

DATE IN 9/10/12	SUSPENSE	ENGINEER E. E. anym	LOGGED IN 9/12/12	TYPE PLC	APP NO. PKUR122516578816
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



RECEIVED OCD

2012 SEP 10 P 12:43

ADMINISTRATIVE APPLICATION CHECKLIST

Apache Corp

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

G W Toby WN
 Gas Com#s
 2,4,7
 GW Toby #s
 536

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
 [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
 [A] ☒ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

REESA HOLLAND
 Print or Type Name

Reesa Holland
 Signature

SR STAFF REG TECH
 Title

9/4/2012
 Date

(GW TOBY WELLS)

Reesa.Holland@apachecorp.com
 e-mail Address

PLC-361

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Apache Corporation

OPERATOR ADDRESS: 303 Veterans Airpark Lane Midland TX 79705

APPLICATION TYPE:

☐ Pool Commingling ☐ Lease Commingling ☒ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☒ Fee ☐ State ☐ Federal

(GW TOBY WELLS)

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No.

Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☐ Yes ☒ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production	Calculated Value of Commingled Production	Volumes
Jalmat; Tan-Yates-7 Rivers (Gas) 79240	37.7			See Attached
Langlie Mattix; 7R-Queen-Grybrg 37240	37.2			See Attached

(2) Are any wells producing at top allowables? ☐ Yes ☒ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No.

(4) Measurement type: ☒ Metering ☐ Other (Specify)

(5) Will commingling decrease the value of production? ☐ Yes ☒ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

(1) Pool Name and Code.

(2) Is all production from same source of supply? ☒ Yes ☐ No

(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No

(4) Measurement type: ☒ Metering ☒ Other (Specify)

(C) POOL and LEASE COMMINGLING

Please attach sheets with the following information

(1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT

Please attached sheets with the following information

(1) Is all production from same source of supply? ☐ Yes ☐ No

(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)

Please attach sheets with the following information

(1) A schematic diagram of facility, including legal location.

(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.

(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Reesa Holland

TITLE: Sr Staff Regulatory Tech

DATE: 8/31/2012

TYPE OR PRINT NAME REESA HOLLAND

TELEPHONE NO.: 432-818-1062

E-MAIL ADDRESS: Reesa.Holland@apachecorp.com

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

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

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-09567	² Pool Code 79240	³ Pool Name Jalmat; Tan-Yates-7 Rvrs (Gas)
⁴ Property Code 309136	⁵ Property Name G W Toby WN Gas Com	⁶ Well Number 002
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	⁹ Elevation 3318' GL

¹⁰ 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	24S	36E		660	North	660	East	Lea

¹¹ 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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

16				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. <u>Reesa Holland</u> 09/04/2012 Signature Date Reesa Holland Printed Name
				¹⁸ 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. Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

District I
PO Box 1990, Hobbs, NM 88241-1990
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1689 Rio Bravo Rd., Artesia, NM 87410
District IV
PO Box 3088, Santa Fe, NM 87504-3088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APN Number 30-025-25007		Post Code 79240		Post Name Jalmat Tan Yates SRQ Gas	
Property Code 001540		Property Name G. W. Toby WN Gas Com.			Well Number 4
OGRID No. 000990		Operator Name ARCO Permian			Elevation 3319' GR

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	12	24S	36E		1880	North	760	East	Lea

11 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
Wellhead Azimuth 280		Joint or Infill		Consolidation Code NSP-1655		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

16 Sec. 12-T24S-R36E		17 OPERATOR CERTIFICATION	
		<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature David K. Newell</p> <p>Printed Name Senior Engineer</p> <p>Title 11-20-96</p> <p>Date</p>	
		<p>18 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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	
<p>Sec. 13-T24S-R36E</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
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27158	² Pool Code 37240	³ Pool Name Langlie Mattix; 7 Rvrs-Qu-Grayburg
⁴ Property Code 309135	⁵ Property Name G W Toby	⁶ Well Number 005
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	⁹ Elevation 3317' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	12	24S	36E		660	South	1980	East	Lea

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.

<div style="position: relative; height: 400px;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black; border-style: dashed;"></div> <div style="position: absolute; bottom: 0; right: 0; width: 100px; height: 100px; border: 2px solid black; border-style: dashed;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black; border-style: dashed;"></div> </div> </div>	<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>Reesa Holland</u> 09/04/2012 Signature Date</p> <p>Reesa Holland Printed Name</p>
		<p>¹⁸ 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.</p>
		<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
		<p>Certificate Number</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
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27255		² Pool Code 37240	³ Pool Name Langlie Mattix; 7 Rvrs-Qu-Grayburg
⁴ Property Code 309135	⁵ Property Name G W Toby		⁶ Well Number 006
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705		⁹ Elevation 3309' GL

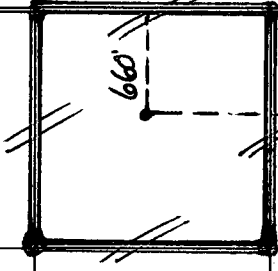
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	24S	36E		660	North	1980	East	Lea

¹¹ 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
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ 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.

