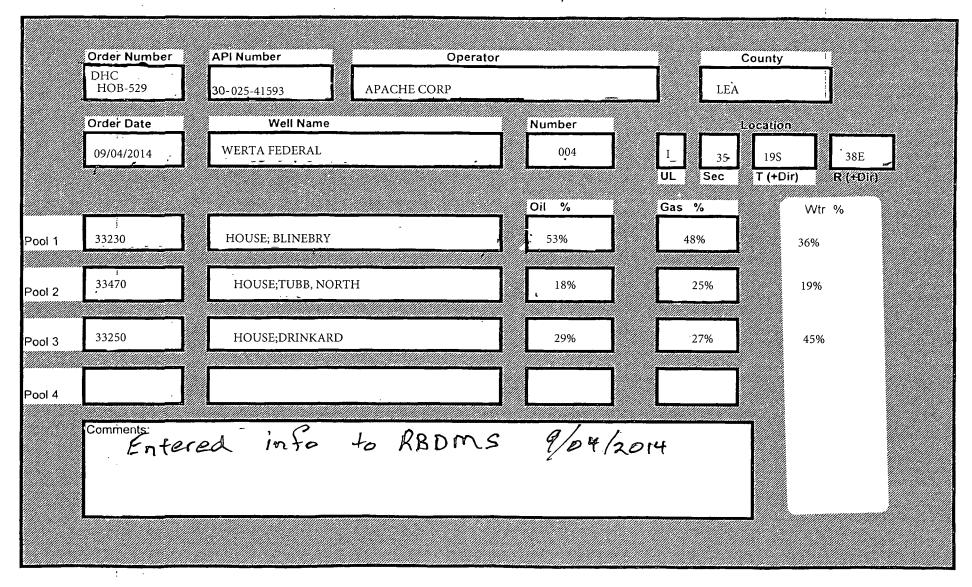
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POSTED BY & WHEN_	dn 9	104 /20	24	
	API NUMBER OPER	, ATOR		COUNTY/LEASE
DHC 408-529	<u>30-025-41593</u> APA	CHE CORP		LEA
ORDER DATE	WELL NAME	WELL #	UL SEC T	+Dir) R(+Dir)
9/104/2014	WERTA FEDERAL	004	<u> </u>	<u>195 38E</u>
		OIL %	GAS%	WTR%
POOL 1_ <u>33230</u>	HOUSE: BLINEBRY	<u>53%</u>	<u>48%</u>	<u>36%</u>
POOL 2 <u>33470</u>	HOUSE; TUBB, NORTH	<u>18%</u>	<u>25%</u>	<u>19%</u>
POOL 3_ <u>33250</u>	HOUSE DRINKARD	<u>29%</u>	27%	<u>45%</u>
POOL 4				<u></u>
DOWNHOLE COMMIN	IGLE CALCULATIONS:			
<u>SECTION I</u>			ALLOWABLE A	MOUNTS
POOL 1HOUSE; BL	INEBRY		142	<u>284</u> MCF
POOL 2 <u>HOUSE; TU</u>	IBB, NORTH		142	<u>284</u> MCF
POOL 3 <u>HOUSE; D</u> F	RINKARD		<u>142</u>	<u>284</u> MCF
POOL 4		POOL TOTALS	426	MCF <u>852</u>
SECTION II:		<u>OIL</u>		<u>GAS</u>
POOL 1HOUSE; BLI	NEBRY	53%		
POOL 2HOUSE; TU	<u>BB, NORTH</u>	18%		
POOL 3 HOUSE DRI	NKARD	29% 🖇	f 426=12	3.54
POOL 4				
SECTION III: OIL 29%	- 142 = 489.66 490	<u>}</u>		
<u>18% X</u>	490 = 259.7 <266 490 = 88.2 <88 490 = 142.1 (142)			

