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 N	IANDATORY FOR ALL ADMINISTRATIVE APPLIC.	ATIONS FOR EVERTIONS TO DIVISION RILL	S AND DEGLII ATIONS
		WHICH REQUIRE PROCESSING AT		S AND REGULATIONS
<b>A</b> ppii	[DHC-Dow [PC-Po	ndard Location] [NSP-Non-Standard nhole Commingling] [CTB-Lease C ool Commingling] [OLS - Off-Lease [WFX-Waterflood Expansion] [PM)	ommingling] [PLC-Pool/Lease Cor Storage] [OLM-Off-Lease Measure K-Pressure Maintenance Expansion] YI-Injection Pressure Increase] ation] [PPR-Positive Production F	nmingling] ement] Response]
1]	[A]	PPLICATION - Check Those Which A Location - Spacing Unit - Simultane  NSL NSP SD	Apply for [A]  Ous Dedication  -April	729 ie Cunp 双
	Check [B]	COne Only for [B] or [C]  Commingling - Storage - Measuremed  DHC CTB PLC		ECEIVED OC
	[C]	Injection - Disposal - Pressure Increa		D 00
	[D]	Other: Specify		D 22
2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those  Working, Royalty or Overriding	11	<del></del>
	· [B]	☐ Offset Operators, Leaseholders	or Surface Owner	-MciDonald Sta AL 2#36 30-025-41
	. [C]	Application is One Which Requ	iires Published Legal Notice	8001
	[D]	Notification and/or Concurrent U.S. Bureau of Land Management - Commission		- 7466 Oiland
	[E]	For all of the above, Proof of N	otification or Publication is Attached,	
	[F]	☐ Waivers are Attached		- WANTZ, Ab
[3]		CURATE AND COMPLETE INFO ATION INDICATED ABOVE.	RMATION REQUIRED TO PRO	67-70L
	val is <mark>accurate</mark> a	<b>TION:</b> I hereby certify that the inform nd <b>complete</b> to the best of my knowled quired information and notifications are	dge. I also understand that no action	
, appro		Statement must be completed by an individ		
	A FISHER or Type Name	Signature	SR STAFF REG ANALYST Title	
			Reesa.Fisher@apachecorp.c	com

e-mail Address



January 13, 2015

Mr. Phillip Goetze
New Mexico Oil Conservation Division
Engineering Bureau
1220 South St Francis Drive
Santa Fe, New Mexico 87505

RE: Application for Exception to Rule 303-C – Downhole Commingling Amendment McDonald State AC 2 #36 API 30-025-41778
Unit F, Section 13, T22S, R36E
Tubb Oil & Gas (Oil) 60240, Drinkard 19190 & Wantz; Abo (62700)
Lea County, New Mexico

Dear Mr. Goetze:

Enclosed please find form C-107A & attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore (100% Apache with State Royalty). 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 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 or send me an email at <a href="mailto:Reesa.Fisher@apachecorp.com">Reesa.Fisher@apachecorp.com</a>.

Sincerely,

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

. 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 X Single Well Establish Pre-Approved Pools

