

Order Number

DHC
1408-503

API Number

30-025-40459

Operator

Apache Corporation

County

Lea

Order Date

10-17-12

Well Name

Hawk A-5

Number

9

Location

P

UL

5

Sec

215

T (+Dir)

37E

R (+Dir)

Oil %

23%

Gas %

18%

Pool 1

16660

Blindbry Oil + Gas

Pool 2

160240

Tubb Oil + Gas

13%

46%

Pool 3

19190

Drinkard

64%

36%

Pool 4

Comments:

Posted in RBDMS 10-17-2012 CHM

OCT 17 2012

30-025-40459
DHC-HOB-503

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corp

PROPERTY NAME: Hawk A-5

WNULSTR: 9-P-5-215-37E

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Blinebry Oil & Gas</u>	<u>107</u> <u>428</u> MCF
POOL NO. 2 <u>Tubb Oil & Gas</u>	<u>142</u> <u>284</u> MCF
POOL NO. 3 <u>Drinkard</u>	<u>142</u> <u>852</u> MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS <u>391</u> <u>1564</u>	

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry</u>	<u>23%</u>	<u>18%</u>
POOL NO. 2 <u>Tubb</u>	<u>13%</u>	<u>46%</u>
POOL NO. 3 <u>Drinkard</u>	<u>64% x 391 = 250.24</u>	<u>36%</u>
POOL NO. 4 _____	<u><250></u>	

<u>OIL</u>	<u>GAS</u>
SECTION III: <u>64% ÷ 142 = 221.875</u>	<u><222></u>

SECTION IV:	
<u>23% x 222 = 51.06</u>	<u><51></u>
<u>13% x 222 = 28.86</u>	<u><29></u>
<u>64% x 222 = 142.08</u>	<u><142></u>

OCT 17 2012

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

OCT 16 2012

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM-125795
2. Name of Operator Apache Corporation		6. If Indian, Allottee or Tribe Name
3a. Address 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	3b. Phone No. (include area code) 432/818-1062	7. If Unit of CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FSL & 990' FEL UL X Sec 5 T21S R37E		8. Well Name and No. Hawk A-5 #009 (31036)
		9. API Well No. 30-025-40459
		10. Field and Pool or Exploratory Area Blaine O&G(6660)/Tubb O&G(60240)/Drinkard(19190)
		11. Country or Parish, State Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DHC
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Apache requests permission to complete and DHC the Blinebry-Tubb-Drinkard, per the following:

R-11363

Pool Names: Blinebry Oil & Gas	6660	Perforations: Blinebry	5849'-5955'
Tubb Oil & Gas	60240	Tubb	6249'-6459'
Drinkard	19190	Drinkard	6741'-6892'

The allocation method will be as follows based on offset production (See attached application for exception to rule 203-C)

	OIL	GAS	WATER
Blinebry	23%	18%	30%
Tubb	13%	46%	24%
Drinkard	64%	36%	46%

**SUBJECT TO LIKE
APPROVAL BY STATE**

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

DHC-HOB-503

14 I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Reesa Holland

Title Sr. Staff Engr Tech

Signature *Reesa Holland* Date 08/07/2012

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____
_____ Office _____

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

OCT 13 2012

WESLEY W. INGRAM
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

OCT 17 2012

30-025-40459

DISTRICT I
1025 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, 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 Department

HOBBS OCD

Form C-102
Revised July 16, 2010

Submit one copy to appropriate
District Office

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

RECEIVED

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40459	Pool Code 66660	Pool Name Blinebry O & G (o)
Property Code 31036	Property Name HAWK FEDERAL A-5	Well Number 9
GRID No. 873	Operator Name APACHE CORPORATION	Elevation 3492'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
x P	5	21 S	37 E		990	SOUTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. DHC-HOB-503						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 12		LOT 9
LOT 13	<p>SURFACE LOCATION Lat - N 32°30'12.33" Long - W 103°10'47.26" NMSPC- N 548801.091 E 896863.316 (NAD-83)</p> <p>SURFACE LOCATION Lat - N 32°30'11.80" Long - W 103°10'45.58" NMSPC- N 548740.589 E 855779.322 (NAD-27)</p> <p>32.503278 103.179328</p>	LOT 16
LOT 17		
LOT 18		

3489.9' 3487.3'

990'

3497.0' 3494.1'

990'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sorima L Flores 11/9/11
Signature Date

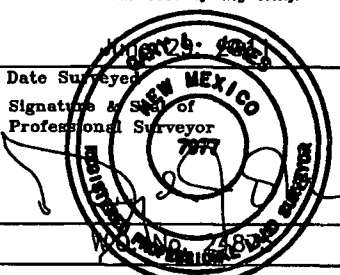
Sorima L Flores
Printed Name

sorima.flores@apachecorp.com
Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

Date Surveyed: 11/29/2012

Signature & Seal of Professional Surveyor: 

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 24875

MAR 01 2012

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, 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 Department

Form C-102
Revised July 18, 2010

Submit one copy to appropriate
District Office

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

FEB 27 2012

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40459	Pool Code 60240	Property Name Tubb D-1 G (6)
Property Code 31036	Operator Name APACHE CORPORATION	Well Number 9
OGRID No. 873	Elevation 3492'	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
X	5	21 S	37 E		990	SOUTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. DHC-HOB-503
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LOT 17		
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Sorina L Flores 11/9/11
Signature Date