	055				Potos	COPU	
	SEP 022	014	: .		Andrew Contract of the		
Form 3160-5 (August 2007)		UNITED STA				0RM APPRÖVED 18 No. 1004-0137	
(**********	RECEIVE	PARTMENT OF TH	E INTERIOR		5. Lease Serial No.	bires: July 31, 2010	
				•	NMNM-14812		
D		NOTICES AND REI form for proposal			6. If Indian, Allottee or	Tribe Name	
aba	andoned well.	Use Form 3160-3	(APD) for such pr	oposals.			
	SUBM	IT IN TRIPLICATE - Off	ner instructions on page	2	7. If Unit of CA/Agreer	nent, Name and/or No.	
I. Type of Well	0001			<i></i>	_		
∏ oi		Well Other			8. Well Name and No. Werta Federal #004	(OCD 302384)	
2. Name of Opera Apache Corpora	ator ation				9. API Well No. 30-025-41593		
3a. Address 303 Veterans Airpark Midland, TX 79705	Lane, Suite 3000		3b. Phone No. <i>(includ</i> 432/818-1062	le area code)	10. Field and Pool or E House; Blinebry/Hou	• • •	se; Drinkard
4. Location of W	lell (Footage, Sec., T.	.,R.,M., or Survey Descript	ion)	<u> </u>	11. Country or Parish, S	State	
1650' FSL & 990' FE	L, UL I, Sec 35, T198, R3	38E			Lea County, NM		
	I2. CHE	CK THE APPROPRIATE	BOX(ES) TO INDICATE	NATURE OF NOT	ICE, REPORT OR OTHE	R DATA	
TYPEOF	SUBMISSION			TYPE OF AC	CTION		
Notice of I	ntent	Acidize	Deepen	Pro	oduction (Start/Resume)	Water Shut-Off	
		Alter Casing	Fracture Tre		clamation	Well Integrity	
Subsequen	t Report	Casing Repair	New Constru		complete	Other DHC	
Final Aban	donment Notice	Convert to Injectio			ater Disposal	<u></u>	
testing has b determined t	een completed. Final hat the site is ready fi	Ived operations. If the open I Abandonment Notices mu for final inspection.) HC the Blinebry-Tubb-Dri	ist be filed only after all re	equirements, includir			
Pool Names: H H	ouse; Blinebry ouse; Tubb, North	33230 Est Perl 33470	orations: Blinebry Tubb	6100'-6550' 6650'-6850'			
Н	ouse; Drinkard	33250	Drinkard	6950'-7100'			eral
The allocation r	nethod will be as fo	ollows based on offset pr	oduction (See attached	application for exc	eption to Rule 303-C).		Fede
	OIL	GAS Water					All F
Blinebry Tubb	53% 18%	48% 36% 25% 19%					11
Drinkard	29%	27% 45%					
Downhole com	mingling will not rec	duce the value of these p	ools. Ownership is the	same for each of t	hese pools.		
			л.	C. 1102	- 529		OCD Conditions of Approval = Accepted for <u>RECORD ONLY</u> forms requires BLM Approval.
14. Thereby certil	fy that the foregoing is	s true and correct. Name (Pr	inted/Typed)	- <u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u><u></u></u>	- 221		
Reesa Holland	Fisher		Title	Sr. Staff Reg Ana	llyst		S H S
	0 1.	. 1					dittic for uire
Signature	Lessa His	shor	Date	01/15/2014			edu
		THIS SPAC	E FOR FEDERAL	OR STATE O	FFICE USE		OCD Conditions Accepted for <u>RE</u> forms requires B
Approved by							OC Acc orn
				Title	E	late	~ ~ ~
		hed. Approval of this notice of the title to those rights in the su		Office	1/2		
entitle the applicar	nt to conduct operation	is thereon.			Ka		
		13 U.S.C. Section 1212, make presentations as to any matter		nowingly and willfull	y to make to any department	or agency of the United	l States any false,
(Instructions on p	age 2)						



January 14, 2014

Bureau of Land Mgmt - CFO 620 E Greene St Carlsbad, NM 88220

RE: Downhole Commingling Application Werta Federal #4 API 30-025-41593 Unit I, Section 35, T19S, R38E House; Blinebry (33230), House; Tubb, North (33470) & House; Drinkard (33250) 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.

Interests and allocations are the same as the Werta Federal #'s 1, 2, & 3. 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.

This well is due to spud on or about January 15, 2014. An expedited approval for the DHC and surface commingle would be greatly appreciated as the economic detriment is significant. Apache's experience in the area has shown that completed wells that are not allowed to be commingled and produced immediately have lower IP's, and do not recover the same reserves as those that do. If you need additional information or have questions, please give me a call at (432) 818-1062 or the Engineer, Ryan Taylor at (432) 818-1156.

Sincerely,

lesa Fisher

Recsa Fisher Sr. Staff Regulatory Analyst

Well Test History Report

Select By: Field

Display: All well tests between 07/01/2013 - 01/13/2014

Test	Effective	Measured	Туре			24 Hour Volume	s				Ratios			Fluid
Date	Date	Hours	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Gr Liquid	OIL	GAS	WAT	ĻIFT	GOR	GLR	IGOR	IGLR	TGLR	Level
Field: HOUSE			1111				¥							
WERTA FEDI	ERAL #1													
7/25/2013	7/25/2013	24	A	10	5	22	5	0	4,400	2,200	0	0	2,200	
8/30/2013	8/30/2013	24	Α	10	5	20	5	0	4,000	2,000	0	0	2,000	
9/28/2013	9/28/2013	.24	А	10	5	19	5	0	3,800	1,900	0	0	1,900	
10/27/2013	10/27/2013	24	А	10	5	18	5	0	3,600	1,800	0	0	1,800	
11/28/2013	11/28/2013	24	А	10	5	18	5	0	3,600	1,800	0	. 0	1,800	
12/18/2013		24	А	10	5	15	5	0	3,000	1,500	0	.0	1,500	
12/30/2013	12/30/2013	24	А	10	5	15	5	0	3,000	1,500	0	0	1,500	
Averages by Co	ompletion			10	5	18 .	5	0						
WERTA FEDI	ERAL #2													
7/25/2013	7/25/2013	24	А	137	47	100	90	0	2,128	730	0 [°]	0	730	
8/30/2013	8/30/2013	24	A	120	40	100	80	0	2,500	833	0	0	833	
9/24/2013	9/24/2013	24	A	105	38	94	67	0	2,474	895	0	0	895	
10/21/2013	10/21/2013	24	A	100	-35	89	65	0	2,543	890	0	0	890	
11/25/2013	11/25/2013	24	A	95	35	84	60	0	2,400	884.	0	0	· 884	
12/16/2013	12/16/2013	24	A	96	31	77	65	0	2,484	802	0	0	802	
12/30/2013	12/30/2013	24	A	66	31	77	35	0	2,484	1,167	0	0	1,167	
Averages by Co				103	37	89	66	0						
WERTA FEDI	ERAL #3													· · · · · · · · · · · · · · · · · · ·
7/1/2013	7/1/2013	24	A	171	25	33	146	0	1,320	193	0	0	193	
7/11/2013	7/11/2013	24	A	132	20	32	112	0	1,600	242	0	0	242	
7/12/2013	7/12/2013	24	Ă	135.	26	32	109	0	1,231	237	0	0	237	
7/13/2013	7/13/2013	24	A	174.	21	32	153	0	1,524	184	0.	.0	184	
7/15/2013	7/15/2013	24	A	94	20	31	74	0	1,550	330	0	0	330	
7/25/2013	7/25/2013	24	A	165	23	48	142	0	2,087	291	0	0	291	
7/26/2013	7/26/2013	24	A	227	46	58	181	0	1,261	256	0	0	256	
7/27/2013	7/27/2013	24	A	195	20	52	175	Ò	2,600	267	.0	0	267	
7/28/2013	7/28/2013	24	A	203	38	59	165	0	1,553	291	0	0	291	
7/29/2013	7/29/2013	24	A	227	24	55	203	0	2,292	242	0	0	242	
8/13/2013	8/13/2013	24	A	178	27	50	151	0	1,852	281	0	0	281	
8/14/2013	8/14/2013	24	A	199	25	49	174	0	1,960	246	0	0	246	
8/15/2013	8/15/2013	24	A	242	29	50	213	0	1,724	207	0	0	207	
8/16/2013	8/16/2013	24	A	207	27	50	180	0	1,852	242	0	0	242	
8/17/2013	8/17/2013	24	A	194	23	51	171	0	2,217	263	0	0.	· 263	