District IV 220 S St. Francis Dr., Senta Fc, NM 87505	APPLICATION FOR DO	WNHOLE COMMINGLING	EXISTING WELLBORE  X Yes No
Apache Corporation		3 Veterans Airpark Lane Suite 100	O Midland TX 79705
Operator	•	Iress	
McDonald State AC 2	036 F Well No. Unit Letter-9	13 22S 36E Section-Township-Range	Lea County
OGRID No. 873 Property Co		6-41778 Lease Type:	•
DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Tubb Oil & Gas (Oil)	Drinkard	Wantz; Abo
Pool Code	60240	19190	62700
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6325' - 6470'	6556' - 6755'	6950' - 7329'
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)	37.0	37.0	38.0
Producing, Shut-In or New Zone	New Zone	New Zone	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	Date: New Well	Date: New Well	Date: New Well
estimates and supporting data.)	Rates:	Rates:	Rates:
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or	Oil Gas 14 %	Oil Gas	Oil Gas
explanation will be required.)	13 % 14 %	77 % 81 %	10 % 5 %
	ADDITION	NAL DATA	
Are all working, royalty and overriding f not, have all working, royalty and over			Yes X No Yes No
Are all produced fluids from all commi-	ngled zones compatible with each o	other?	Yes_X No
Vill commingling decrease the value of	f production?		YesNo_X
f this well is on, or communitized with or the United States Bureau of Land Ma			YesX No
NMOCD Reference Case No. applicable	e to this well:		_
Attachments:  C-102 for each zone to be comming Production curve for each zone for For zones with no production histor Data to support allocation method of Notification list of working, royalty Any additional statements, data or of the committee of the committe	at least one year. (If not available, ry, estimated production rates and so or formula.	attach explanation.) upporting data. r uncommon interest cases.	
	PRE-APPRO	VED POOLS	
If application is	to establish Pre-Approved Pools, th	ne following additional information wil	l be required:
List of other orders approving downhole ist of all operators within the proposed proof that all operators within the proposed of the proposed	d Pre-Approved Pools	••	
hereby certify that the information	1		ef. DATE 1/13/2015

