

DATE IN 5/23/01	SUSPENSE 6/12/01	ENGINEER DC	LOGGED IN KW	TYPE DHC	APP NO. 114445650
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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

2922

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET 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:

[NSP-Non-Standard Location] [NSL-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

[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 if 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

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Lee R. White
Print or Type Name

Lee R. White 5/23/01
Signature

Engineering Manager
Title

5/21/2001
Date

Lee.White@Apachecorp.com
e-mail Address



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

6/4/01

Lori Wrotenbery
Director
Oil Conservation Division

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Apache Corp IG Hare #10-L-23-215-37e
Operator Lease & Well No. Unit S-T-R API # 30-025-34336

and my recommendations are as follows:

OK

Yours very truly,

Chris Williams (Signature)

Chris Williams
Supervisor, District 1



May 21, 2001

Attn: David Catanach
State of New Mexico - Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Application to Downhole Commingle
J G Hare No. 10
Penrose Skelly; Grayburg Pool (50350)
Eunice; San Andres Pool (24150)
Sec. 33, T22S – R37E
Lea County, New Mexico**

Apache Corporation would like to request administrative approval to downhole commingle the production from the referenced pools in our J G Hare # 10 well.

To support this request we submit the following:

- 1) New Mexico – OCD Form C-107A
- 2) New Mexico – OCD Form C-102 for Penrose Skelly; Grayburg Pool
- 3) New Mexico – OCD Form C-102 for Eunice; San Andres Pool
- 4) Production Curve for the Penrose Skelly; Grayburg Pool
- 6) Production Curve for offset well Owen "B" # 9 in the Eunice; San Andres Pool
- 7) Allocation formula is based on current production
- 8) Copy of letter sent (by Certified Mail) to Offset operators within one-half mile of the J G Hare # 10

9) Well Bore Diagrams of current completion and proposed completion

If you have any questions or require additional information regarding this application, please contact me at 713-296-6338. Thank you.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Debra J. Anderson", written over a horizontal line.

Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: New Mexico Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

DISTRICT I
1625 N. French Drive, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised May 15, 2000

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505-6429

APPLICATION TYPE
☐ Single Well
☐ Established Pre-Approved Pools
Existing Wellbore
☐ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLE

APACHE CORPORATION 2000 POST OAK BLVD., SUITE 100, HOUSTON, TEXAS 77056-4400
Operator Address
J G HARE 10 L / Sec. 33 / T-21S / R-37E Lea
Lease Well No. Unit Ltr.-Sec-Twp-Rgn County

OGRID NO. 000873 Property Code 26473 API No. 30-025-34336 ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose Skelly; Grayburg		Eunice; San Andres
Pool Code	50350		24150
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3688 - 3708		3860 - 3907
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure <small>(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)</small>			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	36.7		37.1
Producing, Shut-In or New Zone	Producing		Shut-In
Date and Oil/Gas/Water Rates of Last Production <small>(Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)</small>	Date: 5/3/2001 Rates: 2 x 72 x 4	Date: Rates:	Owen "B" # 9 Date: 5/7/2001 Rates: 3 x 36 x 9
Fixed Allocation Percentage <small>(Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)</small>	Oil Gas 40% 67%	Oil Gas % %	Oil Gas 60% 33%

ADDITIONAL DATA

Are all working, royalty and overriding royalty interest identical in all commingle 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 Cases No. applicable to this well: DHC-2674 / DHC-2675

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 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 Debra J. Anderson TITLE Sr. Engineering Technician DATE 5/21/2001
TYPE OR PRINT NAME Debra J. Anderson TELEPHONE NO. 713-296-6338

District I
1625 N. French Drive, Hobbs, NM 88240

District II
P O Drawer DD, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 South St. Francis Drive, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 18, 1994
Instruction on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34336		2 Pool Code 50350		3 Pool Name Penrose Skelly; Grayburg	
4 Property Code 26473		5 Property Name J G Hare			6 Well Number 10
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3451