** All values are recorded using imperial units.

Well Test History Report

Select By: Field

Display: All well tests between 07/01/2013 - 01/13/2014

Test	Effective	Measured	d Type	24 Rour Volumes					Ratios					Fluid
	Hours	1360	Gr Liquid	OIL	GAS	WAT	LIFT	GOR	GLR	IGOR	IGLR	TGLR	Level	
Field: HOUSE					· · · · · · · · · · · · · · · · · · ·									
WERTA FED	ERAL #3													
8/18/2013	8/18/2013	24	А	199	27	42	172	0	1,556	211	0	0	211	
8/25/2013	8/25/2013	24	A	180	30	46	150	0	1,533	256	0	0	256	
8/30/2013	8/30/2013	24	A	196	25	51	170	0	1,962	260	0	0	260	
9/25/2013	9/25/2013	24	A	185	25	50	160	0	2,000	270	0	0	270	
10/22/2013	10/22/2013	24	A	173	23	48	150	0	2,087	277	0	0	277	
11/28/2013	11/28/2013	24	А	163	25	43	138	0	1,720	264	0	0	264	
12/17/2013	12/17/2013	24	А	124	23	38	101	0	1,652	306	0	.0	306	
12/30/2013	12/30/2013	24	A	124	23	38	101	0	1,652	306	0	0	306	
Averages by C	ompletion			178	26	45	152	0						

Page 2 of 2 1/15/2014 8:13:27 am

** All values are recorded using imperial units.

Werta Federal #4 30-025-41593 Apache Corp.

			C	Cúm Oll (BBL)			Cum Gas (MCF)			Cum Water (BBL)		
Lease Name	Well Number 10DIGI1	API Location	Blinebry	Tubb	Drinkard	Blinebry	Tubb	Drinkard -	Blinebry	Tubb	Drinkard	
WERTA FEDERAL	1 3002527	396 19S 38E 35O SW SE	46469	14640	11778	230648	10262	24012	56471	10929	20470	
L&M	1 3002528	287 20S 38E 2N C S2 SW	2365	10319	584	20481	134601	2409	3910	1684	1144	
REDTAG	1 3002535	333 20S 38E 2J NW NW SE	27744	4966	4740	82918	16600	27237	17293	26858	36068	
PLOW BOY FEDERAL	1 3002536	062 19S 38E 35J NW NW SE	25231	133	133	93025	980	1159				
L&M	2 3002539	150 20S 38E 2	2475	1775	13427	35875	45313	107628	17374	8685	31852	
L&M	3 3002530	352 20S 38E 2	2338	1671	12702	16119	20361	48359	10719	5186	18672	
REDTAG	3 3002530	555 20S 38E 2	1973	2334	13641	7760	17313	34633	21842	15064	38415	
REDTAG	4 3002539	066 20S 38E 2K NE SW	925	615	3603	15216	18836	38398				
L&M	8 3002540	262 20S 38E 2N	321	229	1744	2022	2554	6067	2200	1100	4036	
		TOTALS	109,841	36,682	62,352	504,064	266,820	289,902	129,809	69,506	159,657	
		AVERAGES	12,205	4,076	6,928	56,007	29,647	32,211	18,544	9,929	22,808	

Proposed Allocations	Oil	Gas	Water
Blinebry	-53%	48%	36%
Тирр	18%	25%	19%
Drinkard	29%	27%	45%
TOTAL	100%	100%	100%