TELEPHONE NO. ( 432 ) 818-1062

E-MAIL ADDRESS Reesa.Fisher@apachecorp.com

TYPE OR PRINT NAME Reesa Fisher

Lease Name	Well:Number	10DIGITAPI	Location	Tubb	Drinkard	. Abo	Tubb	Drinkard	Abo	Tubb	Drinkard	Abo
H T MATTERN NCT E	13		22S 36E 12H	. 1000	25843	. 700	1000	270009		1000	47995	
H T MATTERN NCT D	14	3002525081		29645	41949		190292	311894		1023528	451620	
H T MATTERN NCT D	15	3002525092		12147	56729	- <del></del>	106665	255819		38223	61060	
H T MATTERN NCT D	16		22S 37E 7E SW NW	1944	26799		15058	168414		6278	23051	
H T MATTERN NCT D	17	3002525113		4526	32159		40713	205568		6645	17334	
A L CHRISTMAS NCT C	9		22S 37E 18G	1 .02.0	54136		. ,00	286738		- 00.0	17164	
A L CHRISTMAS NCT C	10		22S 37E 18F	<del> </del>	44788			962891			404276	
A L CHRISTMAS NOT C	11		22S 37E 18H	+ -	28141			437115			23865	
A L CHRISTMAS NOT C	12		22S 37E 18E	<del>                                     </del>	60832			1107597			84673	
A L CHRISTMAS NOT C	13		22S 37E 18A	1708	80304		13352	655747		65951	260936	
A L CHRISTMAS NOT C	14		22S 37E 18D	1	117591	-	10002	611055		00001	237355	
A L CHRISTMAS NOT C	15		22S 37E 18L	1 -	54541			154048			57950	
DECK FEDERAL	1		22S 37E 18B NW NE	<del> </del>	78419			822257			32673	
DECK FEDERAL	2		22S 37E 18C	<del>                                     </del>	101135			998498			30368	
A L CHRISTMAS NCT C	16		22S 37E 18M SW SW	9400	701100	<del>-</del>	151196			18393	5075	
STATE PA	4		22S 37E 18K	1- 0700	26547	<del>-</del>	101100	101782		.0000	20450	
	29		22S 36E 13H SE NE	1233	145500		1775	821281		4866	309011	
LITTLE V	1	3002525891		1200	56561			582336		7000	61782	
MCDONALD STATE AC 2	30		22S 36E 13A E2 NE NE	4363	79256		13066	297255		70081	71741	
MCDONALD STATE AC 2			22S 36E 13G		71518			311038	<u>-</u>	7000.	67801	
MCDONALD STATE AC 2			22S 36E 13B NW NE	<del>                                     </del>	59516			294732			112727	
MATTERN	1	3002525970		+	35946			169956	-		59915	
NEW MEXICO M STATE	49		22S 37E 18J SE	<del>                                      </del>	3319	·		10499	<del>-</del>		7308	
LITTLE V	2	3002526145		+	48920			555734			75651	-
STATE 157 D	9		22S 36E 12P	1 -	49172			99456			53534	
LITTLE V	3	3002526320		+	91429			418836			31797	
STATE 157 D	10		22S 36E 12O	<del> </del>	41966			116855			49856	
LITTLE V	4	3002526471		+	90999			507151			28802	
STATE 157 D	209		22S 36E 12N	<del>   </del>	36852			209675			22759	
STATE 157 D	13	3002526624		+ + +	55950		-	270795			70598	
STATE 157 D	15		22S 36E 12M	<del>                                     </del>	8784			29984		<del></del>	32814	
STATE 157 D	205		22S 36E 12K	+	20077			42849			59916	
MATTERN	2	3002526673		+	37410			193792			69291	
MATTERN	3	3002526913		<del>                                     </del>	51288			190372			121148	
	34		22S 36E 13C NE NW SE	1	19770			103519		_	29769	
H T MATTERN NCT E	14		22S 36E 12A	<del> </del>	29918		-	212132		<del></del>	74745	
NEW MEXICO M STATE	51		22S 37E 18I NW NE SE		4025			7195			1038	
NEW MEXICO MISTATE	52		22S 37E 18J SW NW SE	9009	48914		14891	181279		25623	16336	
NEW MEXICO MISTATE	54		22S 37E 18P NE SE SE	3003	36418		14051	103463		23023	169308	
NEW MEXICO MISTATE	53		22\$ 37E 18O SE SW \$E	<del> </del>	21852	<del></del>		60840			14816	
NEW MEXICO M STATE	361		22S 37E 180 SE SW SE 22S 37E 18P NW SE SE	-	7625			29583			138302	
ENCORE M STATE	2	3002538432		1	11196			32866			73071	
ENCORE M STATE	3		22\$ 37E 19 22\$ 37E 19C	+-+	9858	8321		28599	25075		85907	7933
ENCORE MISTATE	4		22\$ 37E 19C	-	16700	0021	-	28599 69721	250/5		66898	1933
ENCORE MISTATE	5		22\$ 37E 19H	1	9362	6448		28914	19167		76639	6827
				-								
ENCORE M STATE	7	3002540398	22S 37E 19B	+	8111 5956	7303 5943		25611 24543	24459 24164		53296 18257	120
	7			3400	3276	2943	40000		∠4 164	47000		50:
STATE PA	(		22S 37E 18N	3462		67.1	10066	6824	2640	17398	26589	400
STATE PA	8		22\$ 37E 18N	1971	1969	654	9158	5232	2618		12984	432
STATE PA	σ.		22S 37E 18K	1941	2874	0000	6702	6901		19737	37678	
ENCORE M STATE	8	3002540721	22S 37E 19J	1 04 5	2892	2892		6945	6935	4 005 -4	6723	671
;			TOTALS	81,349	2,055,092	31,561	572,934	13,406,195	102,418	1,309,707	3,984,652	160,35

Proposed Allocations	Oil	Gas	Water
Tubb	13%	14%	51%
Drinkard	77%	81%	37%
Abo	10%	5%	12%
TOTAL	100%	100%	100%

DISTRICT 1
1625 N. French Dr., Hobbs, NM 88240
Plsone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Plsone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT II
1000 Rio Brazos Road, Aziec, NM 87410
Plsone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Sarila Fe, NM 87505
Plsone: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

30-0î	PI Number <b>25 - 41</b>	778	6	Pool Code 0240		TUBB	0+6 (		
Property C 306	Code			McDON	Property Num	C			Well Number  036
ogrida 87	No.			APAC	Operator Name CHE CORPO				Elevation 3486
·	•				Surface Locati	ion			
UL or lot No.	Section 13	Township 22-S	Range 36-E	Lot Jdn	Feet from the	North/South line NORTH	Feet from the 2260	East/West line WEST	County LEA
	L	·····		Bottom Hole	Location If Diffe	rent From Surface		· <del>L</del> ·	
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint of	Infill Co	onsolidation C	ođe Orde	er No.	1		·L	<u></u>

