TYPE DHC

APP NO. pPRG1423935060

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



		ADMINISTRATIVE APPLICA	TION CH	ECKLIST	
Т	HIS CHECKLIST IS N	IANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FO WHICH REQUIRE PROCESSING AT THE DIVIS			EGULATIONS
Appli	[DHC-Dow [PC-Pd		on Unit] [SD-S ling] [PLC-F] [OLM-Off-l ire Maintenan- ion Pressure I	imultaneous Dedicat Pool/Lease Commingl Lease Measurement] Ce Expansion] – ncrease]	ing] DHC 4612
[1]	[A]	PPLICATION - Check Those Which Apply fo Location - Spacing Unit - Simultaneous Ded NSL NSP SD C One Only for [B] or [C]		Apache Co McDonald State A 30-025-	
	[B]	Commingling - Storage - Measurement DHC CTB PLC PC	_	OLM PO	inkand
	[C]	Injection - Disposal - Pressure Increase - Enl WFX PMX SWD II		covery PPR - 74	inkAnd 19140 bb Oiland 11) 0240 Antis Abo
	[D]	Other: Specify			0249
[2]	NOTIFICAT [A]	TION REQUIRED TO: - Check Those Which Working, Royalty or Overriding Royalty		oes Not Apply ers	ANTS 460
	[B]	Offset Operators, Leaseholders or Surfa	ace Owner		
	[C]	Application is One Which Requires Pub	blished Legal I	Notice	
	[D]	Notification and/or Concurrent Approva	al by BLM or S Lands, State Land Off	SLO	
	[E]	For all of the above, Proof of Notification	on or Publicati	on is Attached, and/or	τ,
	[F]	☐ Waivers are Attached			
[3]		CURATE AND COMPLETE INFORMATI ATION INDICATED ABOVE.	ION REQUIE	RED TO PROCESS	ГНЕ ТҮРЕ
	val is accurate a	TION: I hereby certify that the information su and complete to the best of my knowledge. I all equired information and notifications are submi	lso understand	that no action will be	
	Note	: Statement must be completed by an individual with n	nanagerial and/o	r supervisory capacity.	
	Fisher	See Attached Cover Letter		Regulatory Analyst	07/30/2014
Print	or Type Name	Signature	Title		Date
			Reesa.Fis	her@apachecorp.com_	

e-mail Address

RECEIVED OGD

July 29, 2014

25世 在6-4 户 2:5'

Mr. Phillip Goetze
New Mexico Oil Conservation Division
Engineering Bureau
1220 South St Francis Drive
Santa Fe, New Mexico 87505

RE: Application for Exception to Rule 303-C – Downhole Commingling Amendment McDonald State AC 2 #37 API 30-025-41781
Unit A, Section 13, T22S, R36E
Tubb Oil & Gas (Oil) 60240, Drinkard 19190 & Wantz; Abo (62700)
Lea County, New Mexico

Dear Mr. Goetze:

Enclosed please find form C-107A & attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore (100% Apache with State Royalty). The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation. The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at (432) 818-1062 or send me an email at Reesa. Fisher@apachecorp.com.

Sincerely,

Reesa Fisher

Sr. Staff Regulatory Analyst

District I

1625 N. French Drive, Hobbs, NM 88240

State of New Mexico

Form C-107A Revised June 10, 2003

District II

1301 W. Grand Ave e, Artesia, NM 88210

District III

d. Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Energy, Minerals and Natural Resources Department

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

APPLICATION TYPE X_Single Well Establish Pre-Approved Pools EXISTING WELLBORE __X Yes ____No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation		Lane Suite	1000 Midland TX 79705			
Operator		-	Address	<u> </u>		
McDonald State AC 2	037	Α	13	22S	36E	Lea
Lease	Well No.	Unit Lett	er-Section-To	ownship-Ran	ge	County
OGRID No. 873	Property Code 306616	_ API No30-0	25-41781		Lease Type:	Federal X State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE		
Pool Name	Tubb Oil & Gas (Oil)	Drinkard	Wantz; Abo		
Pool Code	60240	19190	62700		
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6269' - 6377'	6501' - 6677'	6857' - 7321'		
Method of Production (Flowing or Artificial Lift)	Artificial Lift	Artificial Lift	Artificial Lift		
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)					
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.0	37.0	38.0		
Producing, Shut-In or New Zone	Going on Production	Shut-In	Shut-In		
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data.)	Date: New Well Rates:	Date: New Well Rates:	Date: New Well Rates:		
Fixed Allocation Percentage (Note: If allocation is based upon something other	Oil Gas	Oil Gas	Oil Gas		
than current or past production, supporting data or explanation will be required.)	13 % 14 %	77 % 81 %	10 % 5		

