

app # 50469

DATE IN 8/7/00	SUSPENSE N/R	ENGINEER MA	LOGGED JW	TYPE AMEND PC
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
- [DD-Directional Drilling] [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 - Directional Drilling
- NSL NSP DD SD

AUG - 7

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 - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all 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 further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note. Statement must be completed by an individual with supervisory capacity.

Lee R. White

Print or Type Name



Signature

Engineering Manager

Title

8/4/00

Date

August 4, 2000

Attn: Mark Ashley
State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**Re: Administrative Order PC-218
Grizzell Lease
Sec. 8, T22S-R37E
Lea County, New Mexico**

Apache Corporation proposes to amend the referenced Surface Commingling Permit to include the Eunice; San Andres, Southwest pool and delete the Fusselman pool.

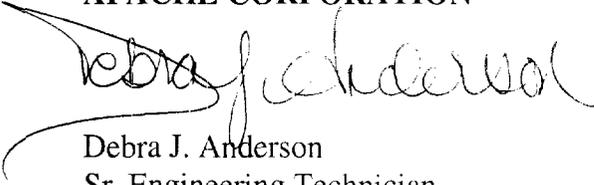
To support this request we have attached the following:

- 1) Tabulation of wells indicating the current producing pool, average daily production rates and API gravity of each pool.
- 2) The expected sum of commingled production is 60 BOPD and expected gravity is 35.0. The value of commingled production will not be decreased by adding the referenced pool. Allocation of production from each pool will be based on monthly well tests.
- 3) Production Facilities diagram
- 4) Plat of Grizzell lease
- 5) Copy of letter sent to Royalty Interest Owners and list of same.

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

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink that reads "Debra J. Anderson". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Debra J. Anderson
Sr. Engineering Technician

Attachments

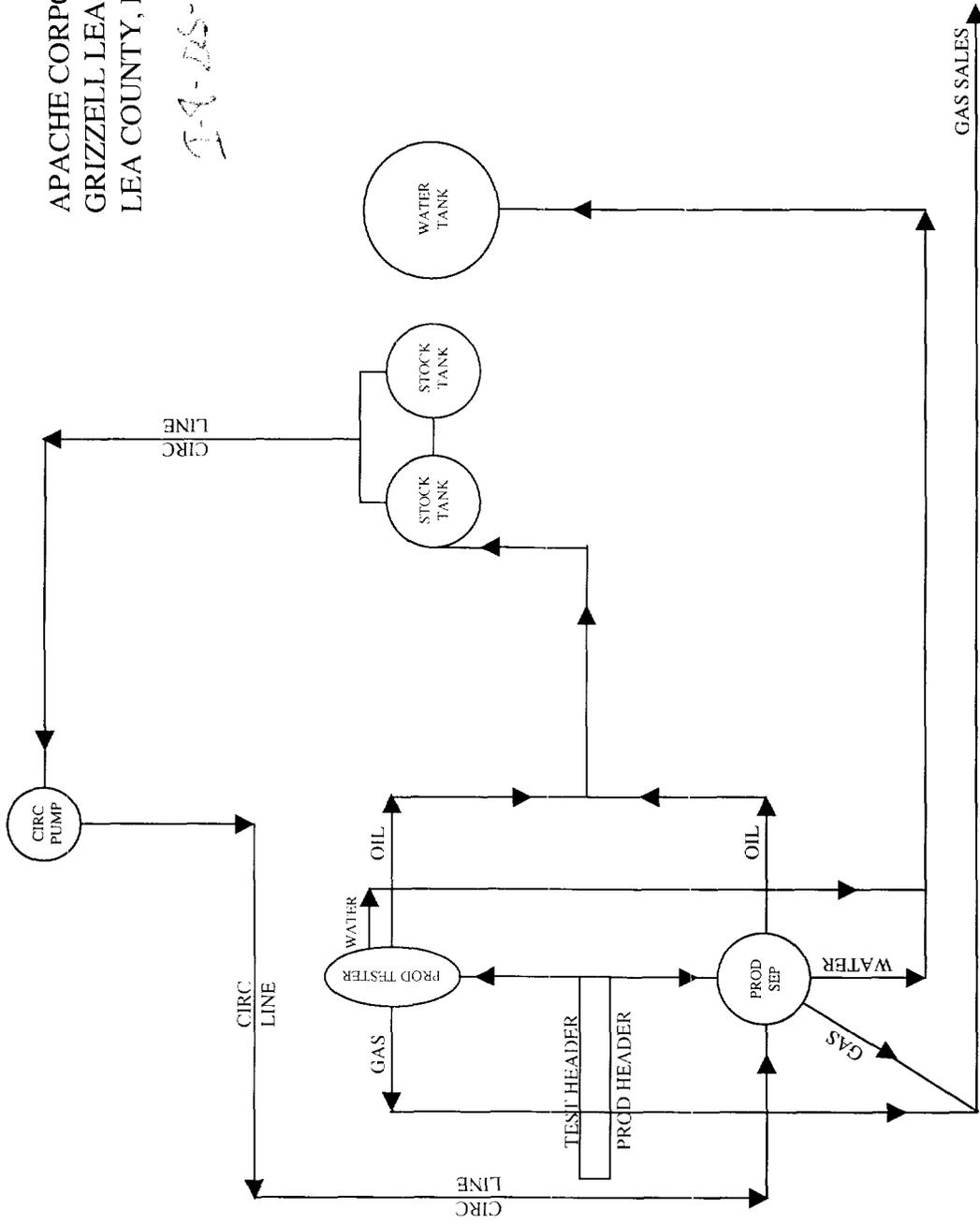
cc: State of New Mexico
Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