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

<u> </u>	 	
	 	OPERATOR CERTIFICATION  I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working laterest or unlessed mineral histocrast in the land including the proposed bottom halo location or has a right to drift this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling egreement or a compulsory pooling order beretofore entered by the division.
2260'-	 GEODETIC COORDINATES NAD 27 NME  SURFACE LOCATION Y=509005.7 N X=843734.9 E  LAT.=32.394450' N LONG.=103.219728' W  LAT.=32' 23' 40" N LONG.=103' 13' 11" W	Signature Date  Michelle Cooper  Printed Name  Michelle Cooper  Printed Name  Michelle Cooper Department of the plat was plated from fleth notes of sectual nurveys made by me or ender my supervision, and that the same is true and correct to the best of my belief.  MARCH 18, 2014  Date of Survey  Signature & Sett of Professional Surveyor:  2200  Signature & Sett of Professional Surveyor:  100  100  100  100  100  100  100  1

DISTRICT I
1625 N. French Dr., Hobba, NM 88240
Phome: (575) 393-61 61 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phome: (575) 748-1283 Fax: (375) 748-9720
DISTRICT III
1000 Rin Brazos Road, Artec, NM 87410
Photic. (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Sante Fe, NM 87505
Phome: (505) 476-3460 Fax: (505) 476-3462

# State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

□ AMENDED REPORT

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

	PI Number 15-417	78	10	Pool Code			DRINK		-
306		ĺ		McDOI	Property Nam NALD STA			We	Number 36
OGRID 7	No.			APAC	Operator Nam CHE CORPO				levation 3486'
					Surface Locat	ion	• •		
UL or lot No.	Section 13	Township 22-S	Range 36-E	Lot Idn	Feet from the	North/South line NORTH	Feet from the 2260	East/West line WEST	County LEA
		•	<del>L.</del>	Bottom Hol	e Location If Diffe	rent From Surface			
UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	Infill C	l Consolidation C	ode Ord	er No.	<u> </u>	· 44.0	L	

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

1650		OPERATOR CERTIFICATION  I hereby cartify that the information brevio is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleasted mineral interest in the tend 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 mineral or working interest, or to a voluntary puoling agreement or a compulsory pooling order heretofore entered by the division.
2260 - OS.L.	GEODETIC COORDINATES NAD 27 NME  SURFACE LOCATION Y=509005.7 N X=843734.9 E  LAT.=32.394450' N LONG.=103.219728' W  LAT.=32' 23' 40" N LONG.=103' 13' 11" W	Signature  Signature  Michelle Cooper  Printed Name  Michelle Cooper & apachecor  E-mail Address  SURVEYOR CERTIFICATION  I hereby centify that the well location shown on this plan was plotted from Reld notes of secual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  MARCH 18, 2014  Date of Survey  Signature & Fender Professional Surveyor:  All  Certificate Number 18, 20,3346; Ridison 12641  Signature Supervision and Surveyor:  Signature Supervision Surveyor:  Signature Superv

DISTRICT: 1625 N. French Dr., Hobbs, NM 88240 Plane: (573) 393-6161 Par. (575) 393-0720 DISTRICT III 1000 Rto Brezos Road, Aziec, NM 87410 Phone: (203) 334-6178 Pax: (205) 314-6170 DISTRICT IV 1220 S. El Francis Dr., Santa Pe, NM \$7503 Pliano: (505) 476-3460 Per. (505) 476-3462