10 Surface Location

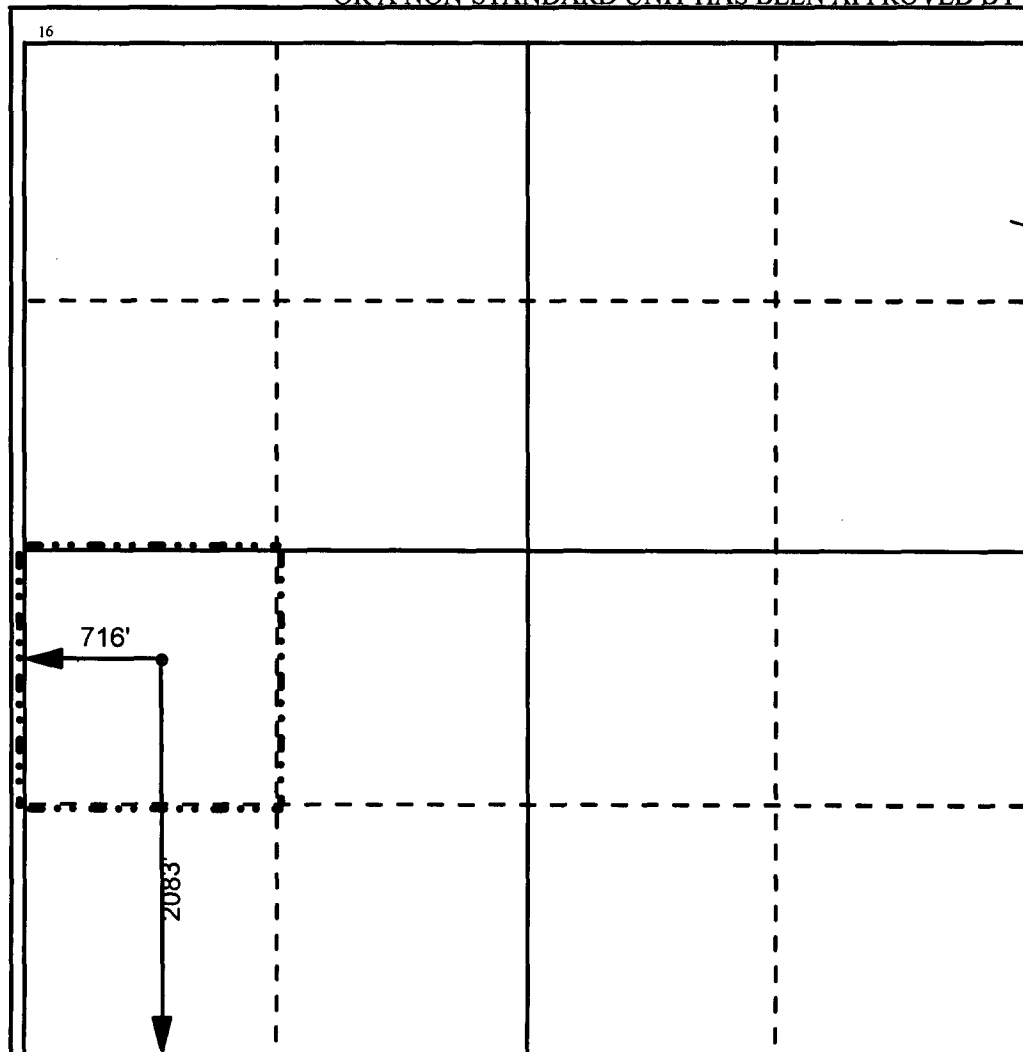
UL or Lot No. L	Section 33	Township 21S	Range 37E	Lot Idn	Feet from the 2083	North/South line South	Feet from the 716	East/West line West	County Lea
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11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	14 Order No.
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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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Debra J. Anderson

Title

Sr. Engineering Technician

Date

5/21/01

18 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 and Seal of Professional Surveyor

Certificate Number

District I
1625 N. French Drive, Hobbs, NM 88240

District II
P O Drawer DD, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 South St. Francis Drive, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