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? If not, have all working, royalty and overriding royalty interest owners been notified by certified mail?	Yes_X Yes	No
Are all produced fluids from all commingled zones compatible with each other?	Yes_X	No
Will commingling decrease the value of production?	Yes	No_X
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application?	Yes_X	No
NMOCD Reference Case No. applicable to this well:		
Attachments: C-102 for each zone to be commingled showing its spacing unit and acreage dedication. Production curve for each zone for at least one year. (If not available, attach explanation.) For zones with no production history, estimated production rates and supporting data. Data to support allocation method or formula.		

Any additional statements, data or documents required to support commingling.

Notification list of working, royalty and overriding royalty interests for uncommon interest cases.

PRE-APPROVED POOLS If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools List of all operators within the proposed Pre-Approved Pools

Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application. Bottomhole pressure data.

Thereby certify that the information above is true and o	complete to the best of my knowledge and belief.
SIGNATURE LIVA Justice	TITLE Sr. Staff Regulatory Analyst DATE 7/30/2014
TYPE OR PRINT NAME Reesa Fisher	TELEPHONE NO. (432) 818-1062

E-MAIL ADDRESS Reesa. Fisher@apachecorp.com

				man and in the	14460	NOTE OF PROPERTY	A STATE OF THE STA	Contraction of			fortille the second	
Lease Name	Well Number	CONTRACTOR OF STREET	The state of the s	Tubb	Drinkard	Abo	Tubb	John Mr. Chranden en 188	Abo	Tubb	Drinkard	Abo
H T MATTERN NCT E	13	3002508889	22S 36E 12H		25843			270009			47995	
H T MATTERN NCT D	14		22S 37E 7C	29645	41949		190292	311894		1023528	451620	
H T MATTERN NCT D	15		22S 37E 7D	12147	56729		106665	255819		38223	61060	
H T MATTERN NCT D	16		22S 37E 7E SW NW	1944	26799		15058	168414		6278	23051	
H T MATTERN NCT D	17	3002525113		4526	32159		40713	205568		6645	17334	
A L CHRISTMAS NCT C	9		22S 37E 18G		54136			286738			17164	
A L CHRISTMAS NCT C	10		22S 37E 18F		44788			962891			404276	
A L CHRISTMAS NCT C	11		22S 37E 18H		28141			437115			23865	
A L CHRISTMAS NCT C	12		22S 37E 18E		60832			1107597			84673	
A L CHRISTMAS NCT C	13		22S 37E 18A	1708	80304		13352	655747		65951	260936	
A L CHRISTMAS NCT C	14		22S 37E 18D		117591			611055			237355	
A L CHRISTMAS NCT C	15		22S 37E 18L		54541			154048			57950	
DECK FEDERAL	1		22S 37E 18B NW NE		78419			822257			32673	
DECK FEDERAL	2		22S 37E 18C		101135			998498			30368	
A L CHRISTMAS NCT C	16		22S 37E 18M SW SW	9400			151196			18393	5075	
STATE PA	4		22S 37E 18K		26547			101782			20450	
MCDONALD STATE AC 2	29		22S 36E 13H SE NE	1233	145500		1775	821281		4866	309011	
LITTLE V	1		22S 37E 7N		56561			582336			61782	
MCDONALD STATE AC 2	30		22S 36E 13A E2 NE NE	4363	79256		13066	297255		70081	71741	
	31		22S 36E 13G		71518			311038			67801	
MCDONALD STATE AC 2	32	3002525933	22S 36E 13B NW NE		59516			294732			112727	
MATTERN	1	3002525970	22S 37E 7K		35946			169956			59915	
NEW MEXICO M STATE	49	3002526015	22S 37E 18J SE		3319			10499			7308	
LITTLE V	2	3002526145	22S 37E 7M		48920			555734			75651	
STATE 157 D	9	3002526146	22S 36E 12P		49172			99456			53534	
LITTLE V	3	3002526320	22S 37E 7O		91429			418836			31797	
STATE 157 D	10	3002526391	22S 36E 12O		41966			116855			49856	
LITTLE V	4	3002526471	22S 37E 7P		90999			507151			28802	
STATE 157 D	209	3002526534	22S 36E 12N	-	36852			209675			22759	
STATE 157 D	13	3002526624	22S 36E 12I		55950			270795	-		70598	
STATE 157 D	15	3002526628	22S 36E 12M		8784			29984		"	32814	
STATE 157 D	205	3002526659	22S 36E 12K		20077			42849			59916	
MATTERN	2	3002526673	22S 37E 7J		37410			193792			69291	
MATTERN	3	3002526913	22S 37E 7I		51288			190372			121148	
MCDONALD STATE AC 2	34	3002526959	22S 36E 13C NE NW SE		19770			103519			29769	
H T MATTERN NCT E	14	3002529105	22S 36E 12A		29918			212132			74745	
NEW MEXICO M STATE	51	3002537355	22S 37E 18I NW NE SE		4025			7195			1038	
NEW MEXICO M STATE	52	3002537613	22S 37E 18J SW NW SE	9009	48914		14891	181279		25623	16336	\neg
NEW MEXICO M STATE	54	3002537665	22S 37E 18P NE SE SE		36418			103463			169308	
NEW MEXICO M STATE	53	3002537692	22S 37E 18O SE SW SE		21852			60840			14816	
NEW MEXICO M STATE	361	3002538432	22S 37E 18P NW SE SE		7625			29583			138302	
ENCORE M STATE	2	3002539541			11196			32866			73071	
ENCORE M STATE	3		22S 37E 19C		9858	8321		28599	25075		85907	79336
ENCORE M STATE	4	3002540091	22S 37E 19H		16700			69721			66898	
ENCORE M STATE	5		22S 37E 19A		9362	6448		28914	19167		76639	68274
ENCORE M STATE	6		22S 37E 19I		8111	7303		25611	24459		53296	1201
ENCORE M STATE	7	3002540399	22\$ 37E 19B		5956	5943		24543	24164		18257	503
STATE PA	7		22S 37E 18N	3462	3276		10066	6824		17398	26589	\neg
STATE PA	8	3002540541	22S 37E 18N	1971	1969	654	9158	5232	2618	12984	12984	4328
STATE PA	9		22S 37E 18K	1941	2874		6702	6901		19737	37678	
ENCORE M STATE	8		22S 37E 19J		2892	2892		6945	6935		6723	6710
			TOTALS	81,349	2,055,092	31,561	572,934	13,406,195	102,418	1,309,707	3,984,652	160,352
			AVERAGES	6,779	41,102	5,260	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	268,124	17,070	.,,-	78,130	26,725
						-,	1			,	,	