DISTRICT I 625 N. French Dr., He 6306 (376) 393-6101 Fax DISTRICT II 11 S. First St., Arl bous (575) 746-1230 Fax DISTRICT III 000 Rio Druzos Rd. heav (565) 354-6178 Gaz DISTRICT · IV 220 S. St. Frencis Dr. bons (500) 476-3400 Fax	bbbs, NM 662 (575) 303-0 tesia, NM (x: (275) 748-9 Aztae, N) x: (505) 334-6	10210 10210 120 100 100 100 100 100 100	_01L	CO	NSER 1220 Sou	of Ne VED ^{urs} VATI th St.	ew Mexico 11 Resources Departmo ON DIVIS Francis Dr. Mexico 87505		Revised Aug Ibinil one copy to Dis	trict Office
API N	lumber 5-41 ode	() 0	1	OCATIC Pool Cod 230	e Prop	ACRE	ne	DN PLAT Pool Name Ine bry	AMENDEI Well N 4	
одята No. 873				Α	^{Oper} PACHE (ator Na	DRATION		Eleve 358	
UL or lot No.	Section 35	Township 19 S	Range 38 E	Lot Id	1.6	350	North/South line SOUTH erent From Surf	Feel from the 990	East/West line EAST	County LEA
UL or lot No.	Section 	Township	Range	Lot Idr			North/South line	Feet from the	East/West line	County
NO ALLOV	WABLE W			IDARD	UNIT HAS		UNTIL ALL INTËR APPROVED BY T N 592896.41 E 917768.64 (NAD-83)	HE DIVISION OPERATO I hereby ce contained herei the best of my best of my location or has owner of such computation or has owner of such computation or has computation or has owner of such computation or has owner of such signature Soring . Plo Email Addres	DR CERTIFICA' rhip that the inform in is true and comp knowledge and belly n either owns a wor, ased mineral interes the proposed bollom. a right to drill this remant to a contract mineral or working or working agreement ing order heretofore CHORES L. FLORES e wesp goade	YION nation lete to in the interest, or a enterest, or a entered by (ab)(3) Date Corp.Com
		32. 413 103. 113		Long ~ NMSPC Lot - Long -	N 32'36'3 W 103'06'5 E- N 589233 E 916811 (NAD-83) N 32'36'4' W 103'06'4 E 875629. (NAD-2'	0.13" 507 .04 9.75" 8.41" .21 .43	Q990'→ 	on this plat we actual surveys supervison an correct to the	as plotted from field made by me or d that the same is a best of my belie (my hy by by the MEH so we have been	t notes of under my true and

SEP 02 2014

1425 N. Fronch Dr., Ho Phono (378) 393-6101 Far Phono (378) 393-6101 Far 011 STRICT II 611 S. First St., Art Phona (379) 149-1203 Far DISTRICT III 1000 Rio Breason Rd. Phone (505) 334-6176 Far DISTRICT · IV 1220 S. St. Frends Dr., Phone (505) 476-3400 Far API N 30-025 Property Co 3023 S 0GRID No.	Lesia, NM 0 ., Aztec, NA ., Aztec, NA ., Sasta Fe, N ., (606) 476-0 	10210 10210 1 8741 RECE 1 87565	OIL	CO	NSI 1220	ERVA South		sources Departm		mit one copy to s	
1220 S. St. Francis Dr., Phone (500) 178-3460 Fai 30-025 Property Co 30238	umber 5 - 41 ode	N 87505				Fe. No	St. F	N DIVIS rancis Dr. cico 87505	ION	Dist	rict Office
30-025 Property Co 30238	<u>5- 41</u>	693		01111	ON A	·		E DEDICATI	ON PLAT	AMENDED	REPORT
Property Co 30238	ode	111	334	Pool Co	de 🦯			House: -	Pool Name Tubb. N.		
	(M					Propert WEf		ederal	<u></u>	Well Nu 4	mber
873	2					Operato	r Name		<u></u>	Elevat 3588	
		l				HE CO Surface	-]
UL or lot No.	Section 35	Township 19 S	Range 38 E	Lot Id	tn F	reet from 165	1	orth/South line SOUTH	Feet from the 990	East/West line EAST	^{County} LEA
UL or lot No.	Section	Township	Bottom Range	Hole		tion If		nt From Sur	face Feet from the	East/West line	County
	·-										,
Dedicated Acres	Joint o	r Infill Co	nsolidation	Codo	Order	No,	5	10-110		n a	
NO ALLOT	WABLE W							TIL ALL INTER PROVED BY '	<u></u>		
E 912490.41 (NAD-83)				Lat Long NMSP	- N 3 - W 10 CE- N (NAD-8 - N 3	32-36'49.7	5" (E 917768.6 (NAD-83)	I horoby cer contained herein the best of my I this organization interest or unlea land including II location or has c to a voluntar computery positi the division <u>ADTUME</u> Signature <u>Soring Plat</u> Printed Name <u>Soring Plat</u> Email Address SURVEYOI I hereby certify on this plat was cet us surveys	R CERTIFICAT ify that the inform a is true and compl knowledge and belief, the other owns a work sed minoral interest he proposed bollom h a right to drill this swant to a contract mineral or working y pooling agreement ng order herelofora co CHARCA K FLOVES A FLOVES A CERTIFICAT that the well locati is plotted from field made by me or i that the same is basis of my belief	ation ele to and that ing the the one of the one of the and that ing interest, or a onterest, or a onterest,
N 587548.45 E 912537.80 (NAD-83)	 	°.,		NMSF N 58 E 91	PCE-EB			990'	Certificato No	Shrveyor Shrveyor Shrveyor Shrveyor Shrveyor Shrveyor Shrveyor Shrveyor Shrveyor	7977 28227