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

Form C-102
Revised October 18, 1994
Instruction on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34336		2 Pool Code 24150		3 Pool Name Eunice; San Andres	
4 Property Code 26473		5 Property Name J G Hare			6 Well Number 10
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3451

10 Surface Location

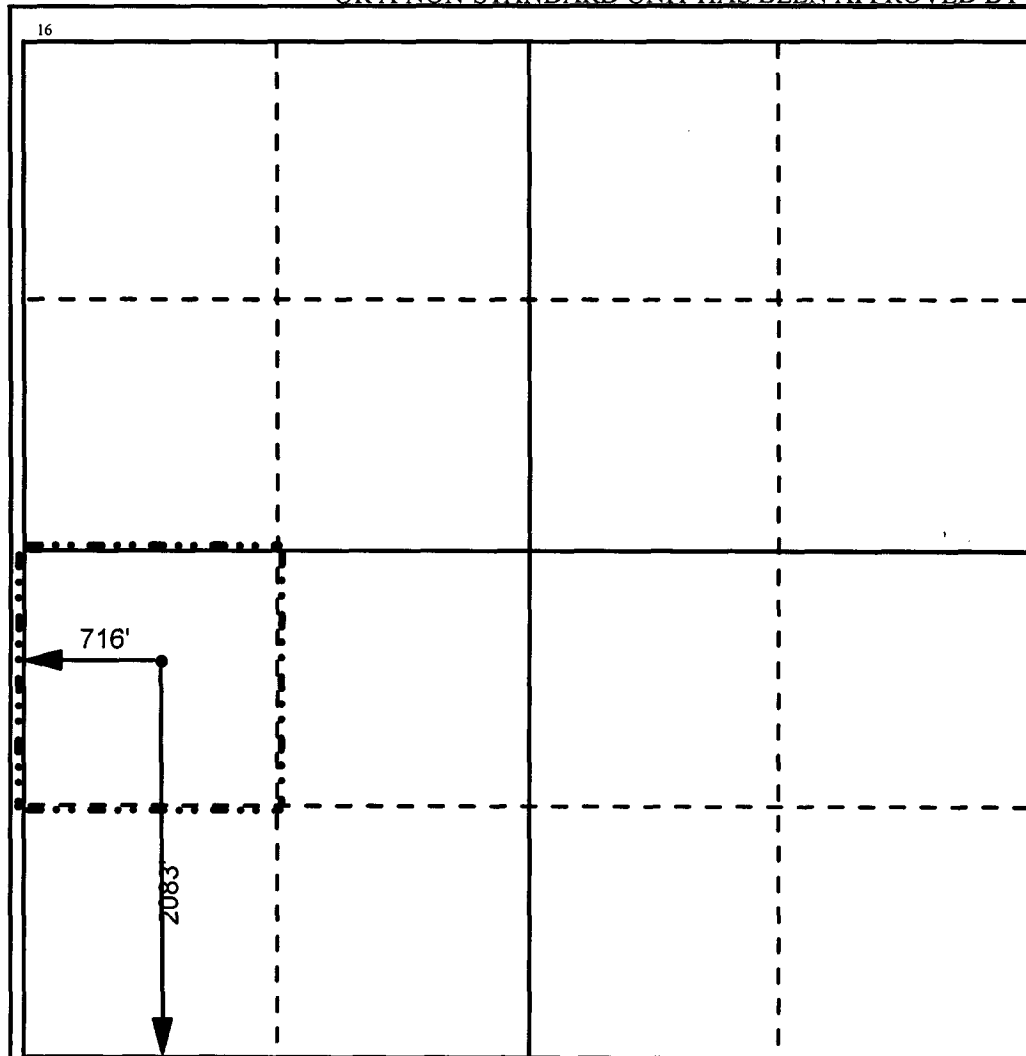
UL or Lot No. L	Section 33	Township 21S	Range 37E	Lot Idn	Feet from the 2083	North/South line South	Feet from the 716	East/West line West	County Lea
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11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	14 Order No.
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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