<div>16</div> 	<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><u>Reesa Holland</u> 09/04/2012 Signature Date</p> <p>Reesa Holland Printed Name</p>
	<p>¹⁸ SURVEYOR CERTIFICATION <i>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.</i></p>
	<p>Date of Survey Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

District I
PO Box 1900, Hobbs, NM 88241-1900
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Grande Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APL Number 30-025-29844		Pool Code 79240	Pool Name Jalpat Tan Yates SRO Gas
Property Code 001540	Property Name G. W. Toby WN Gas Com		Well Number 7
OCRID No. 000990	Operator Name ARCO Permian		Elevation 3312' GR

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	13	24S	36E		1980	North	1980	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 280	13 Joles or Infill	14 Consolidation Code	15 Order No. NSP-1655
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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

16 Sec. 12-T24S-R36E		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. David K. Newell Signature David K. Newell Printed Name Senior Engineer Title 11-20-96 Date
Sec. 13-T24S-R36E		18 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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

Well Test History Report

Page 1 of 2
9/4/2012 4:42:35 pm

Select By: Field

Display: All well tests between 03/01/2012 - 09/02/2012

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes					Ratios					Fluid Level
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
Field: LANGLEIE-MATTIX (BP)														
TOBY, G W #5														
3/9/2012	3/9/2012	24	A	47	5	2	42	0	400	43	0	0	43	
4/7/2012	4/7/2012	24	A	52	7	1	45	0	143	19	0	0	19	
5/4/2012	5/4/2012	24	A	54	7	1	47	0	143	19	0	0	19	
6/3/2012	6/3/2012	24	A	56	8	1	48	0	125	18	0	0	18	
7/3/2012	7/3/2012	24	A	57	7	1	50	0	143	18	0	0	18	
8/8/2012	8/8/2012	24	A	56	8	1	48	0	125	18	0	0	18	
Averages by Completion				54	7	1	47	0						
TOBY, G W #6														
3/8/2012	3/8/2012	24	A	34	6	1	28	0	167	29	0	0	29	
4/8/2012	4/8/2012	24	A	34	4	1	30	0	250	29	0	0	29	
5/3/2012	5/3/2012	24	A	32	4	1	28	0	250	31	0	0	31	
6/5/2012	6/5/2012	24	A	28	2	1	26	0	500	36	0	0	36	
7/2/2012	7/2/2012	24	A	30	2	1	28	0	500	33	0	0	33	
8/9/2012	8/9/2012	24	A	28	2	1	26	0	500	36	0	0	36	
Averages by Completion				31	3	1	28	0						
TOBY, G W WN GAS COM #2														
3/11/2012	3/11/2012	24	A	8	0	16	8	0		2,000		0	2,000	
4/5/2012	4/5/2012	24	A	10	0	16	10	0		1,600		0	1,600	
5/6/2012	5/6/2012	24	A	10	0	18	10	0		1,800		0	1,800	
6/1/2012	6/1/2012	24	A	12	2	18	10	0	9,000	1,500	0	0	1,500	
7/5/2012	7/5/2012	24	A	12	2	18	10	0	9,000	1,500	0	0	1,500	
8/1/2012	8/1/2012	24	A	12	2	18	10	0	9,000	1,500	0	0	1,500	
Averages by Completion				11	1	17	10	0						
TOBY, G W WN GAS COM #4														
3/10/2012	3/10/2012	24	A	0	0	1	0	0						
4/6/2012	4/6/2012	24	A	0	0	1	0	0						
5/5/2012	5/5/2012	24	A	0	0	1	0	0						
6/2/2012	6/2/2012	24	A	0	0	1	0	0						
7/4/2012	7/4/2012	24	A	0	0	1	0	0						
8/2/2012	8/2/2012	24	A	0	0	1	0	0						
Averages by Completion				0	0	1	0	0						

