

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



October 15, 2013

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-384
Administrative Application Reference No. pPRG1325958644

Apache Corporation
Attn: Ms. Reesa Holland Fisher

Pursuant to your application received on September 13, 2013, Apache Corporation (OGRID 873) is hereby authorized to surface commingle oil and gas from the following pools located in Section 2, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico.

House: Blinebry (33230)
House; Tubb (78760)
House; Drinkard (33250)
House; Abo (33210)

and from the following diversely owned wells located on State of New Mexico leases in said section, township and range in Lea County, New Mexico:

Pino Well No. 1
API No. 30-025-41081
330 FNL & 2310 FWL, Unit C

Pino Well No. 2
API No. 30-025-41082
1850 FNL & 990 FWL, Unit E

White Owl Well No. 2
API No. 30-025-40290
475 FNL & 1075 FWL, Unit D

NOTE: This order only authorizes commingling at the surface of hydrocarbons properly produced from the above-named wells. Authorization for commingling in the wellbore of production from different pools, if not already authorized, must be obtained by separate orders.

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The commingled oil and gas production shall be measured and sold at the Pino 1 central tank battery located in Unit C of Section 2. **Production will be allocated to the individual wells based on monthly well tests.** Although allocation by well tests is not ordinarily authorized where ownership of the commingled production is diverse, you have furnished us with signed consents from owners whom we understand are all of the owners of the production to be commingled pursuant to this order.

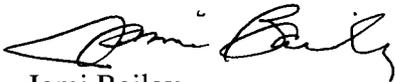
The operator shall notify the transporter of this commingling authority.

The operator shall notify the Hobbs district office of the Division upon commencement of commingling operations.

This approval is subject to like approval from the New Mexico State Land Office before commencement of the commingling operations.

Pursuant to your notices accompanying this application and to Rule 19.15.12.10.C(4)(g) you or your successors or assigns may apply to add to the commingling authority granted by this order, production from any future well(s) drilled by Apache, or its successors or assigns, and located in the NW/4 of Section 2, Township 20 South, Range 38 East, NMPM, Lea County, New Mexico, with notice only to the owners of interest in such wells.

Sincerely,



Jami Bailey
Division Director

JB/db

cc: Oil Conservation Division District Office – Hobbs
New Mexico State Land Office