

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John Bemis**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



Surface Commingling Order PC-1252  
February 7, 2013

Apache Corp.  
303 Veterans Airpark Lane  
Midland, Texas 79705  
Attention: Reesa Holland

Apache Corp., ("Apache") is hereby authorized to surface commingle oil and gas from the following Pools:

Blinebry Oil & Gas (Oil) Pool (6660),  
Tubb Oil & Gas (Oil) Pool (60240),  
Drinkard Pool (19190), and  
Wantz Abo Pool (62700)

And from the following wells located on the Lockhart B Federal lease within Section 12 of Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

Well Number	API Number	Unit letter
Well No. 12	30-025-40478	A
Well No. 13	30-025-40479	H

The commingled oil and gas production from the wells detailed above shall be measured with periodic well tests and sold on lease.

This installation shall be installed and operated in accordance with the applicable Division Rules and Regulations. The producer/Operator shall notify the transporter of this commingling authority and the Hobbs district office of the Division prior to implementation of commingling operations. This approval is subject to like approval by the U.S. Bureau of Land Management.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over the printed name.

**JAMI BAILEY**  
Division Director

JB/wvjj

cc: Oil Conservation Division – Hobbs District Office  
Bureau of Land Management – Carlsbad Field Office

ABOVE THIS LINE FOR DIVISION USE ONLY

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



RECEIVED OOD

7:11 JAN 29 2013

**ADMINISTRATIVE APPLICATION CHECKLIST**

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]

[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 \_\_\_\_\_

APACHE CORP.  
 4 POOLS  
 2 wells

12/215/37E/CEA

[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


IDENTICAL POOL COMMINGLES

[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

1/21/2013  
 Date

Reesa.Holland@apachecorp.com  
 e-mail Address

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: \*\*\*LOCKHART B-12 #12 & #13 ← 2 wells

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

LEASE TYPE:  Fee  State  Federal

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
Blinebry Oil & Gas (Oil) (6660)				See
Tubb Oil & Gas (Oil) (60240)				Well
Drinkard (19190)				Tests
Wantz; Abo (62700)				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) WELL TESTS
- (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: 1/21/2013

TYPE OR PRINT NAME REESA HOLLAND TELEPHONE NO.: 432-818-1062

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

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014

**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.  
NMLC-0032096B

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     Other

8. Well Name and No.  
Lockhart B 12 #12 & #13    (24428)

2. Name of Operator  
Apache Corporation (873)

9. API Well No.  
30-025-40478 & 30-025-40479

3a. Address  
303 Veterans Airpark Lane, Suite 3000  
Midland, TX 79705

3b. Phone No. (include area code)  
432/818-1062

10. Field and Pool or Exploratory Area  
BlO&G(O)/TubbO&G(O)/Drinkard/Wanzt; Abo

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
UL's A & H Sec 12 T21S R37E

11. County 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 <u>Surface Commingle</u>
	<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 recompleat 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 recompleat 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.)

Apache would like to commingle at the surface all production from the Lockhart B-12 #12 & Lockhart B-12 #13. Please see supporting data for OCD Commingling Application.

~~PC 1252~~

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

Reesa Holland

Title Sr. Staff Reg Tech

Signature

*Reesa Holland*

Date 01/21/2013

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Date

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

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)

SURFACE COMMINGLE  
LIST OF WELLS

Lockhart B-12 #12	30-025-40478	UL A Sec 12 T21S R37E 415' FNL & 660' FEL	6660 Blinebry Oil & Gas (Oil) 60240 Tubb Oil & Gas (Oil) 19190 Drinkard 62700 Wantz; Abo	DHC-507
Lockhart B-12 #13	30-025-40479	UL H Sec 12 T21S R37E 1980' FNL & 660' FEL	6660 Blinebry Oil & Gas (Oil) 60240 Tubb Oil & Gas (Oil) 19190 Drinkard 62700 Wantz; Abo	Pending DHC Approval NOI Submitted 10/23/2012

*no record here  
in SF.*

HOBBS OCD

NOV 06 2012

DISTRICT I  
1023 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised July 16, 2010

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

Submit one copy to appropriate  
District Office

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

RECEIVED OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-025-40478</b>	Pool Code <b>62700</b>	Pool Name <b>WASTE; ABO</b>
Property Code <b>24434</b>	Property Name <b>LOCKHART B-12</b>	Well Number <b>012</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3531'</b>

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	12	21 S	37 E		415	NORTH	660	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 <b>40</b>	Joint or Infill	Consolidation Code	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

<p><b>SURFACE LOCATION</b></p> <p>Lat - N 32°29'58.59" Long - W 103°06'36.89" NMSPC- N 547650.54 E 918421.88 (NAD-83)</p> <p>Lat - N 32°29'58.16" Long - W 103°06'35.19" NMSPC- N 547591.380 E 877237.972 (NAD-27)</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p>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><i>Reesa Holland</i> 10/16/12 Signature Date</p> <p><b>REESEA HOLLAND</b> Printed Name</p> <p><i>Reesa.Holland@apachecorp.com</i> Email Address</p>
		<p><b>SURVEYOR CERTIFICATION</b></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 Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor</p>
		<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 24880</p>

ECG 11-8-2012

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 and Natural Resources Department

Form C-102  
Revised July 16, 2010

Submit one copy to appropriate  
District Office

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-40479</b>	Pool Code <b>62700</b>	Pool Name <b>WANTZ; ABO</b>
Property Code <b>24434</b>	Property Name <b>LOCKHART B-12</b>	Well Number <b>013</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3512'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	21 S	37 E		1980	NORTH	660	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 Code	Order No.
<b>40</b>			

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><b>OPERATOR CERTIFICATION</b></p> <p>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><i>Reesa Holland</i> 11/28/12 Signature Date</p> <p><b>REESA HOLLAND</b> Printed Name</p> <p><i>Reesa.Holland@apachecorp.com</i> Email Address</p>
	<p><b>SURVEYOR CERTIFICATION</b></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 Surveyed</p> <p>Signature &amp; Seal of Professional Surveyor</p>
	<p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 24879</p>

# Well Test History Report

Select By: Field  
Display: All well tests between 10/01/2012 - 01/19/2013

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes					Ratios					Fluid Level
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
<b>Field: EUNICE AREA</b>														
<b>LOCKHART B-12 #12</b>														
10/2/2012	10/2/2012	24	A	152	152	91	0	0	599	599	0	0	599	
10/3/2012	10/3/2012	24	A	204	197	154	7	0	782	755	0	0	755	
10/4/2012	10/4/2012	24	A	237	221	188	16	0	851	793	0	0	793	
10/5/2012	10/5/2012	24	A	245	231	221	14	0	957	902	0	0	902	
10/6/2012	10/6/2012	24	A	175	175	230	0	0	1,314	1,314	0	0	1,314	
10/7/2012	10/7/2012	24	A	217	217	219	0	0	1,009	1,009	0	0	1,009	
10/8/2012	10/8/2012	24	A	168	168	214	0	0	1,274	1,274	0	0	1,274	
10/9/2012	10/9/2012	24	A	128	120	203	8	0	1,692	1,586	0	0	1,586	
10/10/2012	10/10/2012	24	A	187	184	202	3	0	1,098	1,080	0	0	1,080	
10/11/2012	10/11/2012	24	A	143	124	172	19	0	1,387	1,203	0	0	1,203	
10/12/2012	10/12/2012	24	A	150	141	171	9	0	1,213	1,140	0	0	1,140	
10/13/2012	10/13/2012	24	A	120	112	183	8	0	1,634	1,525	0	0	1,525	
10/15/2012	10/15/2012	24	A	118	112	149	6	0	1,330	1,263	0	0	1,263	
10/16/2012	10/16/2012	24	A	108	106	133	2	0	1,255	1,231	0	0	1,231	
10/23/2012	10/23/2012	24	A	92	86	97	6	0	1,128	1,054	0	0	1,054	
10/24/2012	10/24/2012	24	A	84	84	93	0	0	1,107	1,107	0	0	1,107	
10/25/2012	10/25/2012	24	A	62	51	72	11	0	1,412	1,161	0	0	1,161	
10/26/2012	10/26/2012	24	A	39	39	71	0	0	1,821	1,821	0	0	1,821	
10/28/2012	10/28/2012	24	A	33	33	59	0	0	1,788	1,788	0	0	1,788	
11/28/2012	11/28/2012	24	A	23	23	34	0	0	1,478	1,478	0	0	1,478	
11/29/2012	11/29/2012	24	A	19	19	31	0	0	1,632	1,632	0	0	1,632	
12/23/2012	12/23/2012	24	A	135	22	45	113	0	2,045	333	0	0	333	
Averages by Completion				129	119	138	10	0						
<b>LOCKHART B-12 #13</b>														
10/30/2012	10/30/2012	24	A	433	143	30	290	0	210	69	0	0	69	
10/31/2012	10/31/2012	24	A	55	25	233	30	0	9,320	4,236	0	0	4,236	
11/1/2012	11/1/2012	24	A	141	111	265	30	0	2,387	1,879	0	0	1,879	
11/2/2012	11/2/2012	24	A	299	241	172	58	0	714	575	0	0	575	
11/3/2012	11/3/2012	24	A	158	69	170	89	0	2,464	1,076	0	0	1,076	
11/4/2012	11/4/2012	24	A	219	186	134	33	0	720	612	0	0	612	
11/5/2012	11/5/2012	24	A	138	138	131	0	0	949	949	0	0	949	
11/7/2012	11/7/2012	24	A	162	140	149	22	0	1,064	920	0	0	920	
11/9/2012	11/9/2012	24	A	122	107	142	15	0	1,327	1,164	0	0	1,164	
11/10/2012	11/10/2012	24	A	126	109	139	17	0	1,275	1,103	0	0	1,103	
11/11/2012	11/11/2012	24	A	128	116	134	12	0	1,155	1,047	0	0	1,047	

\*\* All values are recorded using imperial units.

# Well Test History Report

Select By: Field  
Display: All well tests between 10/01/2012 - 01/19/2013

Test Date	Effective Date	Measured Hours	Type	24 Hour Volumes					Ratios					Fluid Level
				Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	
<b>Field: EUNICE AREA</b>														
<b>LOCKHART B-12 #13</b>														
11/12/2012	11/12/2012	24	A	120	112	125	8	0	1,116	1,042	0	0	1,042	
11/13/2012	11/13/2012	24	A	122	116	122	6	0	1,052	1,000	0	0	1,000	
11/14/2012	11/14/2012	24	A	120	114	120	6	0	1,053	1,000	0	0	1,000	
11/15/2012	11/15/2012	24	A	115	107	118	8	0	1,103	1,026	0	0	1,026	
11/16/2012	11/16/2012	24	A	124	115	116	9	0	1,009	935	0	0	935	
11/18/2012	11/18/2012	24	A	112	104	111	8	0	1,067	991	0	0	991	
11/21/2012	11/21/2012	24	A	87	81	110	6	0	1,358	1,264	0	0	1,264	
12/7/2012	12/7/2012	24	A	53	53	47	0	0	887	887	0	0	887	
Averages by Completion				149	115	135	34	0						

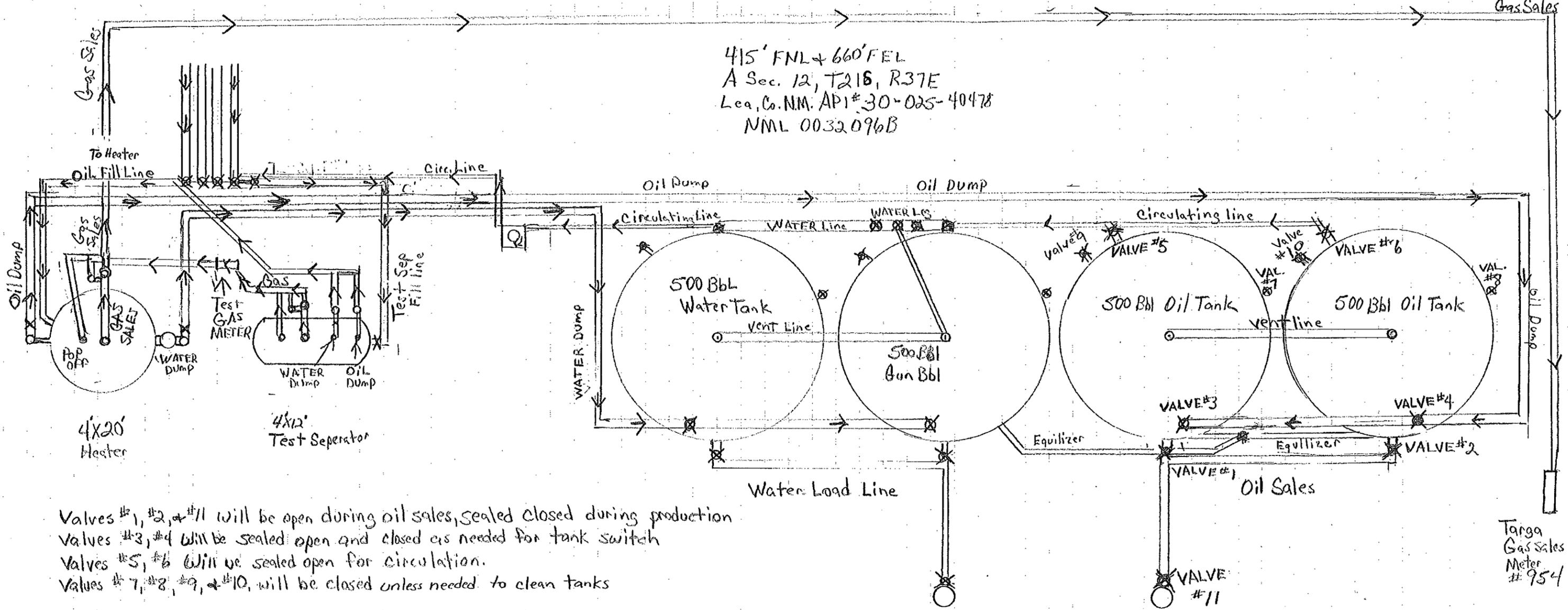
CORR GRAV = 41.7

\*\* All values are recorded using imperial units.

# Lockhart B.12 Battery



415' FNL + 660' FEL  
 A Sec. 12, T21S, R37E  
 Lea, Co. NM. API # 30-025-40478  
 NML 0032096B



Valves #1, #2, & #11 will be open during oil sales, sealed closed during production  
 Valves #3, #4 will be sealed open and closed as needed for tank switch  
 Valves #5, #6 will be sealed open for circulation.  
 Valves #7, #8, #9, & #10, will be closed unless needed to clean tanks

Targa  
 Gas Sales  
 Meter  
 #954



415' FUL + 660' FEL

A-12-T21S-R37E LEA Co, NM

NML 0032096B



January 21, 2013

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

Re: Application for Surface Commingling (Identical Ownership)  
Township 21 South, Range 37 East  
Section 12: SW/4  
Lea County, NM

Ladies and Gentlemen:

The ownership (working, royalty and overriding royalty owners) between the Lockhart B-12 #12 and Lockhart B-12 #13 are identical. The aforementioned wells are located on the Lockhart B-12 lease (a federal lease) covering the following described lands:

Township 21 South, Range 37 East  
Section 12: E/2 NE/4, Lea County, NM