** All values are recorded using imperial units.

Well Test History Report

Page 2 of 2
9/4/2012 4:42:35 pm

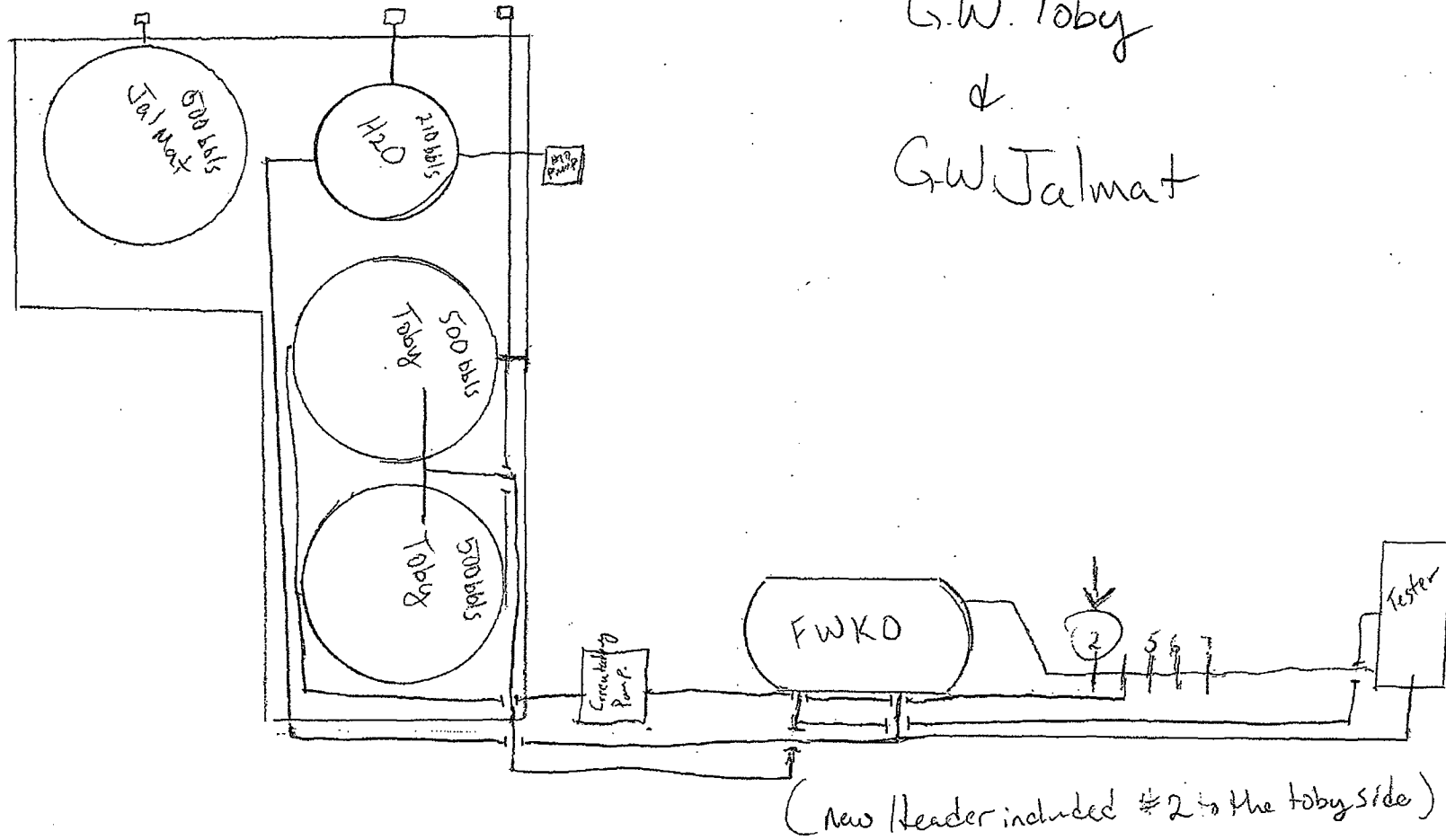
Select By: Field

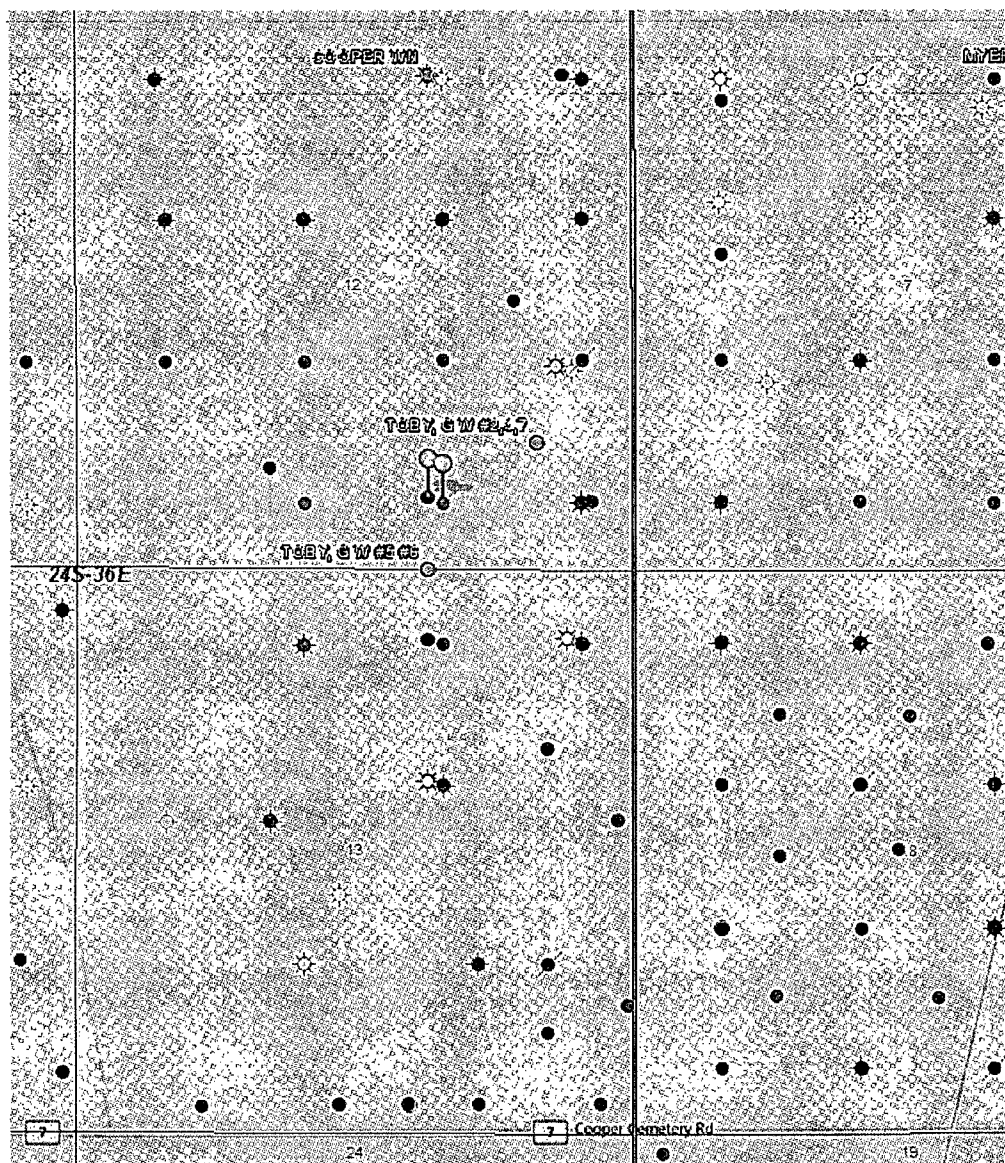
Display: All well tests between 03/01/2012 - 09/02/2012

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes					Ratios					Fluid Level
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
Field: LANGLEIE-MATTIX (BP)														
TOBY, G W WN GAS COM #7														
3/2/2012	3/2/2012	24	A	2	0	24	2	0		12,000		0	12,000	
4/9/2012	4/9/2012	24	A	2	0	26	2	0		13,000		0	13,000	
5/2/2012	5/2/2012	24	A	2	0	25	2	0		12,500		0	12,500	
6/6/2012	6/6/2012	24	A	2	0	24	2	0		12,000		0	12,000	
7/1/2012	7/1/2012	24	A	2	0	26	2	0		13,000		0	13,000	
8/10/2012	8/10/2012	24	A	2	0	24	2	0		12,000		0	12,000	
Averages by Completion				2	0	25	2	0						

** All values are recorded using imperial units.

G.W. Toby
↓
G.W. Jalmat







August 20, 2012

State of New Mexico
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Notice of Intent to Surface Commingle Production from
G.W. Toby WN Gas Com #2, G.W. Toby WN Gas Com #4, G.W. Toby #5, G.W. Toby #6 and
G.W. Toby WN Gas Com #7
Section 12 & 13, Township 24 South, Range 36 East
Lea County, NM

Dear Interest Owners:

Apache Corporation ("Apache") hereby proposes to surface commingle production from the following five (5) existing wells:

- **G.W. Toby WN Gas Com #2** (API 30-025-09567) located 660' FNL & 660' FEL, UL A, Section 13, T24S-R36E, Lea County, NM and producing from Jalmat; Tan-Yates-7 Rvrs (Gas) (79240);
- **G.W. Toby WN Gas Com #4** (API 30-025-25007) located 1880' FSL & 760' FEL, UL I, Section 12, T24S-R36E, Lea County, NM and producing from Jalmat; Tan-Yates-7 Rvrs (Gas) (79240);
- **G.W. Toby #5** (API 30-025-27158) located 660' FSL & 1980' FEL, UL O, Section 12, T24S-R36E, Lea County, NM and producing from Langlie Mattix; 7 Rvrs-Q-Grayburg (Oil) (37240);
- **G.W. Toby #6** (API 30-025-27255) located 660' FNL & 1980' FEL, UL B, Section 13, T24S-R36E, Lea County, NM and producing from Langlie Mattix; 7 Rvrs-Q-Grayburg (Oil) (37240); and
- **G.W. Toby WN Gas Com #7** (API 30-025-29844) located 1980' FNL & 1980' FEL, UL G, Section 13, T24S-R36E, Lea County, NM and producing from Jalmat; Tan-Yates-7 Rvrs (Gas) (79240).

In order to commingle production at the surface, such production from each of the wells must be separately metered, at the wellhead, to account for the differences in ownership between the five (5) wells. Attached for your review is a copy of Apache's application to the New Mexico Oil Conservation Division ("NMOCD") requesting approval to surface commingle the referenced wells. Please evidence your approval to surface commingle production from the five (5) aforementioned wells by executing the approval on the second page of this letter and returning one (1) copy to my attention using the enclosed prepaid envelope provided for your convenience.

If you have any question regarding the aforementioned, please do not hesitate contacting the undersigned at (432) 818-1097.

Sincerely,

APACHE CORPORATION

Dylan C. Park
Landman

(432) 818-1197 Fax

dylan.park@apachecorp.com

Letter dated August 20, 2012

Notice of Intent to Surface Commingle

Apache Operated

G.W. Toby WN Gas Com #2, G.W. Toby WN Gas Com #4, G.W. Toby #5, G.W. Toby #6 and G.W. Toby WN Gas Com #7

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The undersigned hereby approves to surface commingle production, as proposed on page 1 of this letter, subject to further approval by the NMOCD.

By: _____

Title: _____



September 10, 2012

State of New Mexico
OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Notice of Intent to Surface Commingle Production from
G.W. Toby WN Gas Com #2, G.W. Toby WN Gas Com #4, G.W. Toby #5, G.W. Toby #6 and
G.W. Toby WN Gas Com #7
Section 12 & 13, Township 24 South, Range 36 East
Lea County, NM

Dear Interest Owners:

Apache Corporation ("Apache") hereby proposes to surface commingle production from the following five (5) existing wells:

- **G.W. Toby WN Gas Com #2** (API 30-025-09567) located 660' FNL & 660' FEL, UL A, Section 13, T24S-R36E, Lea County, NM and producing from Jalmat; Tan-Yates-7 Rvrs (Gas)(79240);
- **G.W. Toby WN Gas Com #4** (API 30-025-25007) located 1880' FSL & 760' FEL, UL I, Section 12, T24S-R36E, Lea County, NM and producing from Jalmat; Tan-Yates-7 Rvrs (Gas)(79240);
- **G.W. Toby #5** (API 30-025-27158) located 660' FSL & 1980' FEL, UL O, Section 12, T24S-R36E, Lea County, NM and producing from Langlie Mattix; 7 Rvrs-Q-Grayburg (Oil) (37240);
- **G.W. Toby #6** (API 30-025-27255) located 660' FNL & 1980' FEL, UL B, Section 13, T24S-R36E, Lea County, NM and producing from Langlie Mattix; 7 Rvrs-Q-Grayburg (Oil) (37240); and
- **G.W. Toby WN Gas Com #7** (API 30-025-29844) located 1980' FNL & 1980' FEL, UL G, Section 13, T24S-R36E, Lea County, NM and producing from Jalmat; Tan-Yates-7 Rvrs (Gas)(79240).

In order to commingle production at the surface, such production from each of the wells must be separately metered, at the wellhead, to account for the differences in ownership between the five (5) wells. Attached for your review is a copy of Apache's application to the New Mexico Oil Conservation Division ("NMOCD") requesting approval to surface commingle the referenced wells. Please evidence your approval to surface commingle production from the five (5) aforementioned wells by executing the approval on the second page of this letter and returning one (1) copy to my attention using the enclosed prepaid envelope provided for your convenience. Any objection you have to our proposal must be filed, in writing, with the Santa Fe Office of the NMOCD within 20 days of the date the NMOCD receives our application to surface commingle said wells. The NMOCD would receive our application on approximately the same date that you receive this letter.

If you have any question regarding the aforementioned, please do not hesitate contacting the undersigned at (432) 818-1097.

Sincerely,
APACHE CORPORATION

Dylan C. Park
Landman
(432) 818-1197 Fax
dylan.park@apachecorp.com

Letter dated September 10, 2012

Notice of Intent to Surface Commingle

Apache Operated

G.W. Toby WN Gas Com #2, G.W. Toby WN Gas Com #4, G.W. Toby #5, G.W. Toby #6 and G.W. Toby WN Gas Com #7

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The undersigned hereby approves to surface commingle production, as proposed on page 1 of this letter, subject to further approval by the NMOCD.

By: _____

Title: _____

<u>PN</u>	<u>Well Name</u>	<u>Interest</u> <u>Type</u>	<u>Interest</u> <u>Decimal</u>	<u>Name (Line 1)</u>	<u>Name (Line 2)</u>	<u>Address (line 1)</u>	<u>Address</u> <u>(line 2)</u>	<u>City</u>	<u>State</u> <u>Code</u>	<u>Zip Code</u>
33124501	TOBY, G W #5 #6 ALL	RI	0.00625	BAREN HEALEY 1988 TRUST	UA DTD 4/25/88	P O BOX 888		DAVIS	OK	73030
33124501	TOBY, G W #5 #6 ALL	RI	0.00015618	BETTY LOU NEVIUS		4814 EL SALVADOR		HOUSTON	TX	77066
33124501	TOBY, G W #5 #6 ALL	RI	0.00015618	BOBBIE J RUSSELL		RT 8 BOX 679		LIVINGSTON	TX	77351
33124501	TOBY, G W #5 #6 ALL	RI	0.00625	BURKE HEALEY TRUST	DTD 1/2/85	P O BOX 100		DAVIS	OK	73030-0100
33124501	TOBY, G W #5 #6 ALL	RI	0.000117	CAROL LYNN LILE HUNTSINGER		4802 RIVER VIEW TRAIL		CORPUS CHRISTI	TX	78410
33124501	TOBY, G W #5 #6 ALL	RI	0.0000195	CINDY LEGENDRE		315 ESTATE DRIVE		NEW IBERIA	LA	70563
33124501	TOBY, G W #5 #6 ALL	RI	0.0028126	CLYDA J COLE		29 OAK CREEK RIDGE		LONGVIEW	TX	75605
33124501	TOBY, G W #5 #6 ALL	RI	0.000234	COASTAL BEND COMMUNITY FOUNDATION	JANE KENEDY MEMORIAL FUND	600 LEOPARD SUITE 1716		CORPUS CHRISTI	TX	78473
33124501	TOBY, G W #5 #6 ALL	RI	0.004687	DALMA VIVIAN LANKFORD MORROW	C/O VIVIAN JONES	11326 CRESTBROOK DR		DALLAS	TX	75230
33124501	TOBY, G W #5 #6 ALL	RI	0.000469	DAVID A GUEST		PO BOX 3441		EDMOND	OK	73083-3441
33124501	TOBY, G W #5 #6 ALL	RI	0.00079104	DOLORES TATE		2863 TYNDALE WAY		GRAND JUNCTION	CO	81503-2211
33124501	TOBY, G W #5 #6 ALL	RI	0.0002345	MACKRELL DOROTHY J ESPINOLA		3203 PEBBLE DR		KILLEEN	TX	76541
33124501	TOBY, G W #5 #6 ALL	RI	0.00015664	DOROTHY MAGILL		5666 INWOOD DRIVE		HOUSTON	TX	77056
33124501	TOBY, G W #5 #6 ALL	RI	0.0023435	ELI TERRY FLETCHER JR	US TREASURY	PO BOX 145566		CINCINNATI	OH	45250-5566
33124501	TOBY, G W #5 #6 ALL	RI	0.000469	FRED S FARRELL		1011 W LA CADENA DR #23		RIVERSIDE	CA	92501

