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



March 28, 2013

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-370 Administrative Application Reference No. pPRG1306058199

August 31, 2012

Apache Corporation Attn: Ms. Reesa Holland

Pursuant to your application received on March 1, 2013, Apache Corporation (OGRID 873) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 35, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico.

House; Blinebry(33230)North House; Tubb(33470)House; Drinkard(33250)

and from the following diversely owned wells located on federal leases in said section, township and range in Lea County, New Mexico:

Werta Federal Well No. 1 API No. 30-025-27696 330 FSL & 2310 FEL, Unit O

Werta Federal Well No. 2 API No. 30-025-40798 990 FSL & 1650 FEL, Unit O

Werta Federal Well No. 3 API No. 30-025-40799 330 FSL & 990 FEL, Unit P



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The Werta Federal Well No. 1 is currently producing only from the Blinebry. Wells Nos. 2 and 3 are producing from all three pools, and production is being commingled in the wellbores pursuant to existing Downhole Commingling authority.

The commingled gas production shall be measured and sold at the central delivery point located in the Unit O of Section 35, and will be allocated back to the respective wells based on <u>periodic</u> <u>well tests</u>. Downhole commingled production within Wells Nos. 2 and 3 will be allocated between pools as provided in Orders DHC-508 and DHC-509 respectively.

The operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

This approval is subject to like approval from the United States Bureau of Land Management before commencement of the commingling operations.

Sincerely,

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Jami Bailey Division Director

JB/db

cc: Oil Conservation Division District Office – Hobbs United States Bureau of Land Management