Proposed Allocations	Oil	Gas	Water
Tubb	13%	14%	51%
Drinkard	77%	81%	37%
Abo	10%	5%	12%
TOTAL	100%	100%	100%

011 GAS 332 939
011 S 314 332 939

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

API Number

Joint or Infill

DISTRICT IV

Dedicated Acres

40

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

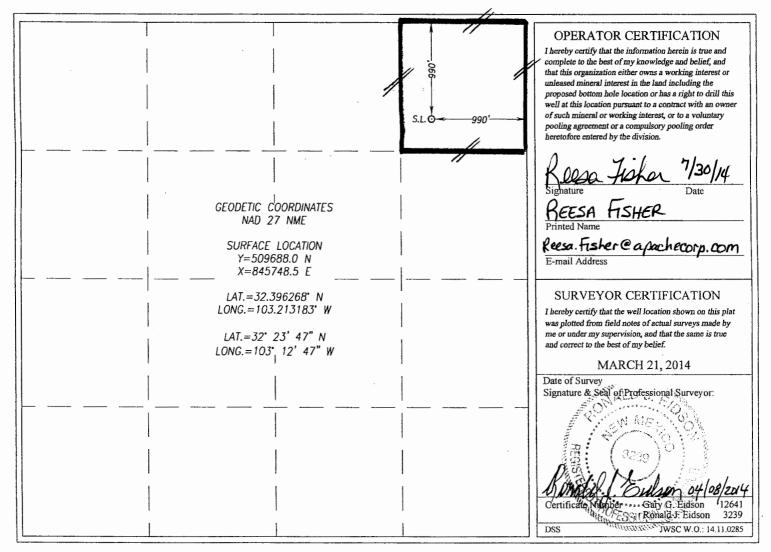
Pool Code

Consolidation Code

30-0	225-41	781	ما	0240		TUBBOIL + GAS COIL)					
Property (McDON	1	Well Number • 37					
ogrid 1 87				APAC		Elevation 3457'					
Surface Location											
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
A	13	22-S	36-E		990	NORTH	990	EAST LEA			
Bottom Hole Location If Different From Surface											
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

Order No.



