocation after workover
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 % %	Oil Gas ** % ** %	Oil Gas ** % ** %

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 Holland TITLE Sr. Staff Engineering Tech DATE 6/14/2012

TYPE OR PRINT NAME Reesa Holland TELEPHONE NO. (432) 818-1062

E-MAIL ADDRESS Reesa.Holland@apachecorp.com

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary

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

JAMI BAILEY
Division Director
Oil Conservation Division



Administrative Order DHC-4409-A
Order Date: 5/16/2012
Application Reference Number: pTGW1213748451

APACHE CORP
303 VETERANS AIRPARK LANE, SUITE 3000
MIDLAND, TX 79705

Attention: Reesa Holland

HANSEN STATE Well No. 012
API No: 30-025-39563
Unit H, Section 16, Township 20 South, Range 37 East, NMPM
Lea County, New Mexico

Pool:	MONUMENT;PADDOCK	Oil 47080
Names:	MONUMENT;TUBB	Oil 47090
	UNDES. WEIR;DRINKARD	Oil 63840

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.

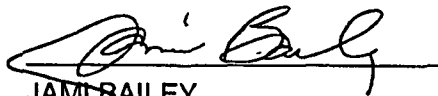
In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

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

MONUMENT;PADDOCK Pool	Pct Gas: 9	Pct Oil: 57
MONUMENT;TUBB Pool	Pct Gas: 54	Pct Oil: 30
UNDES. WEIR;DRINKARD	Pct Gas: 37	Pct Oil: 13

REMARKS: The operator shall notify the Division's district 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.



JAMI BAILEY
Director

JB/wvj

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

Holland, Reesa

From: Taylor, Ryan
Sent: Thursday, June 07, 2012 8:11 AM
To: Holland, Reesa
Subject: Hansen State #12
Attachments: Hansen State #12 WBD_6-12.pdf

Okay here is the plan of what we are going to do and what we will need to get approval to comingle.

Attached is the WBD of what the well is going to look like. The Paddock is squeezed off and we will be producing the Drinkard and Tubb together only. Not sure of the allocation yet, but we knew what the Tubb was producing prior to the work and whatever increase in production I would like to contribute to the Drinkard. Will the state allow us to do that?

Ryan Taylor
Permian Production Engineer
Monument Team

Apache

O: 432-818-1156
C: 432-557-4688

GL=3547'
KB=3558'
Spud:10/5/2010

Apache Corporation – Hansen State #12

Wellbore Diagram – Proposed

Date : 6/7/2012

API: 30-025-39563

Surface Location

R. Taylor



1650' FNL & 330' FEL,
Lot H Sec 16, T20S, R37E, Lea County, NM

Surface Casing

13-3/8" 48# J-55 @ 1075' w/ 1010 sxs to surface

Intermediate Casing

8-5/8" 32# @ 4190' w/ 1535 sxs to surface

DV Tool @ 3290'

TOC @ 4500'

DV Tool @ 4137'

9/11: CBL indicates poor cmt from 4500-5200; NO CMT from 4110-4500'

9/11: CSG Leak @ 4780-5001'. Sqz'd w/ 2000 sxs cmt.

4/12: CSG leak from 4944'-4976'. TO BE SQUEEZED W/ XX SXS CMT

6/12: Perf LWR Paddock @ 5304-10; 5331-43; 5384-86; 5410-13; 5418-21; 5428-31; 5438-42; 5448-51; 5470-74; 5485-98 w/ 2 jspf. Acidize w/ 5000 gal 15% NEFE
6/12: SQZ'd w/ XX sxs cmt. Unproductive

6/11: Perf TUBB @ 6354; 56; 60; 90; 6416; 18; 20; 32; 35; 37; 40; 56; 63; 67; 72; 76; 89; 92; 94; 96; 6507; 11; 16; 23; 26; 28; 30; 44; 46 w/ 1 jspf (30 holes).
Acidized w/ 3000 gal 15% NEFE. Frac'd w/ 41.6k gal BF 30 w/ 80k# ottowa, 20k# SLC