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State of New Mexico

HOBBS OCD Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION

APR 2 5 2014

Form C-102 Ravised August 1, 2011

Submit one copy to appropriate

A District Office

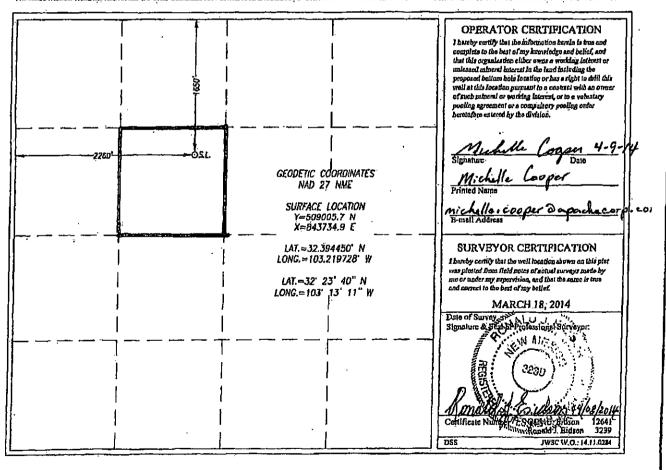
DAMENDED REPORT

RECEIVED WELL LOCATION AND ACREAGE DEDICATION PLAT

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

Ā	Pl Number			Pool Cods		_	Pool Nan	na	
30-0	025-L	11778		62700	· l	Nantz .	A60	_	
Property (	Code		· -	McDON	Property Nun ALD STA			į.	ell Number ) 36
00nio	No.			APAC	Operator Non HE CORPO	DRATION		i i	Elevation 3486'
					Surface Locat	noi		_	
UL or let No.	Section	Township	Range	Lot Jon	Feet from the	North/South line	Feet from the	East/West line	County
F	13	22-S	36-E	]	1650	NORTH	2260.	WEST	LEA
· · · · ·				Bottom Hole I	Location If Diffe	rent From Surface		<del></del>	· - · · -
UL or lot Na.	Section	Τοινπελίρ	Range	Lot ldn	Peci from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	Infil Co	nsalidation C	ode Order	No.	L	L	<u> </u>	

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





January 14, 2015

State of New Mexico
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re:

Application for Down Hole Commingling (Identical Ownership)

McDonald St AC 2 #36

Township 22 South, Range 36 East

Section 13 Lea County, NM

Ladies and Gentlemen:

Identical ownership (working, royalty and overriding royalty owners) exists as to all formations underlying the McDonald State AC 2 #36 in the following described lands:

Township 22 South, Range 36 East
Section 13: All, save and except the unitized formation of the Arrowhead Grayburg Unit in the E1/2, NE1/4SW1/4, NW1/4NW1/4 and E1/2NW1/4
Lea County, NM

If you have any question regarding the aforementioned, please do not hesitate contacting the undersigned at (432) 818-1871.

Sincerely,

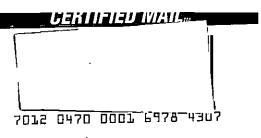
APACHE CORPORATION

Casey Addison Landman

(432) 818-1190 Fax

casey.addison@apachecorp.com





APACHE CORPORATION
303 VETERANS AIRPARK LANE / SUITE 1000 / MIDLAND, TX 79705-4561

ADDRESS SERVICE REQUESTED

1307	(Domestic Mail C	D MAIL <sub>TM</sub> RE	Coverage Provided)	
Ē	For delivery inform	ation visit our website		
=0		CIAL	. USE	
197	Postage	\$		
	Certified Fee			
1000	Return Receipt Fee (Endorsement Required)		Postmark Here	•
	Restricted Delivery Fee (Endorsement Required)			
0450	Total Postage & Fees	\$		
	Sent To STATE	LAND OFFICE		7
7012	Street, Apt N. COMN or PO Box No	MISSIONER OF P	ublic Lands	
L-	City, State, Zi. PO Bo	ox 1148		
ľ	PS Form 3800 SANTA	4 FE NM. 8750	4-1148	1S

STATE LAND OFFICE
COMMISSIONER OF PUBLIC LANDS
PO BOX 1148
SANTA FE NM 87504-1148

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece,</li> </ul>	A. Signature  X
or on the front if space permits.  1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes  If YES, enter delivery address below: ☐ No
STATE LAND OFFICE COMMISSIONER OF PUBLIC LANDS	
PO Box 1148	3. Service Type
SANTA FE NM 87504-1148	▶ Certified Mail
	4. Restricted Delivery? (Extra Fee) Yes
2. Article Number (Transfer from service label) 7012	0470 0003 6978 4307 ·
PS Form 3811, February 2004 Domestic R	