33124501	TOBY, G W	#5 #6	ALL	RI	0.00008789	GRADY HICKS	1704 HOLLAND	JACINTO CITY	TX	77029	
33124501	TOBY, G W	#5 #6	ALL	RI	0.000469	HARROL R HOLDEN	PO BOX 86630	TUCSON	AZ	85754	
33124501	TOBY, G W	#5 #6	ALL	RI	0.033333	HEADINGTON ROYALTY INC	2711 N HASKELL AVENUE STE 2800	DALLAS	TX	75204	
33124501	TOBY, G W	#5 #6	ALL	RI	0.0023435	JOAN ELIZABETH BRYANT	1117 CHELSEA STREET	BAKERSFIELD	CA	93306	
33124501	TOBY, G W	#5 #6	ALL	RI	0.004687	JOHN L JOHNSTON	5220 EASTON WAY	ANTELOPE	CA	95843	
33124501	TOBY, G W	#5 #6	ALL	RI	0.004687	KENNETH R TOBY	585 CLEAR WATER TRAIL	HOLLY LAKE RANCH	TX	75755	
33124501	TOBY, G W	#5 #6	ALL	RI	0.00351575	KENNETH WAYNE REESE	PO BOX 508	QUATHIASKI COVE	BC	V0P 1N0	
33124501	TOBY, G W	#5 #6	ALL	RI	0.00002925	LADAWN SCHAEFER	6972 INLAY ST SE	LACEY	WA	98513	
33124501	TOBY, G W	#5 #6	ALL	RI	0.000469	MACKLYN CLOIS IVY	1620 CROWN DRIVE	ALVIN	TX	77511	
* 33124501	TOBY, G W	#5 #6	ALL	RI	0.015625	MAP2001 NET	OKLAHOMA GENERAL PARTNERSHIP	PO BOX 268988	OKLAHOMA CITY	OK	73126
33124501	TOBY, G W	#5 #6	ALL	RI	0.00008789	MARILYN M MCCALED	4029 LAMONT ST	CORPUS CHRISTI	TX	78411	
33124501	TOBY, G W	#5 #6	ALL	RI	0.004687	MARTHA COOPER	1202 CANADIAN CIRCLE	GRAND PRAIRIE	TX	75050	
33124501	TOBY, G W	#5 #6	ALL	RI	0.000469	MARY C DAVIDSON	501 NW 174TH STREET	EDMOND	OK	73003	
33124501	TOBY, G W	#5 #6	ALL	RI	0.0002345	MILDRED COTTON	PO BOX 196	TEHUACANA	TX	76686-0196	
33124501	TOBY, G W	#5 #6	ALL	RI	0.00351576	NELLIE LOUISE TATE	1445 PROGRESS	HAYDEN	ID	83835	
33124501	TOBY, G W	#5 #6	ALL	RI	0.00008789	PAMELA MCCALED	4826 KARCHMER	CORPUS CHRISTI	TX	78415	
33124501	TOBY, G W	#5 #6	ALL	RI	0.00272471	PATRICIA TALBOT OHLRICH	2863 TYNDALE WAY	GRAND JUNCTION	CO	81503	
33124501	TOBY, G W	#5 #6	ALL	RI	0.000469	PAUL C RUSSELL	3111 N VALENCIA LANE	PHOENIX	AZ	85018	

33124501	TOBY, G W	#5 #6	ALL	RI	0.016667	PETCO LIMITED	PO BOX 911	BRECKENRIDGE	TX	76424-0911
33124501	TOBY, G W	#5 #6	ALL	RI	0.0000879	PHILLIP HICKS	191 RIVERBEND LANE	MARTINDALE	TX	78655
33124501	TOBY, G W	#5 #6	ALL	RI	0.00035157	RICHARD M TATE	5241 BLACKTAIL RD	CAREYWOOD	ID	83809
33124501	TOBY, G W	#5 #6	ALL	RI	0.0000195	RUSSELL SCOTT LILE	201 STANFORD APT A	LAFAYETTE	LA	70503
33124501	TOBY, G W	#5 #6	ALL	RI	0.00002925	SANDRA GARBER	PO BOX 362	SANTA FE	TX	77510
33124501	TOBY, G W	#5 #6	ALL	RI	0.0000195	SHERRY CANTY	1017 FLORENCE	MORGAN CITY	LA	70380
33124501	TOBY, G W	#5 #6	ALL	RI	0.000469	SYDNEY S IVY	PO BOX 26	FAIRFIELD	TX	75840
33124501	TOBY, G W	#5 #6	ALL	RI	0.004688	WINNIE MAE RHODES LIFE ESTATE	295 S TRAVIS ACRES RD	JOPLIN	MO	64801
33124501	TOBY, G W	#5, #6		WI	1	ZPZ DELAWARE I LLC	2000 POST OAK BLVD - SUITE 100	HOUSTON	TX	77056
33124501	TOBY, G W	#5 #6	ALL	NRI	0.875	ZPZ DELAWARE I LLC	2000 POST OAK BLVD - SUITE 100	HOUSTON	TX	77056

