

Order Number

491

API Number

30-025-40345

Operator

Apache Corp

County

Lea

Order Date

3-21-12

Well Name

Lockhart B 13A

Number

14

Location

H

UL

13

Sec

21S

T (+Dir)

37E

R (+Dir)

Oil %

82%

Gas %

49%

Pool 1

6660

Blindery Oil + Gas

Pool 2

60240

Tubb Oil + Gas

18%

51%

Pool 3

Pool 4

Comments:

Posted in RBDMS 3-21-2012 COH

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corp

30-025-410345
DHC-HOB-491

PROPERTY NAME: Lockhart B 13 A

WNULSTR: #14 - H - 13 - 215 - 37E

SECTION I:	ALLOWABLE AMOUNT
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>107</u> <u>428</u> MCF
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>142</u> <u>284</u> MCF
POOL NO. 3 _____	_____ MCF
POOL NO. 4 _____	_____ MCF
POOL TOTALS	<u>249</u> <u>712</u>

SECTION II:	<u>Oil</u>	<u>Gas</u>
POOL NO. 1 <u>Blinebry Oil + Gas</u>	<u>82%</u>	<u>49%</u>
POOL NO. 2 <u>Tubb Oil + Gas</u>	<u>18% X 249 = 44.82</u>	<u>51%</u>
POOL NO. 3 _____	<u><45></u>	
POOL NO. 4 _____		

<u>OIL</u>	<u>GAS</u>
SECTION III: <u>$18\% \div 142 = 788.88$</u>	<u><789></u>
SECTION IV: <u>$82\% \times 789 = 646.98$</u>	<u><647></u>
<u>$18\% \times 789 = 142.02$</u>	<u><142></u>
_____	_____
_____	_____

HOBBS OCD

UNITED STATES

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

MAR 16 2012

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.5. Lease Serial No.
NMLC032096B

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other8. Well Name and No.
Lockhart B 13A #014 (OCD 24432)2. Name of Operator
Apache Corporation9. API Well No.
30-025-403453a. Address
303 Veterans Airpark Lane, Suite 3000
Midland, TX 797053b. Phone No. (include area code)
432/818-106210. Field and Pool or Exploratory Area
Blinbry O&G (Oil) 6660 / Tubb O&G (Oil) 60240

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL & 660' FEL UL H Sec 13 T21S R37E

11. Country or Parish, State
Lea County, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DHC
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Per R-11363

Apache requests permission to complete and DHC the Blinbry-Tubb, per the following:

Pool Names: Blinbry Oil & Gas	6660	Perforations: Blinbry	5920'-6410'
Tubb Oil & Gas	60240	Tubb	6520'-6730'

The allocation method will be as follows based on offset production (See attached application for exception to Rule 303-C).

	OIL	GAS	Water
Blinbry	82%	49%	61%
Tubb	18%	51%	39%

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

Reesa Holland

Title Sr. Staff Engr Tech

Signature

Reesa Holland

Date 03/14/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

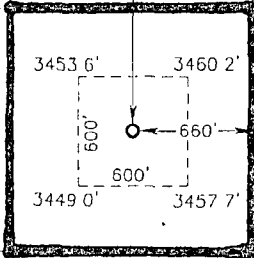
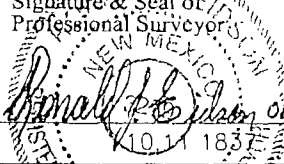
Date

MAR 21 2012

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

MAR 21 2012

<p style="text-align: center;">GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION</p> <p style="text-align: center;">Y=540745.8 N X=877314.0 E</p> <p style="text-align: center;">LAT.=32°28'50" N LONG.=103°06'35" W</p>	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>OPERATOR CERTIFICATION</p> <p>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.</p> <p style="text-align: right;"> <i>Sorina L. Flores</i> 7/19/11 Signature Date </p> <p style="text-align: right;"> Sorina L. Flores Printed Name </p> </div> <div style="width: 35%; border: 1px solid black; padding: 5px;"> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> </div> </div>	
<p style="text-align: center;">DECEMBER 23, 2010</p>	
<div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p style="text-align: right;"> <i>Ronald E. Eidson</i> 02/07/2011  </p> </div> <div style="width: 35%; text-align: right;"> <p>DSS</p> </div> </div>	
<p>Certificate No. GARY C. EIDSON 12641</p> <p style="text-align: right;">RONALD E. EIDSON 3239</p>	

DISTRICT I
1625 N FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S ST FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40345	Pool Code 60240	Pool Name Tubb Oil & Gas (O)
Property Code 24432	Property Name LOCKHART B-13A	Well Number 14
OGRID No 873	Operator Name APACHE CORPORATION	Elevation 3455'

Surface Location

UL or lot No H	Section 13	Township 21-S	Range 37-E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 660	East/West line EAST	County LEA
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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 40	Joint or Infill	Consolidation Code	Order 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