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SEP 02 2014

RECEIVED DISTRICT I Dr., Hobs, NN 002 Phone (376) 393-0161 Fait (573) 393-01 DISTRICT II Phone (576) 716-1283 Pair (576) 746-07 DISTRICT III 1000 Rio Drazos Rd., Azlec, NA Phons (595) 334-5110 Fait (606) 334-61 DISTRICT IV	10 10 10 10 10 10 10 10 10 10	CONSERVAT		Revised Aug Submit one copy to : Dis	
1220 S. St. Francis Dr., Santa Po, N Phopa (505) 470-3400 Fax: (505) 476-3	WELL LO		EAGE DEDICATION P		REPORT
API Number <u>30-025-64</u> Property Code <u>302384</u> OGRID No. 873	100	Pool Code <u>950</u> Property N WERT/ Operator N APACHE CORF	House; Drir A Federal Iame	Name Karri 4 Eleva 358	lion
		Surface L	······		ل ه ه سه پر س
UL or lot No. Section 35	Township Range 19 S 38 E	Lot Idn Feet from th 1650		from the East/West line	County LEA
		Hole Location If Di	fferent From Surface		
UL or lot No. Section	Township Range	Lot Idn Fect from th	e North/South line Feet i	from the East/West line	County
Dedicated Acres Joint o	r Infill Consolidation	Code Order No.	DHC-HOR	3-529	I
NO ALLOWABLE W			UNTIL ALL INTERESTS N APPROVED BY THE D		ATED
N 592831.79 E 912490.41 (NAD-83)			(NAD-83) (NAD-83) (hAD-83) (hit int int int int int int int int int i	OPERATOR CERTIFICAT I hereby certify that the inform latined herein is true and comp best of my knowledge and belief organization either owns a word- erest or unleased mineral interess d including the proposed bottom iston or has a right to drill this is location pursuant to a contract the of such a mineral or working to a voluntary pooling argement pulsory pooling order heretofore division. Diving L. Flores Inted Name ring, Plores gaade, and Address SURVEYOR CERTIFICAT	iation lete to , and that in the tole will at with an interesi, or a entered by abli3 Date ONP Com
N 587548.45 E 912537.80 (NAD-83)		SURFACE LOCATION Lat - N 32'36'50.16" Long - W 103'06'50.13" NMSPCE - E 916811.04 (NAD-83) Long - W 103'06'49.75" Long - W 103'06'48.41" NMSPCE - N 32'36'49.75" Long - W 103'06'48.41" NMSPCE - E 875529.43 (NAD-27) NMSPCE - E 875529.43 (NAD-27) NMSPCE - E 875529.43 (NAD-27)	990'	ereby certify that the well local this plat was plotted from field wai surveys made by me or servison and that the same is reat to the best of my belie to Surveyed a MEA mathe of School of ofersonal Surveyor Basin Survey S	noles of under my true and