<u>PN</u>	<u>Well Name</u>	<u>Interest Type</u>	<u>Interest Decimal</u>	<u>Name (Line 1)</u>	<u>Name (Line 2)</u>	<u>Address (line 1)</u>	<u>Address (line 2)</u>	<u>City</u>	<u>State Code</u>	<u>Zip Code</u>
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00625	BAREN HEALEY 1988 TRUST	UA DTD 4/25/88	P O BOX 888		DAVIS	OK	73030
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00015618	BETTY LOU NEVIUS		4814 EL SALVADOR		HOUSTON	TX	77066
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00015618	BOBBIE J RUSSELL BURKE HEALEY TRUST		RT 8 BOX 679		LIVINGSTON	TX	77351
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00625	CAROL LYNN LILE HUNTSINGER	DTD 1/2/85	P O BOX 100 4802 RIVER VIEW TRAIL		DAVIS	OK	73030-0100
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.000117	CINDY LEGENDRE		315 ESTATE DRIVE 29 OAK CREEK RIDGE		CORPUS CHRISTI	TX	78410
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.0000195	CLYDA J COLE				NEW IBERIA	LA	70563
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.0028126	COASTAL BEND COMMUNITY FOUNDATION DALMA VIVIAN LANKFORD MORROW	JANE KENEDY MEMORIAL FUND C/O VIVIAN JONES	600 LEOPARD SUITE 1716 11326 CRESTBROOK DR		LONGVIEW	TX	75605
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.000234	DAVID A GUEST DOLORES TATE MACKRELL DOROTHY J ESPINOLA		PO BOX 3441 2863 TYNDALE WAY		CORPUS CHRISTI	TX	78473
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.004687	DOROTHY MAGILL ELI TERRY FLETCHER JR		3203 PEBBLE DR 5666 INWOOD DRIVE		DALLAS	TX	75230
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.000469	FRED S FARRELL		PO BOX 145566 1011 W LA CADENA DR #23		EDMOND GRAND JUNCTION	OK CO	73083-3441 81503-2211
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00079104					KILLEEN	TX	76541
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.0002345					HOUSTON	TX	77056
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00015664		US TREASURY			CINCINNATI	OH	45250-5566
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.0023435					RIVERSIDE	CA	92501

33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00008789	GRADY HICKS	1704 HOLLAND	JACINTO CITY	TX	77029
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.000469	HARROL R HOLDEN	PO BOX 86630	TUCSON	AZ	85754
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.033333	HEADINGTON	2711 N HASKELL	DALLAS	TX	75204
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.0023435	ROYALTY INC	AVENUE STE 2800	BAKERSFIELD	CA	93306
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.004687	JOAN ELIZABETH	1117 CHELSEA	ANTELOPE	CA	95843
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.004687	BRYANT	STREET	HOLLY LAKE	TX	75755
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00351575	JOHN L JOHNSTON	5220 EASTON WAY	QUATHIASKI	BC	VOP 1N0
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.004687	KENNETH R TOBY	585 CLEAR WATER	COVE		
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00351575	KENNETH WAYNE	PO BOX 508			
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00002925	REESE		LACEY	WA	98513
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00002925	LADAWN SCHAEPER	6972 INLAY ST SE	ALVIN	TX	77511
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.000469	MACKLYN CLOIS IVY	1620 CROWN			
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00008789	MARILYN M	DRIVE	CORPUS CHRISTI	TX	78411
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00008789	MCCALED	4029 LAMONT ST	GRAND PRAIRIE	TX	75050
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.004687	MARTHA COOPER	1202 CANADIAN	EDMOND	OK	73003
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.004687	MARY C DAVIDSON	CIRCLE			
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.000469	MARY C DAVIDSON	501 NW 174TH	TEHUACANA	TX	76686-0196
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.000469	MARY C DAVIDSON	STREET			
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.0002345	MILDRED COTTON	PO BOX 196	HAYDEN	ID	83835
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.0002345	NELLIE LOUISE				
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.0002345	TATE	1445 PROGRESS	CORPUS CHRISTI	TX	78415
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00008789	PAMELA MCCALED	4826 KARCHMER	GRAND		
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00008789	PATRICIA TALBOT	2863 TYNDALE	JUNCTION	CO	81503
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.00272471	OHLRICH	WAY	PHOENIX	AZ	85018
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.000469	PAUL C RUSSELL	3111 N VALENCIA			
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.000469	PAUL C RUSSELL	LANE	BRECKENRIDGE	TX	76424-0911
33124502	TOBY, G W	# 2, 4, 7 ALL	RI	0.016667	PETCO LIMITED	PO BOX 911			

33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.0000879	PHILLIP HICKS		191 RIVERBEND LANE	MARTINDALE	TX	78655
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00035157	RICHARD M TATE		5241 BLACKTAIL RD	CAREYWOOD	ID	83809
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.0000195	RUSSELL SCOTT LILE		201 STANFORD APT A	LAFAYETTE	LA	70503
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.00002925	SANDRA GARBER		PO BOX 362	SANTA FE	TX	77510
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.0000195	SHERRY CANTY		1017 FLORENCE	MORGAN CITY	LA	70380
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.000469	SYDNEY S IVY		PO BOX 26	FAIRFIELD	TX	75840
33124502	TOBY, G W # 2, 4, 7 ALL	RI	0.004688	WINNIE MAE RHODES	LIFE ESTATE	295 S TRAVIS ACRES RD	JOPLIN	MO	64801
33124502	TOBY, GW # 2, 4, 7	WI	1	ZPZ DELAWARE I LLC		2000 POST OAK BLVD - SUITE 100	HOUSTON	TX	77056
33124502	TOBY, G W # 2, 4, 7 ALL	NRI	0.890625	ZPZ DELAWARE I LLC		2000 POST OAK BLVD - SUITE 100	HOUSTON	TX	77056