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Debra J. Anderson

Title

Sr. Engineering Technician

Date

5/21/01

18 SURVEYOR CERTIFICATION

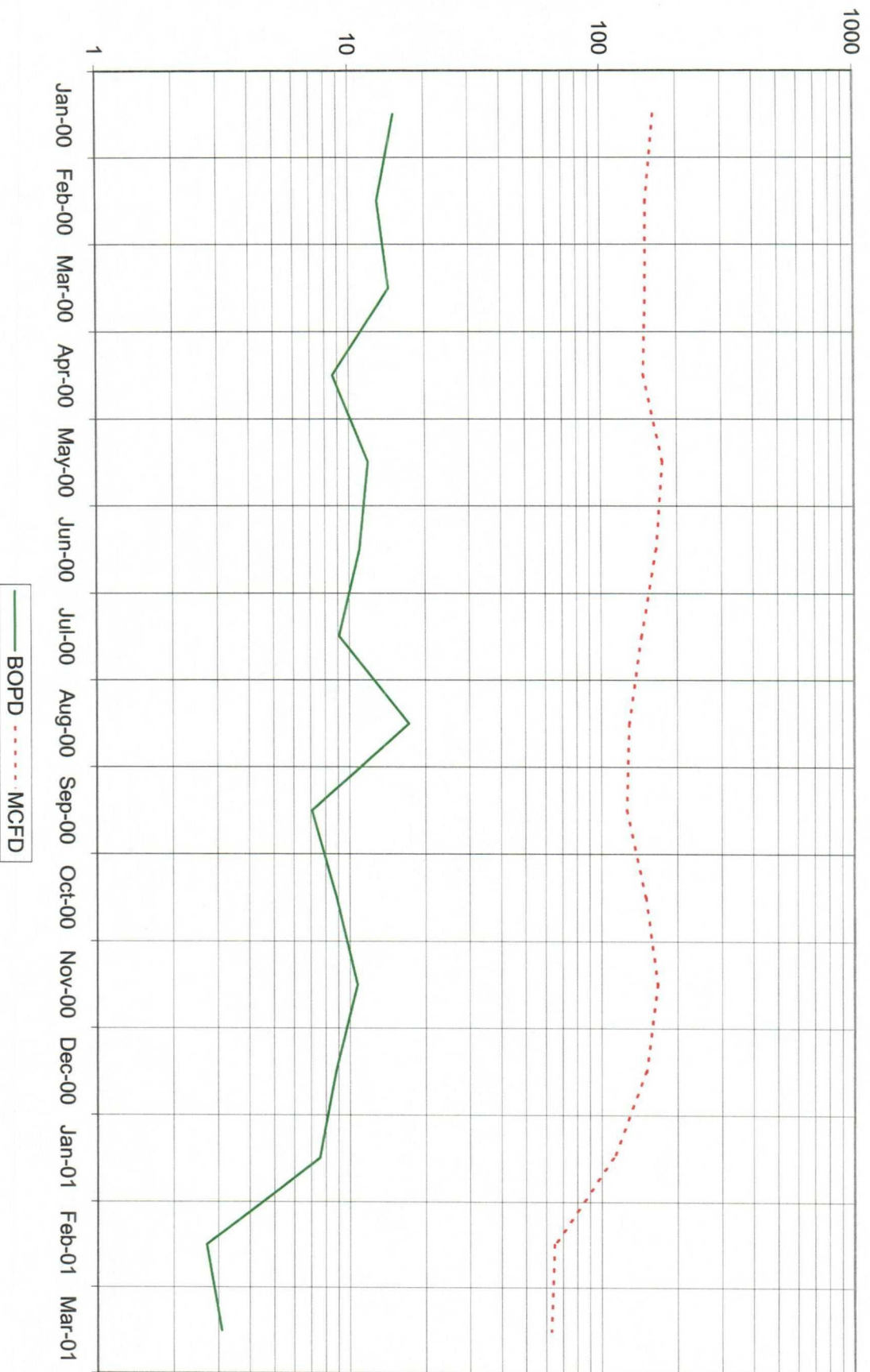
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed

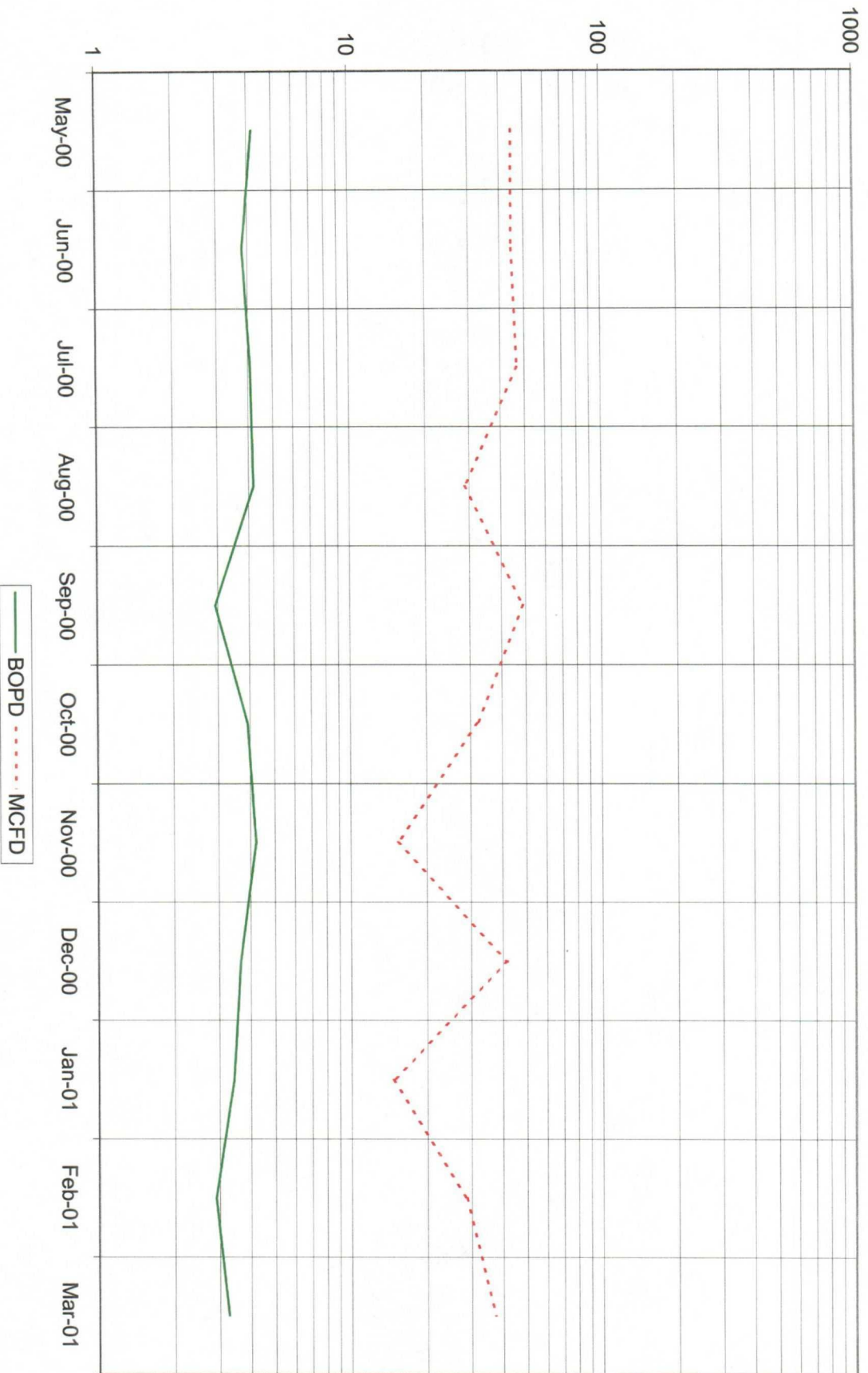
Signature and Seal of Professional Surveyor

