

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



Administrative Order DHC-4692

Order Date: August 28, 2014

Application Reference Number: PPRG1423935060

Apache Corporation
303 Veterans Airpark Lane, Suite 300
Midland, Texas 79705-9909

Attention: Ms. Reesa Fisher

McDonald State A/C 2 Well No. 037
API No. 30-025-41781
Unit A, Section 13, Township 22 South, Range 36 East, NMPM
Lea County, New Mexico

Pool	DRINKARD	Oil	19190
Names:	TUBB OIL AND GAS (OIL)	Oil	60240
	WANTZ; ABO	Oil	62700

Reference is made to your recent application for an exception to 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

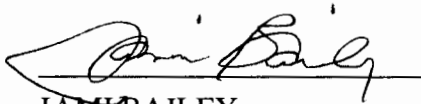
As per the application, the assignment of allowable and allocation of production from the subject well shall be based on the analysis of the historical production from surrounding wells in the same pools.

Assignment of allowable and allocation of production from the well shall be as follows:

DRINKARD	Pct. Gas: 81	Pct. Oil: 77
TUBB OIL AND GAS (OIL)	Pct. Gas: 14	Pct. Oil: 13
WANTZ; ABO	Pct. Gas: 5	Pct. Oil: 10

REMARKS: The operator shall notify the Division's district I office upon implementation of commingling operations.

Pursuant to 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



JAMI BAILEY
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals