State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D. Deputy Cabinet Secretary Jami Bailey, Division Director Oil Conservation Division



May 12, 2014

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-384-A Administrative Application Reference No. pMAM1401344941

Apache Corporation

Attn: Ms. Reesa Holland Fisher

Apache Corporation has requested to amend Division Order No. PLC-384 to add the White Owl Well No. 1 (API No. 30-025-36689) to the surface commingling order. The Division has reviewed your application and hereby grants your request.

The Division Order No. PLC-384 is hereby amended, and 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:

Pinot Well No. 1 API No. 30-025-41081 330 FNL & 2310 FWL, Lot 3

Pinot 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, Lot 4 May 12, 2014 Page 2

White Owl Well No. 1 API No. 30-025-36689 582 FNL & 330 FWL, Unit D

The commingled oil and gas production shall be measured and sold at the Pinot 1 central tank battery located in Lot 3 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.

For future additions of wells, leases, and pools to the commingling operations, notice shall only be given to those interest owners in the wells, leases or pools to be added.

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 order supersedes Order No. PLC-384 issued on October 17, 2013.

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

Done at Santa Fe, New Mexico, on May 12, 2014.

Jami Bailey

Division Director

JB/mam

cc: Oil Conservation Division District Office – Hobbs

New Mexico State Land Office - Oil, Gas and Minerals