

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



January 12, 2018

Surface Commingling

Order PLC-495

Application Reference No. pMAM1733937869

Attention: Reesa Fisher
Apache Corporation (OGRID 873)

Pursuant to your application received on December 22, 2017, Apache Corporation (OGRID 873) is hereby authorized to surface commingle gas production from the following pools and leases in the form of federal units and federal leases located in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico;

EUNICE; SAN ANDRES, NORTH (GAS) (76520)
EUNICE; BLI-TU-DR, NORTH (22900)

and from the following diversely owned federal wells and leases in Township 21 South, Range 37 East, in Lea County, New Mexico.

Lease: Federal Lease NMNM 90161
Description: SW/4 of Section 8, Township 21 South, Range 37 East
Well: Hawk Federal B 1 Well No. 16 API 30-025-26601
Pool: Eunice; San Andres, North (Gas)

Lease: Federal Lease NMLC O32096A
Description: E/2 NE/4 of Section 17, Township 21 South, Range 37 East (NSP-2022)
Well: Lockhart A 17 Well No. 4 API 30-025-06639
Pool: Eunice; San Andres, North (Gas)

Lease: Federal Lease NMNM 120042X
Description: West Blinebry Drinkard Unit (Tank Battery)
Wells: See the table of wells in the application
Pool: Eunice; BLI-TU-DR, North

The combined gas spacing units for these wells include the SW/4 of Section 8, and the E/2 NE/4 of Section 17, all in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

Commingled gas production from the Hawk Federal B 1 Well No. 16 and the Lockhart A 17 Well No. 4 shall be measured and sold at the WBDU (CTB), located in Unit D of Section 16, Township 21 South, Range 37 East, NMPM, Eddy County, New Mexico.

Production from the subject wells shall be determined as follows:

Gas production from the Hawk Federal B 1 Well No. 16 and the Lockhart A 17 Well No. 4 shall be measured separately before commingling with the wells in the West Blinebry Drinkard Unit. The Hawk Federal B 1 Well No. 16 and the Lockhart A 17 Well No. 4 are primarily water supply wells for the West Blinebry Drinkard Unit, and produce small quantities of gas which require payment for all parties in the mineral interest estate.

The allocation meters shall be calibrated quarterly in accordance with Division Rule 19.15.12.10.C (2) NMAC.

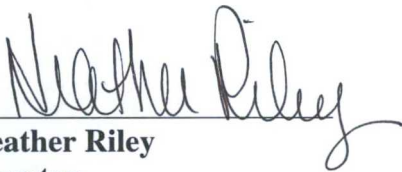
This administrative order supersedes Administrative Order OLM 122, issued on November 28, 2017. This administrative order allows for commingling of gas production from the two pools, and adds the Lockhart A 17 Well No. 4.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations.

This permit is contingent on like approval from the Bureau of Land Management.

The Operator shall notify the transporter of this commingling authority and the Hobbs District Office prior to implementation of commingling operations.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.



Heather Riley
Director

HR/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office