Attached you will find a letter executed by Chevron USA, Inc. ("Chevron"), the only other working interest owner to this lease, whereby Chevron agrees to our previously filed and approved downhole commingling applications, and the allocations detailed therein, for the two wells referenced above. Therefore, the two wells in question have identical ownership from the surface to 100' below the base of the Abo formation. A listing of existing and potential wells is included herewith, along with a plat depicting the boundaries of the lease.

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](mailto:dylan.park@apachecorp.com)



RECEIVED

JAN 15 2013

January 10, 2013

CHEVRON NOJV GROUP

Chevron USA Inc.  
Mr. J.M. Jeff Wolivar  
NOJV Manager  
1400 Smith Street, Office 43-168  
Houston, TX 77002

Re: Downhole Commingling  
Lockhart B-12 #12 and #13  
Section 12, Township 21 South, Range 37 East  
Lea County, New Mexico

Dear Mr. Wolivar:

As you know Apache drilled the above two referenced wells under that certain Term Assignment between Chevron U.S.A. Inc. ("Chevron") and Apache Corporation ("Apache") dated October 1, 2009, as amended (the "TA"). The TA effectively gave Apache 100% WI through the Abo formation with Chevron retaining an ORRI from surface through the Abo save and except the Blinebry, which Apache already held at 100% WI.

Downhole Commingling applications have been filed and approved for both wells, see attached. However, since the ORRI interests vary between the Blinebry and remaining formations, Apache is requesting that Chevron approve the attached applications and allocations detailed therein. Please provide your approval in the space provided below and mail back to my attention in the enclosed, pre-paid envelope.

Your immediate attention is greatly appreciated and should you have any questions concerning this matter, 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](mailto:dylan.park@apachecorp.com)



Chevron U.S.A. Inc.  
George Pritchard  
NOJV Engineer

Yes, Chevron hereby approves of the downhole commingling applications and the allocations detailed therein, which have been filed and approved by the BLM for the above referenced wells

No, Chevron does not approve of the downhole commingling applications and the allocations detailed therein, which have been filed and approved by the BLM for the above referenced wells. Chevron will provide comments to Apache to create a mutually acceptable downhole commingling application for each well.