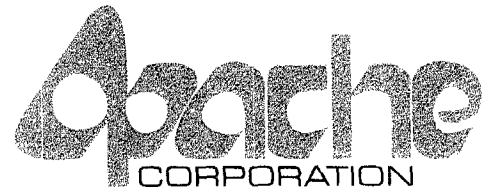
Certificate Number

J G HARE NO. 10 - PENROSE SKELLY; GRAYBURG



OWEN "B" NO. 9 - EUNICE (SAN ANDRES)





May 21, 2001

Offset Operators

**Re: Application to Downhole Commingle
J G Hare No. 10
Penrose Skelly; Grayburg Pool (50350)
Eunice; San Andres Pool (24150)
Sec. 33, T22S - R37E
Lea County, New Mexico**

Attached please find a copy of an Application to Downhole Commingle production from the referenced pools in the J G Hare # 10 well that Apache Corporation has filed with the New Mexico Oil Conservation Division. If you have an objection to this application, you must notify the OCD in writing within 20 days from the date of this letter. Thank you.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Debra J. Anderson", written over a horizontal line.

Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

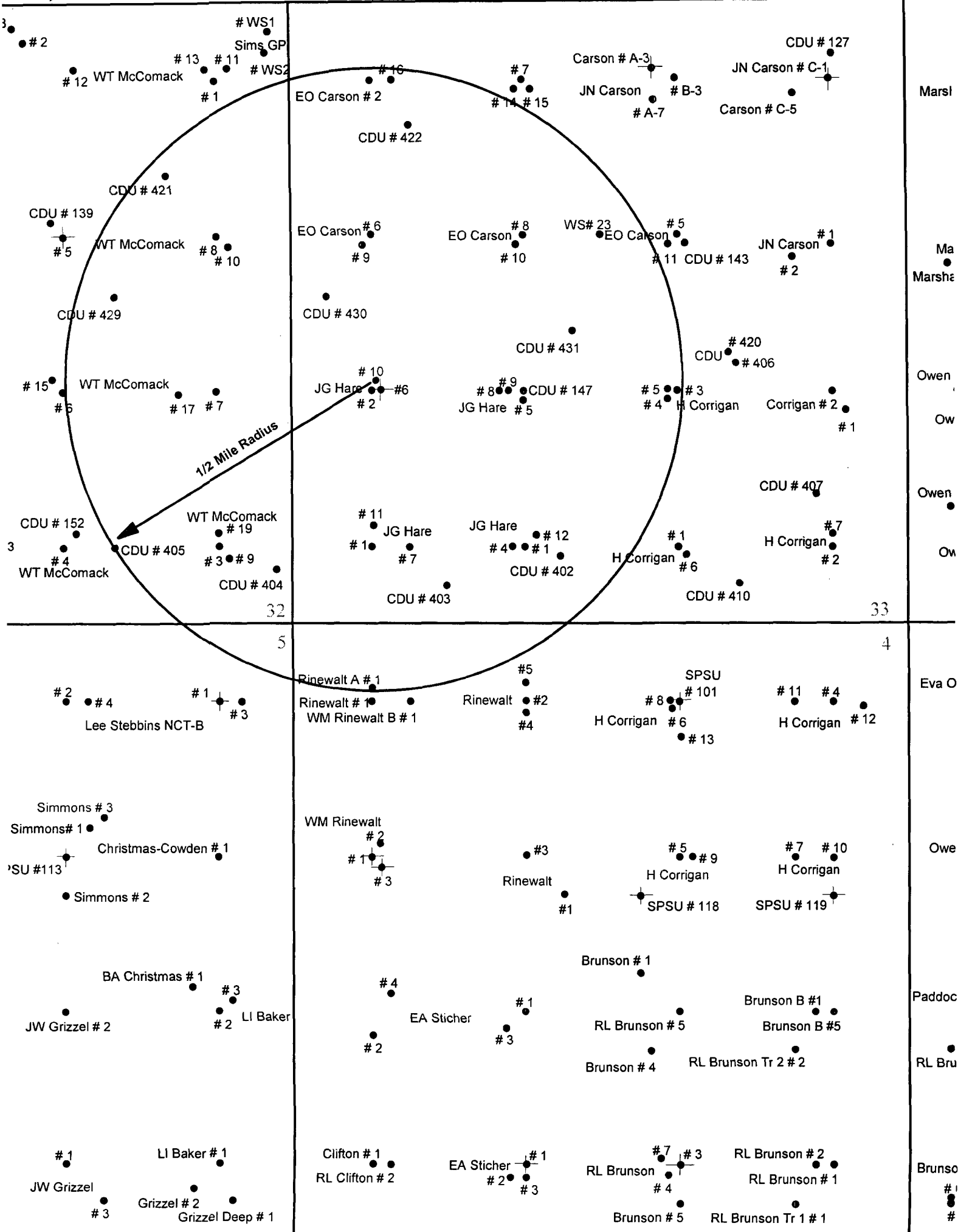
**J G Hare No. 10 Downhole Commingle Application
Offset Operators**

