

DATE IN <u>5.16.11</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>5.16.11</u>	TYPE <u>DHC</u>	APP NO. <u>1113631011</u>
------------------------	----------	--------------------	--------------------------	-----------------	---------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



Apache 873

Turner #18

ADMINISTRATIVE APPLICATION CHECKLIST *30-025-34388*

THIS CHECKLIST 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:

[NSL-Non-Standard Location] **[NSP-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

[D] Other: Specify _____

[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 is 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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

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

REESA HOLLAND
 Print or Type Name

Reesa Holland
 Signature

SR ENGR TECH
 Title

5/16/2011
 Date

Reesa.Holland@apachecorp.com
 e-mail Address

District I
1625 N. French Drive, Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, 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-107A
Revised June 10, 2003

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

RECEIVED OGD

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation
Operator
Turner
Lease
OGRID No. 873
Property Code 22880
API No. 30-025-34388
Lease Type: ☐ Federal ☐ State ☒ Fee

303 Veterans Airpark Lane Suite 3000 Midland TX 79705
Address
37E
Lea
County
Well No. 018
Unit Letter-Section-Township-Range N 22 21S 37E

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose Skelly; Grayburg		Paddock
Pool Code	50350		49210
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3673'-3883'		5047'-5268'
Method of Production (Flowing or 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)	NA		NA
Oil Gravity or Gas BTU (Degree API or Gas BTU)	33.5		36.5
Producing, Shut-In or New Zone	Producing		SI
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: 12/2009-1/2011 Rates: See attached	Date: Rates:	Date: 12/2009-1/2011 Rates: See attached
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil Gas 94 % 55 %	Oil Gas % %	Oil Gas 6 % 45 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled 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 Case No. applicable to this well: _____

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 royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.

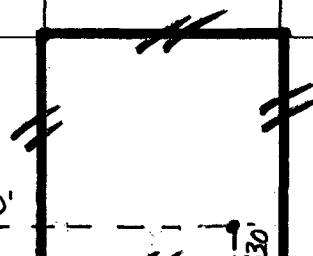
PRE-APPROVED POOLS

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 Reesa Holland TITLE Sr. Engineering Tech DATE 5/10/2011
TYPE OR PRINT NAME Reesa Holland TELEPHONE NO. (432) 818-1062
E-MAIL ADDRESS Reesa.Holland@apachecorp.com

16				<p>17 OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p><u>Reesa Holland</u> 03/15/2011</p> <p>Signature Date</p> <p>Reesa Holland</p> <p>Printed Name</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

District I
1625 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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34388	² Pool Code 49210	³ Pool Name Paddock
⁴ Property Code 22880	⁵ Property Name Turner	⁶ Well Number 018
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	⁹ Elevation 3404'

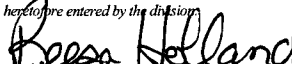
¹⁰ Surface Location

UL or lot no. N	Section 22	Township 21S	Range 37E	Lot Idn 330	Feet from the South	North/South line South	Feet from the 2310	East/West line West	County Lea
--------------------	---------------	-----------------	--------------	----------------	------------------------	---------------------------	-----------------------	------------------------	---------------

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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No. R-10026-A						

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.

¹⁶				¹⁷ OPERATOR CERTIFICATION <i>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.</i>  03/15/2011 Signature Date Reesa Holland Printed Name
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

2310'

330'

Well Test History Report

Select By: Field
Display: All well tests between 12/01/2009 - 03/13/2011

Page 1 of 1
3/15/2011 3:24:40 pm

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes				Ratios				Fluid Level	
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR		IGLR
Field: EUNICE AREA													
TURNER #18													
12/27/2009	12/27/2009	24	A	40	2	22	38	0	11,000	550	0	0	550
1/18/2010	1/18/2010	24	A	38	2	40	36	0	20,000	1,053	0	0	1,053
2/11/2010	2/11/2010	24	A	50	3	44	47	0	14,667	880	0	0	880
3/5/2010	3/5/2010	24	A	91	3	194	88	0	64,667	2,132	0	0	2,132
4/16/2010	4/16/2010	24	A	93	3	191	90	0	63,667	2,054	0	0	2,054
5/4/2010	5/4/2010	24	A	93	7	196	86	0	28,000	2,108	0	0	2,108
6/24/2010	6/24/2010	24	A	56	6	190	50	0	31,667	3,393	0	0	3,393
7/14/2010	7/14/2010	24	A	96	8	195	88	0	24,375	2,031	0	0	2,031
8/17/2010	8/17/2010	24	A	127	9	252	118	0	28,000	1,984	0	0	1,984
9/23/2010	9/23/2010	24	A	118	8	230	110	0	28,750	1,949	0	0	1,949
10/13/2010	10/13/2010	24	A	118	8	230	110	0	28,750	1,949	0	0	1,949
11/11/2010	11/11/2010	24	A	232	80	160	152	0	2,000	690	0	0	690
11/12/2010	11/12/2010	24	A	481	97	411	384	0	4,237	854	0	0	854
11/13/2010	11/13/2010	24	A	292	90	222	202	0	2,467	760	0	0	760
11/14/2010	11/14/2010	24	A	265	90	186	175	0	2,067	702	0	0	702
11/15/2010	11/15/2010	24	A	295	120	186	175	0	1,550	631	0	0	631
11/16/2010	11/16/2010	24	A	277	116	188	161	0	1,621	679	0	0	679
11/17/2010	11/17/2010	24	A	249	88	188	161	0	2,136	755	0	0	755
11/18/2010	11/18/2010	24	A	295	95	160	200	0	1,684	542	0	0	542
12/31/2010	12/31/2010	24	A	246	57	152	189	0	2,667	618	0	0	618
1/12/2011	1/12/2011	24	A	200	30	152	170	0	5,067	760	0	0	760
Averages by Completion				179	44	180	135	0					

PADDOCK AVG = 5 162 78

GB AVG = $\frac{86}{91} \frac{201}{363} \frac{197}{275}$

PADDOCK % = 67% 457% 287%

GB % = 949% 557% 727%

** All values are recorded using imperial units.