5/12: Perf Drinkard @ 6690-92; 6740-42; 6790-92 w/ 4 jspf (24 holes).
Acidize w/ 1000 gal 15% NEFE. Frac w/ 41k gal spectra frac, 42k# 20/40 ottowa & 12k# 20/40 RC Sand

5/12: CIBP SET @ 6900' w/ 3 sxs cmt

2/11: Perf Abo @ 6928-32; 6966-74; 6980-88; 7000-04; 7024-32 w/ 2 jspf (64 holes).
Acidized w/ 2000 gal 15% NEFE

2/11: Perf Abo @ 7050-64; 7070-94; 7100-16; 7120-24; 7136-42; 7160-70 w/ 2 jspf (148 holes). Acidized w/ 3700 gal 15% NEFE

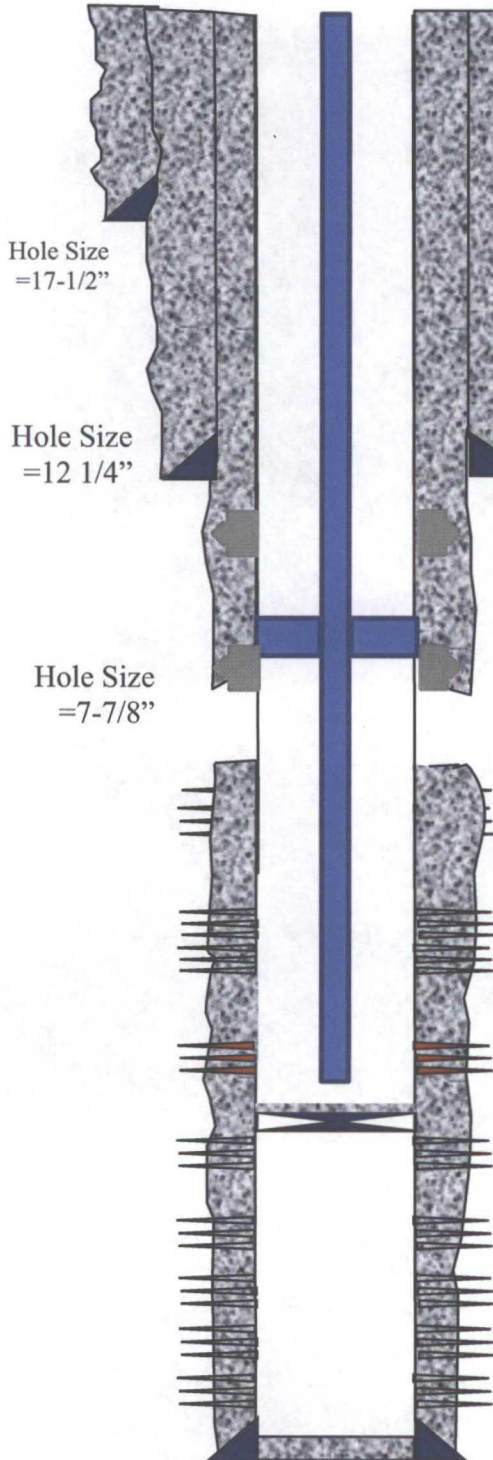
1/11: Perf Abo @ 7190-94; 7222-26; 7250-56; 7254-68; 7288-96; 7306-10 w/ 2 JSPF (90 holes). Acidized w/ 1500 gal 15% NEFE

1/11: Perf Abo @ 7340-46; 7350-60; 7366-70; 7382-86; 7392-96; 7400-06; 7418-22; 7432-36; 7446-50; 7462-76 w/ 2 JSPF (120 holes). Acidized w/ 3000 gal 15% NEFE

11/10: Perf Abo @ 7526-32; 7535-37; 7562-66; 7574-84; 7588-92; 7596-7600; 7606-10 w/ 2 JSPF (72 holes). Acidized w/ 2000 gal 15% NEFE

Production Casing

5-1/2" 17# J-55 @ 7700' w/ 908 sxs



PBTD = 7,630'
MD = 7,700'