Chevron USA Inc
P O Box 1150
Midland, Texas 79702
Certified Rcpt. # Z-207-261-558

Titan Resources
500 W Texas, Suite 500
Midland, Texas 79701
Certified Receipt # Z-207-261-561

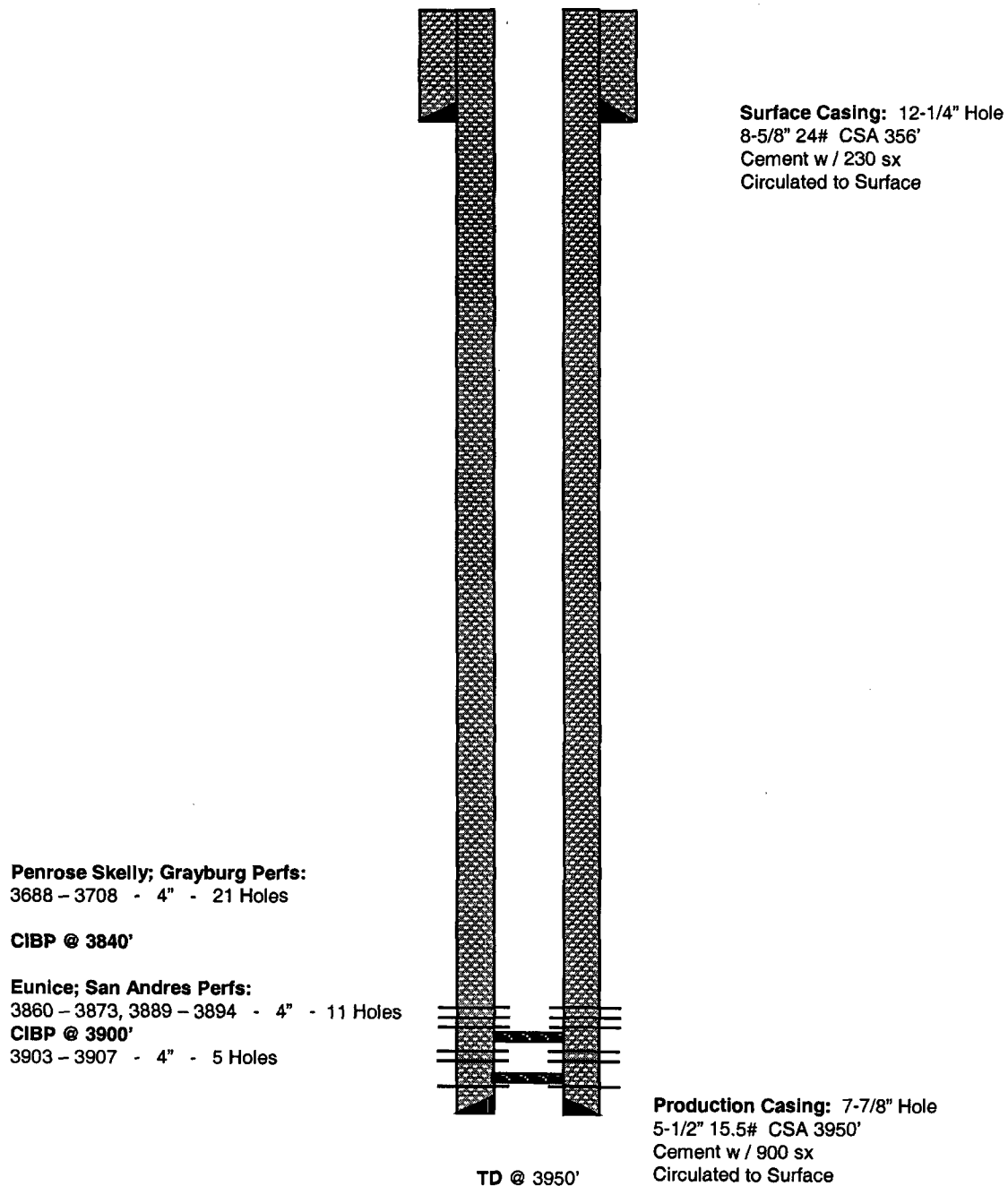
John H Hendrix Corporation
110 N. Marienfeld, Suite 400
Midland, Texas 79702-3040
Certified Rcpt. # Z-207-261-559