Sorina L Flores
Printed Name

Sorina.Flores@apachecorp.com
Email Address

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Date Surveyed
Signature & Seal of Professional Surveyor
7977

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 24875

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Energy, Minerals and Natural Resources Department

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Revised July 16, 2010
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1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

HOBBS OCO

FEB 27 2011

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40459	Pool Code 19190	Pool Name Drinkard
Property Code 31036	Property Name HAWK FEDERAL A-5	Well Number 9
GRID No. 873	Operator Name APACHE CORPORATION	Elevation 3492'

Surface Location

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X	5	21 S	37 E		990	SOUTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. DHC-HOB 503
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Sorima L Flores 11/9/11
Signature Date

Sorim L Flores
Printed Name

sorima.flores@apachecorp.com
Email Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed _____
Signature & Seal of Professional Surveyor _____

Certificate No. Gary L. Jones 7977

BASIN SURVEYS 24875



August 6, 2012

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
Hawk A-5 #9 (30-025-40458)
Unit X, Section 5, T21S, R37E
Blinebry Oil & Gas (6660), Tubb Oil & Gas (60240) and Drinkard (19190)
Lea County, New Mexico

Dear Mr. Kautz,

Enclosed please find form C-103 and attachments for downhole commingling 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.

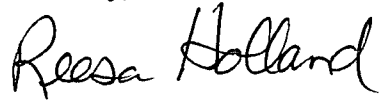
The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the 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 Holland". The signature is written in a cursive, flowing style.

Reesa Holland
Sr. Staff Engineering Technician

Lease Name	Well Number	10 Digit API	Location	Cum Oil (BBL)			Cum Gas (MCF)			Cum Water (BBL)		
				Blnebr	Tubb	Drnkard	Blnebr	Tubb	Drnkard	Blnebr	Tubb	Drnkard
Lease Name	Well Number	10 Digit API	Location	nebr Oil	ubb Oil	kard Oil	bry Gas	b Gas	ard Gas	nebr	ubb	kard Water
SOUTHLAND ROYALTY A	3	3002506395	21S 37E 4N W2 SE SW	18867	45196	148761	259667	408458	834920	6789	8099	21943
SOUTHLAND ROYALTY A	4	3002506396	21S 37E 4	69211	35274	177265	305283	3699969	781800	5424	4092	9651
HAWK A	2	3002506432	21S 37E 8H	30911	3214	127522	432280	45889	794010	16415	8640	9395
HAWK B 1	7	3002506439	21S 37E 9P C SF SE	24510	74001	11665	619996	4690633	369526	12740	260	32891
HAWK FEDERAL B 1	9	3002506441	21S 37E 9M C SW SW	33130	2502	218929	1142763	111299	1934151	5931	2213	11862
SOUTHLAND ROYALTY A	1	3002506442	21S 37E 9G	100106	7306	187324	1083782	710846	2575495	10860	2459	9738
SOUTHLAND ROYALTY A	2	3002506443	21S 37E 9B	79985	38822	304145	612743	3448426	959696	37714	23075	47162
SOUTHLAND ROYALTY A	7	3002506445	21S 37E 9A NE NE	119219	931	81770	1042548	12444	913742	13566	656	8811
HAWK FEDERAL B 1	5	3002509908	21S 37E 9K C NE SW	2741	38181	233532	21325	744964	2453819	1228	6143	11185
HAWK B 1	3	3002509909	21S 37E 9C	52835	24243	187807	561357	2418897	1191581	14614	2728	3883
SOUTHLAND ROYALTY A	8	3002520069	21S 37E 4O	43272	40308	87469	621215	1230082	1325964	8838	9682	16683
HAWK FEDERAL B 1	34	3002536344	21S 37E 9N NW SE SW	5138	17190	5055	8130	368481	61814	1424	9473	1046
GULF HILL	2	3002536811	21S 37E 4 NE SW NE	12641	409	778	54136	4901	5359	3764	15161	5992
SOUTHLAND ROYALTY A	16	3002537200	21S 37E 9H SE SE NE	596	4693	7018	45686	67046	125026	1752	1960	4987
LEA COUNTY FEDERAL	2	3002537236	21S 37E 5 SE NE SE	2993	1883	4441	5930	1132	8547	5578	5479	5855
HAWK FEDERAL A 5	3	3002537380	21S 37E 5O SE SW SE	16674	9881	7482	176533	69342	1926	40775	37215	78606
HAWK FEDERAL A 5	5	3002538129	21S 37E 5I SE	5973	5371	2530	37404	5316	22516	6580	22090	2659
HILL	2	3002539062	21S 37E 4 NW SE	8089	4044	10938	63629	17358	66574	23692	16994	57613
HAWK FEDERAL A 5	4	3002539380	21S 37E 5P	6338	2180	11284	38481	38483	32987	6452	1786	5489
TOTALS				633,229	355,429	1,815,735	7,132,868	18,094,046	14,479,453	224,116	178,205	345,451
AVERAGES				33,328	18,707	95,565	375,414	952,318	762,076	11,796	9,379	18,182

Proposed Allocations	Oil	Gas	Water
Blnebr	23%	18%	30%
Tubb	13%	46%	24%
Drnkard	64%	36%	46%
TOTAL	100%	100%	100%

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

DATE 10/1/01 BY SP5/BJL

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DATE 10/1/01 BY SP5/BJL