State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

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Cabinet Secretary

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May 22, 2014

ADMINISTRATIVE POOL/LEASE COMMINGLING ORDER

Administrative Order PLC-370-A Administrative Application Reference No. pPRG1402860123

Apache Corp OGRID 873

Attn: Ms. Reesa Fisher

Apache Corporation has requested to amend Division Order No. PLC-370 to add the Werta Federal Well No. 4 (API No. 30-025-41593) to the surface commingling order. The Division has reviewed your application and hereby grants your request.

The Division Order No. PLC-370 is hereby amended, and APACHE CORP (OGRID 873) is hereby authorized to surface commingle oil and gas production from the following pools located in Section 35, Township 19 South, Range 38 East, NMPM, Lea County, New Mexico.

House; Blinebry (33230) House; Drinkard (33250) House; Tubb, North (33470)

and from the following diversely owned wells located on federal leases in said Section, Township and Range in Lea County, New Mexico.

Werta Federal Well No. 1 API No. 30-025-27696 330 FSL & 2310 FEL, Unit O

Werta Federal Well No. 2 API No. 30-025-40798 990 FSL & 1650 FEL, Unit O

Werta Federal Well No. 3 API No. 30-025-40799 330 FSL & 990 FEL, Unit P May 22, 2014 Page 2

Werta Federal Well No. 4 API No. 30-025-41593 1650 FSL & 990 FEL, Unit I

The Werta Federal Well No.1 is currently producing only from the Blinebry. Wells Nos. 2 and 3 are producing from all three pools, and production is being commingled in the wellbores pursuant to existing Downhole Commingling authority. Well No. 4 will soon be drilled, and is expected to produce from all three pools.

The commingled oil and gas production shall be measured and sold at the central delivery point located in the Unit O of Section 35, and will be allocated back to the respective wells based on <u>periodic well tests</u>. Downhole commingled production within Wells Nos. 2 and 3 will be allocated between pools as provided in Orders DHC-508 and DHC-509 respectively.

For future additions of wells, leases, and pools to the Werta 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-370 issued on March 28, 2013.

This approval is subject to like approval from the United States Bureau of Land Management before commencement of the commingling operations.

Done at Santa Fe, New Mexico, on May 22, 2014.

Jami Bailey

Division Director

JB/mam

cc: Oil Conservation Division District Office – Hobbs United States Bureau of Land Management - Carlsbad