Wiser Oil Company
3504 N W County Road
Hobbs, New Mexico 88241
Certified Receipt # Z-207-261-565



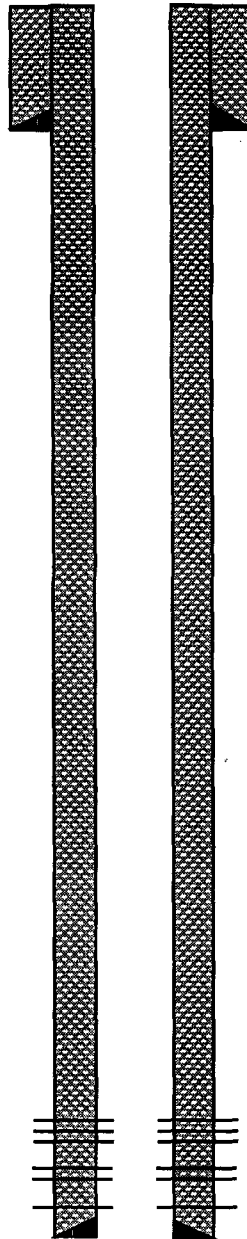
Well: J G Hare No. 10
Pool: Penrose Skelly; Grayburg
Location: 2083' FSL & 716' FWL
Unit L, Section 33, Township 21S, Range 37E
API#: 30-025-34336

Current Status: Active Oil
Penrose Skelly; Grayburg



Well: J G Hare No. 10
Pool: Penrose Skelly; Grayburg / Eunice; San Andres
Location: 2083' FSL & 716' FWL
Unit L, Section 33, Township 21S, Range 37E
API#: 30-025-34336

Proposed Status: Active Oil
Downhole Commingle
Penrose Skelly; Grayburg &
Eunice; San Andres Pools



Surface Casing: 12-1/4" Hole
8-5/8" 24# CSA 356'
Cement w / 230 sx
Circulated to Surface

Penrose Skelly; Grayburg Perfs:
3688 - 3708 - 4" - 21 Holes

Eunice; San Andres Perfs:
3860 - 3873, 3889 - 3894 - 4" - 11 Holes
3903 - 3907 - 4" - 5 Holes

TD @ 3950'

Production Casing: 7-7/8" Hole
5-1/2" 15.5# CSA 3950'
Cement w / 900 sx
Circulated to Surface