<u>DISTRICT 1</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>DISTRICT II</u>

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 DISTRICT III

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 DISTRICT IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462 State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

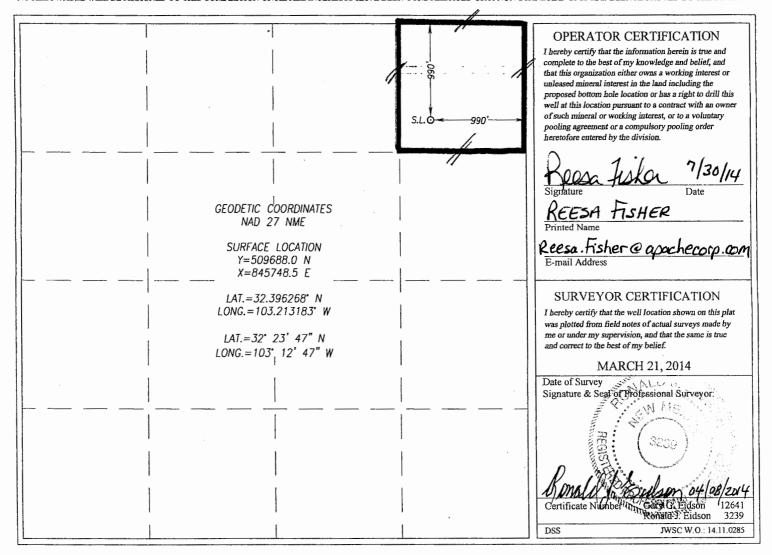
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

AF	I Number			Pool Code			e			
30-02	15-417	181	10	9190		DRINKARA				
Property Co	ode				Property Nam	e		V	Well Number	
3066	16			McDON	NALD STAT	TE A/C 2			0 37	
OGRID N	lo.				Operator Nam	e			Elevation	
873	3			APAC	CHE CORPO	DRATION			3457'	
Surface Location										
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
A	13	22-S	36-E		990	NORTH	990	EAST	LEA	
				Bottom Hol	e Location If Diffe	rent From Surface				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Dedicated Acres	Joint or	Infill C	Consolidation C	ode Ord	er No.					
40	40									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
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DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□AMENDED REPORT

Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-41781	Pool Code	WANTZ; ABO		
Property Code 306616	McDONALD	Well Number 0 37		
OGRID No. 873	APACHE C	Elevation 3457'		

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County			
A	13	22-S	36-E		990	NORTH	990	EAST	LEA			
	Bottom Hole Location If Different From Surface											

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or	Infill	Consolidation C	ode Ord	ler No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
GEODETIC COORDINATES NAD 27 NME	Resa Jishar 7/30/14 Signature REESA FISHER Printed Name
SURFACE LOCATION Y=509688.0 N X=845748.5 E	Printed Name Reesa .fishere apachecorp. com E-mail Address
LAT.=32.396268° N LONG.=103.213183° W LAT.=32° 23' 47" N LONG.=103° 12' 47" W	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
	MARCH 21, 2014 Date of Survey Signature & Seal of Professional Surveyor:
	Certificate Nithing O'F Gary G. Eidson 12641
	DSS JWSC W.O.: 14.11.0285



REQUEST TO ISSUE CHECK/WIRE

PLEASE ISSUE	CHECK TO:		
VENDOR #:	600219	DATE:	8/4/2014
NAME:	State of NM Commissioner of Public Lands		
ADDRESS:	PO Box 1148	AMOUNT:	\$30.00
	Santa Fe, New Mexico 87504-1148		
			•
REASON FOR	<u>CHECK</u>		
Filing Fee for D	HC Application - McDonald State AC 2 #37	Paige Futrell	1893
		REQUESTER	EXT.
		Klesa -	hshor
		AUTHORIZED	APPROVAL
ACCOUNT TO BE CHARGED: PN 32066701 GL 70047 (VICE PRESIDENT OR A DATE NEEDED ASAP			
	CHECK RELEASE AUTHORIZA	TION	
1 1	ECTION MUST BE COMPLETED IF CHECK IS TO E DYEE OR OTHER INDIVIDUAL RATHER THAN MA		O AN
PERSON	TO RECEIVE CHECK: Reesa Fisher	EXTENSION;	1062
CHECK N	UMBER: CHECK AMNT;	CHECK DATE:	
CHECK R	ECEIVED BY:		