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=540745.8 N X=877314.0 E LAT = 32°48'06.73" N LONG. = 103°10'57.84" W LAT = 32°28'50" N LONG = 103°06'35" W</p>	<p>1980'</p> <p>3453.6' 3460.2'</p> <p>600' 600'</p> <p>3449.0' 3457.7'</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Sorina L. Flores</i> 7/19/11 Signature Date Sorina L. Flores Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>DECEMBER 23, 2010</p> <p>Date Surveyed DSS Signature & Seal of Professional Surveyor <i>Ronald E. Eidson</i> 02/07/2011 10.11.1837 Certificate No. GARY E. EIDSON 12641 RONALD E. EIDSON 3239</p>
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Lockhart B-13A #14
30-025-40345
Apache Corp.

Lease Name	Well Number	10DIGITARI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Blnebr	Tub	Blnebr	Tub	Blnebr	Tub
OWEN	1	3002506339	14E 21S 37E		49654		3652319		
DRINKARD UNIT	13	3002506476	11C 21S 37E	100365		695307		13276	
DRINKARD UNIT	12	3002506477	11D 21S 37E	107103		622024		37125	
DRINKARD UNIT	17	3002506478	11O 21S 37E	209824		2366090		9031	
DRINKARD UNIT	18	3002506479	11A 21S 37E	163011		604541		6253	
DRINKARD UNIT	19	3002506480	11H 21S 37E	252880		1770169		41709	
DRINKARD UNIT	20	3002506481	11I 21S 37E	174441		1562950		12145	
DRINKARD UNIT	21	3002506523	11B 21S 37E	182507		2813057		11398	
LOCKHART B 11	3	3002506525	11E 21S 37E W2 SW NW	127730		2073161		10898	
DRINKARD UNIT	16	3002506526	11A 21S 37E	50913		398626		17528	
DRINKARD UNIT	22	3002506528	11P 21S 37E	124277		2001889		5804	
DRINKARD UNIT	23	3002506529	11G 21S 37E	210952		1970421		6802	
DRINKARD UNIT	24	3002506530	11J 21S 37E	208468		1341043		14406	
DRINKARD UNIT	25	3002506531	11F 21S 37E	196012		2272861		35014	
J H NOLAN	2	3002506533	11N 21S 37E SE SW		35871				
GUTMAN	1	3002506537	11L 21S 37E		1689		87692		30
DRINKARD UNIT	28	3002506538	12D 21S 37E	57579		388643		7812	
DRINKARD UNIT	30	3002506539	12E 21S 37E	19149		151770		3515	
DRINKARD UNIT	31	3002506541	12C 21S 37E	149383		656081		7613	
DRINKARD UNIT	32	3002506542	12D 21S 37E	125199		260813		3116	
DRINKARD UNIT	33	3002506543	12F 21S 37E	139466		550995		3109	
DRINKARD UNIT	34	3002506544	12G 21S 37E	59337		231505		11251	
DRINKARD UNIT	35	3002506545	12B 21S 37E	84354		413958		14577	
DRINKARD UNIT	36	3002506546	12E 21S 37E	76046		267087		5357	
CHESHER	1	3002506549	12K 21S 37E NE SW	78280		227036		820	
DRINKARD UNIT	48	3002506550	12M 21S 37E	132856		848747		15307	
DRINKARD UNIT	47	3002506551	12J 21S 37E	98064		303686		14960	
DRINKARD UNIT	46	3002506552	12L 21S 37E	166214		949138		21967	
FIELDS	1	3002506553	12O 21S 37E	47463		101724		12286	
PLUMLEE	1	3002506554	12N 21S 37E	66745		175622		514	
LOCKHART B 13 A	1	3002506555	13M 21S 37E	85536		2092334		6261	
DRINKARD UNIT	37	3002506556	13E 21S 37E	103580		3025657		14152	
DRINKARD UNIT	38	3002506557	13F 21S 37E	135002		1048206		12352	
LOCKHART B 13 A	4	3002506558	13K 21S 37E	88372		513291		4853	
LOCKHART B 13 A	5	3002506559	13N 21S 37E	115906		674137		15604	
DRINKARD UNIT	39	3002506560	13G 21S 37E	44891		149588		16750	
DRINKARD UNIT	40	3002506561	13J 21S 37E	41306		124484		16797	
DRINKARD UNIT	8	3002506562	13L 21S 37E	79385		3183803		11897	
DRINKARD UNIT	53	3002506566	13C 21S 37E	164462		1045288		2798	
DRINKARD UNIT	54	3002506567	13B 21S 37E	112252		475667		590	
DRINKARD UNIT	55	3002506568	13D 21S 37E	180756		1104870		4132	
EUBANKS	2	3002506569	14L 21S 37E	98014	70395	1103920	4577798	4516	302
EUBANKS	1	3002506570	14M 21S 37E	256085		6439381		6724	
EUBANKS	3	3002506571	14K 21S 37E	147887		3841717		4961	
EUBANKS	4	3002506572	14N 21S 37E	220990		2060538		4182	
DRINKARD UNIT	43	3002506573	14H 21S 37E	61371		5449570		9314	
DRINKARD UNIT	44	3002506574	14P 21S 37E C SE SE	69476	17491	1762380	1310182	6771	
DRINKARD UNIT	45	3002506575	14A 21S 37E	160714		1610515		11568	
LOCKHART B-14 A	4	3002506576	14I 21S 37E	93005		1235361		6040	
NAOMI KEENUM	1	3002506577	14J 21S 37E	261118		1728173		25244	
NAOMI KEENUM	2	3002506578	14Q 21S 37E	131160	125185	603394	4340241	13942	27296
DRINKARD UNIT	49	3002506582	14G 21S 37E C SW NE		5837		172709		237
DRINKARD UNIT	50	3002506583	14B 21S 37E	277261		2898234		14250	
DRINKARD UNIT	51	3002506584	14G 21S 37E	179650		3523677		14383	
SARKEYS	1	3002506759	23M 21S 37E		21420		3333159		
ROY BARTON	1	3002506763	23G 21S 37E		18186		1937823		173
S J SARKEYS	2	3002506767	23O 21S 37E		14367		1297123		
D A WILLIAMSON	1	3002506769	23A 21S 37E		3219		209182		
D A WILLIAMSON	2	3002506771	23E 21S 37E		35052		2572497		2836
NANCY STEPHENS	1	3002506774	24D 21S 37E	56080	42858	1857670	555997	5496	17526
NANCY STEPHENS	2	3002506775	24E 21S 37E	81760	12610	1773008	34189	12387	7977
NANCY STEPHENS	3	3002506776	24C 21S 37E	64307		78230		1508	
STEPHENS ESTATE	1	3002506777	24L 21S 37E	34000		1195997		3172	
STEPHENS ESTATE	2	3002506778	24M 21S 37E	58233		1409679		12020	
SARKEYS	2	3002509932	23K 21S 37E	91951	23372	4465416	1173700	3571	2152
ROY BARTON	1	3002521347	23G 21S 37E		21217		2184305		505
S J SARKEYS	5	3002521350	23O 21S 37E		7238		2867307		455
NANCY	1	3002523219	24N 21S 37E SE SW	9330	5822	62528		25368	147