**GRIZZELL LEASE
PENROSE SKELLY; GRAYBURG
EUNICE; SAN ANDRES, SOUTHWEST
PADDOCK / BLINEBRY OIL & GAS
DRINKARD POOLS**

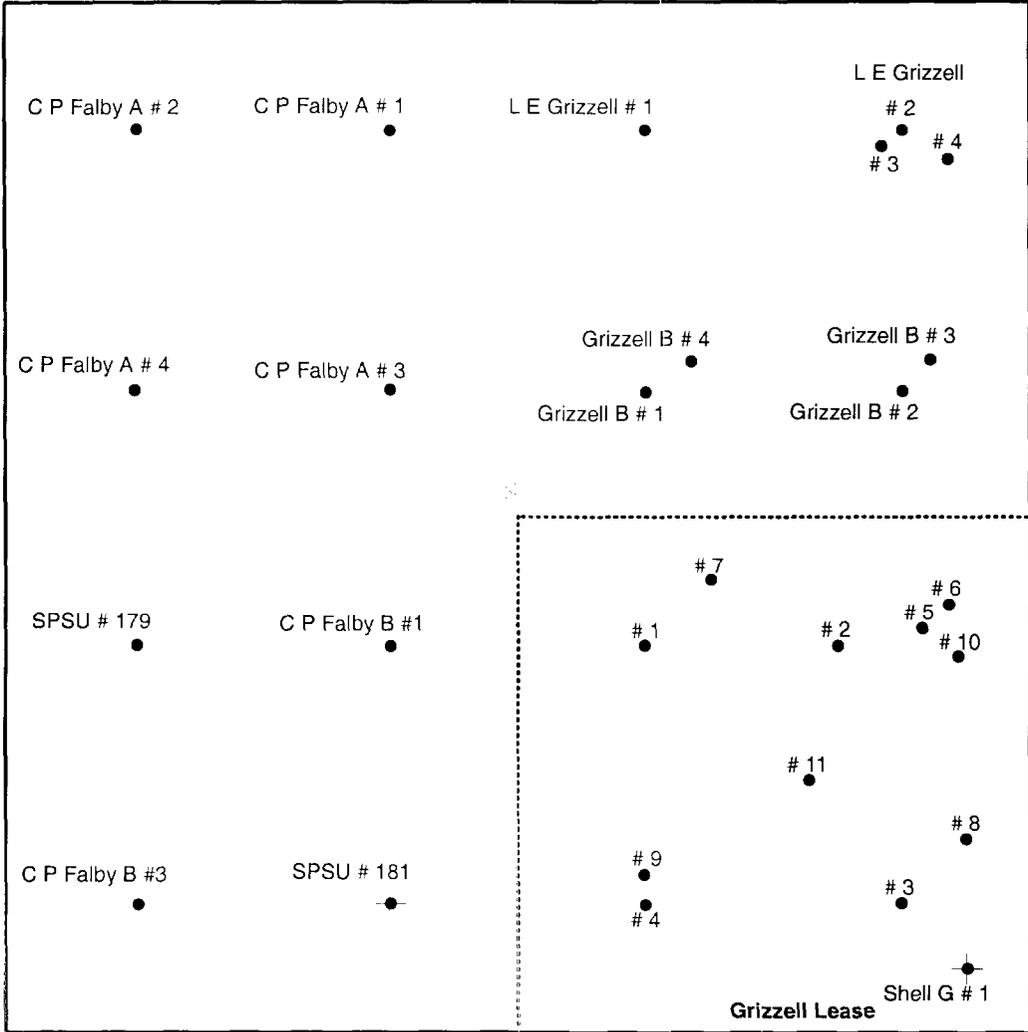
<u>Well No.</u>	<u>Pool</u>	<u>Status</u>	<u>Avg. BOPD</u>	<u>API Gravity</u>
1	Penrose Skelly; Grayburg	Active	1	34.4
2	Penrose Skelly; Grayburg	Shut-In	0	
3	Penrose Skelly; Grayburg	Shut-In	0	
4	Penrose Skelly; Grayburg	TA'd	0	
5	Paddock	Active	5	34.3
6	Blinebry Oil & Gas Drinkard	Active Active	0 0	
7	Blinebry Oil & Gas	Active	2	35.3
8	Blinebry Oil & Gas Drinkard	Active Active	3 5	35.3 35.3
9	Blinebry Oil & Gas	Active	2	35.3
10	Eunice; San Andres, Southwest	Active	42	35.0
11	Penrose Skelly; Grayburg	TA'd		