Lockhart B-13A #14
30-025-40345
Apache Corp.

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Blinbry	Tubb	Blinbry	Tubb	Blinbry	Tubb
FEDERAL 7	1	3002527058	7D 21S 38E	20802		22273		59040	
NANCY STEPHENS	4	3002527902	24F 21S 37E	30044	56438	110261	213934	7018	42334
DRINKARD UNIT	42	3002528011	13N 21S 37E		9417		77120		11257
LOCKHART B-13 A	10	3002528131	24B 21S 37E	8877		22134		21920	
DRINKARD UNIT	52	3002536810	14B 21S 37E NW NW NE	9082	3293	98785	95086	2894	7724
LOCKHART B 24	1	3002538759	24J 21S 37E NW NW SE	8646	1958	8549	13008		
BUNIN	7	3002539284	18D 21S 38E	1193	265	1633	313	2084	2532
BUNIN	6	3002539547	13A 21S 37E NE NE	15620		36338		48830	
M W COLL	1	3002539823	12P 21S 37E SE SE	4845	1285	6305	8107	25746	16380
M W COLL	2	3002540013	12I 21S 37E	9639	2563	9605	12225		
BUNIN	9	3002540144	13A 21S 37E	1069	250	1197	1404	5250	3500
TOTALS				7,022,275	586,952	82,872,737	30,727,420	807,978	143,363
AVERAGES				104,810	22,575	1,236,907	1,280,309	12,430	7,965

Proposed Allocations	Oil	Gas	Water
Blinbry	82%	49%	61%
Tubb	18%	51%	39%
TOTAL	100%	100%	100%



March 15, 2012

**Mr. Wesley Ingram
Bureau of Land Mgmt - CFO
620 E Greene St
Carlsbad, NM 88220**

**RE: Downhole Commingling Application
Lockhart B-13A #14 API 30-025-40345
Unit H, Section 13, T21S, R37E
Blinebry Oil & Gas (Oil) 6660 & Tubb Oil & Gas (Oil) 60240
Lea County, New Mexico**

Dear Mr. Ingram,

Enclosed please find form 3160-5 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. 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.

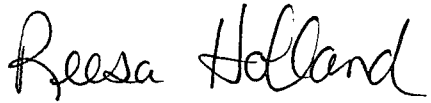
The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the 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 main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

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.

Sincerely,

A handwritten signature in black ink that reads "Reesa Holland". The script is cursive and fluid, with the first name "Reesa" and last name "Holland" clearly distinguishable.

Reesa Holland
Sr. Staff Engineering Technician