APACHE CORPORATION
GRIZZELL LEASE
LEA COUNTY, NEW MEXICO

1-1-26-37E



GAS SALES



GRIZZELL LEASE
SECTION 8
T22S - R37E
LEA COUNTY, NEW MEXICO
SCALE: 1" = 1000'



2000 POST OAK BOULEVARD / SUITE 100 / HOUSTON, TEXAS 77056-4400

[713] 296-6000

August 4, 2000

Royalty Interest Owners

**Re: Administrative Order PC-218
Grizzell Lease
Sec. 8, T22S-R37E
Lea County, New Mexico**

Attached please find an application to amend the referenced Surface Commingling Permit, that Apache Corporation has filed with the New Mexico Oil Conservation Division. This amendment is to include the Eunice; San Andres, Southwest Pool and delete the Fussellman Pool. Production from the Penrose Skelly; Grayburg, Paddock, Blinebry O&G and Drinkard pools is currently being commingled at the Grizzell surface facilities. If you have an objection to this application, you must notify the OCD in writing within 20 days from the date of this letter.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink that reads "Debra J. Anderson". The signature is written in a cursive style with a large, sweeping initial "D".

Debra J. Anderson
Sr. Engineering Technician

Attachment

cc: New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**GRIZZEL LEASE
ROYALTY INTEREST OWNERS**

Michele Ambriz Arevalo
734 E 6th Avenue
Durango, Colorado 81301
Certified Receipt # Z-207-261-413

Gladys Grizzell Clark
P O Box 1244
Mills, Wyoming 82644
Certified Receipt # Z-207-261-414

Charles H. Coll
P O Box 1818
Roswell, New Mexico 88202-1818
Certified Receipt # Z-207-261-415

James N. Coll
P O Box 1818
Roswell, New Mexico 88202-1818
Certified Receipt # Z-207-261-416

Jon F. Coll
P O Box 1818
Roswell, New Mexico 88202-1818
Certified Receipt # Z-207-261-417

Max Coll II
Rt 9, Box 72F
Santa Fe, New Mexico 87505-9416
Certified Receipt # Z-207-261-418

Laura Marie Drobek-McKinzie
3502 Claremont Drive
Midland, Texas 79707-4309
Certified Receipt # Z-207-261-419

Louise B. Drobek Trust
11 Riverside Drive
Roswell, New Mexico 88201
Certified Receipt # Z-207-261-420

Robert Raymond Drobek Jr.
2418 E. Harrison
Phoenix, Arizona 85034
Certified Receipt # Z-207-261-421

Fortson Oil Company
301 Commerce St., Suite 3301
Fort Worth, Texas 76102-4133
Certified Receipt # Z-207-261-422

Lawrence E. Mobley
13419 Kimberley Lane
Houston, Texas 77079
Certified Receipt # Z-207-261-423

Mildred Brennan Neumann
13530 Hood Avenue
Handford, California 93230
Certified Receipt # Z-207-261-424

Mary D. Walsh
P O Box 848537
Dallas, Texas 75284-8537
Certified Receipt # Z-207-261-425



2000 POST OAK BOULEVARD / SUITE 100 / HOUSTON, TEXAS 77056-4400

WWW.APACHECORP.COM
(713) 296-6000

July 28, 2000

Attn: Mark Ashley
New Mexico -- Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**Re: Administrative Order PC-218 (June 1, 1984 under Shell Oil Company)
Grizzell Lease
Section 8, Township 22 South, Range 37 East
Lea County, New Mexico**

Apache Corporation would like to request temporary verbal permission to surface commingle the existing production at our Grizzell lease with the production from our Grizzell # 10 well, currently being recompleted in the Eunice; San Andres, Southwest (24180) pool. Our records indicate the royalty ownership is the same for each pool. The expected gravity is 37.98 and value of commingled production will not be decreased by adding the referenced pool.

I am working on the necessary information to amend the referenced commingling permit and anticipate submitting same to you next week.

If you have any questions, please contact me at 713-296-6338. Your assistance in this matter is greatly appreciated. Thank you.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink that reads "Debra J. Anderson". The signature is written in a cursive style with a long, sweeping underline that extends across the width of the signature.

Debra J. Anderson
Sr. Engineering Technician

cc: Chris Williams
District 1