

DATE IN <u>7/6/99</u>	SUSPENSE <u>7/26/99</u>	ENGINEER <u>DC</u>	LOGGED <u>KV</u>	TYPE <u>DHC</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -

2403

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
[DD-Directional Drilling] [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 - Directional Drilling

☐ NSL ☐ NSP ☐ DD ☐ 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

[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 if 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] **INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding**

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Notes: Statement must be completed by an individual with supervisory capacity.

Doug O'Neil

Print or Type Name



Signature

Region Production Manager

Title

6/30/99

Date



June 30, 1999

Attn: David Catanach
State of New Mexico – Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

**Re: Application to Downhole Commingle
Rinewalt No. 3
Drinkard Pool (19190) and Wantz Abo Pool (62700)
Lea County, New Mexico**

Apache Corporation would like to request administrative approval to downhole commingle the referenced pools in the Rinewalt # 3 well.

To support this request we submit the following:

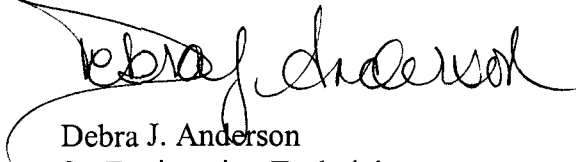
- 1) New Mexico – OCD Form C-107A
- 2) New Mexico – OCD Form C-102 for Drinkard Pool
- 3) New Mexico – OCD Form C-102 for Wantz ABO Pool
- 4) Production Curve for Rinewalt # 3 in the Drinkard Pool
- 5) Production Curve for Rinewalt # 3 in the Wantz Abo Pool prior to being TA'd in 11/72 as well as current production curves for Brunson B # 1 & R L Brunson # 2 in the Wantz ABO Pool
- 6) Explanation of method for determining Allocation formula

- 7) Copy of letter sent (by Certified Mail) to Offset operators within one-half mile of Rinewalt # 3
- 8) Map of location with one-half mile radius marked
- 9) Well Bore Diagrams of current completion and proposed completion

If you have any questions or require additional information regarding this application, please contact me at 713-296-6338. Thank you.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Debra J. Anderson", with a long, sweeping horizontal line extending from the left side of the signature.

Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: New Mexico Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Apache Corporation			Lease Rinewalt		Well No. 3
Unit Letter F	Section 4	Township 22S	Range 37E	County Lea	
Actual Footage Location of Well:					
1980 feet from the North line and 1980 feet from the West line					
Ground level Elev. 3456	Producing Formation Drinkard		Pool Drinkard (19190)		Dedicated Acreage: 40 Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>					
				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name Debra J. Anderson Position Sr. Engineering Technician Company Apache Corporation Date 06/29/99	
				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 knowledge and belief. Date Surveyed _____ Signature & Seal of Professional Surveyor _____ Certificate No. _____	

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

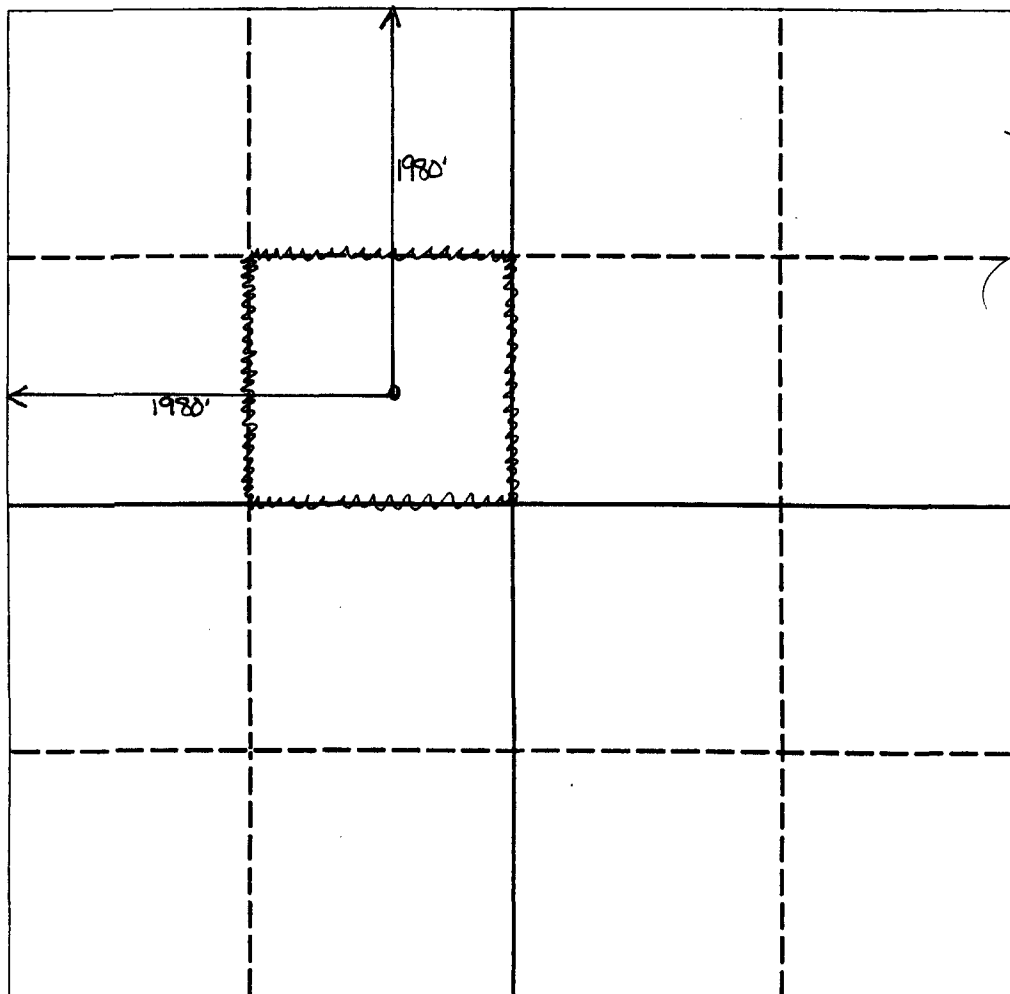
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Apache Corporation			Lease Rinewalt		Well No. 3
Unit Letter F	Section 4	Township 22S	Range 37E	County Lea	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the West line					
Ground level Elev. 3456	Producing Formation Abo		Pool Wantz Abo (67200)		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☐ Yes ☐ No If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Debra J. Anderson
Printed Name
Debra J. Anderson
Position
Sr. Engineering Technician
Company
Apache Corporation
Date
06/29/99

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 knowledge and belief.

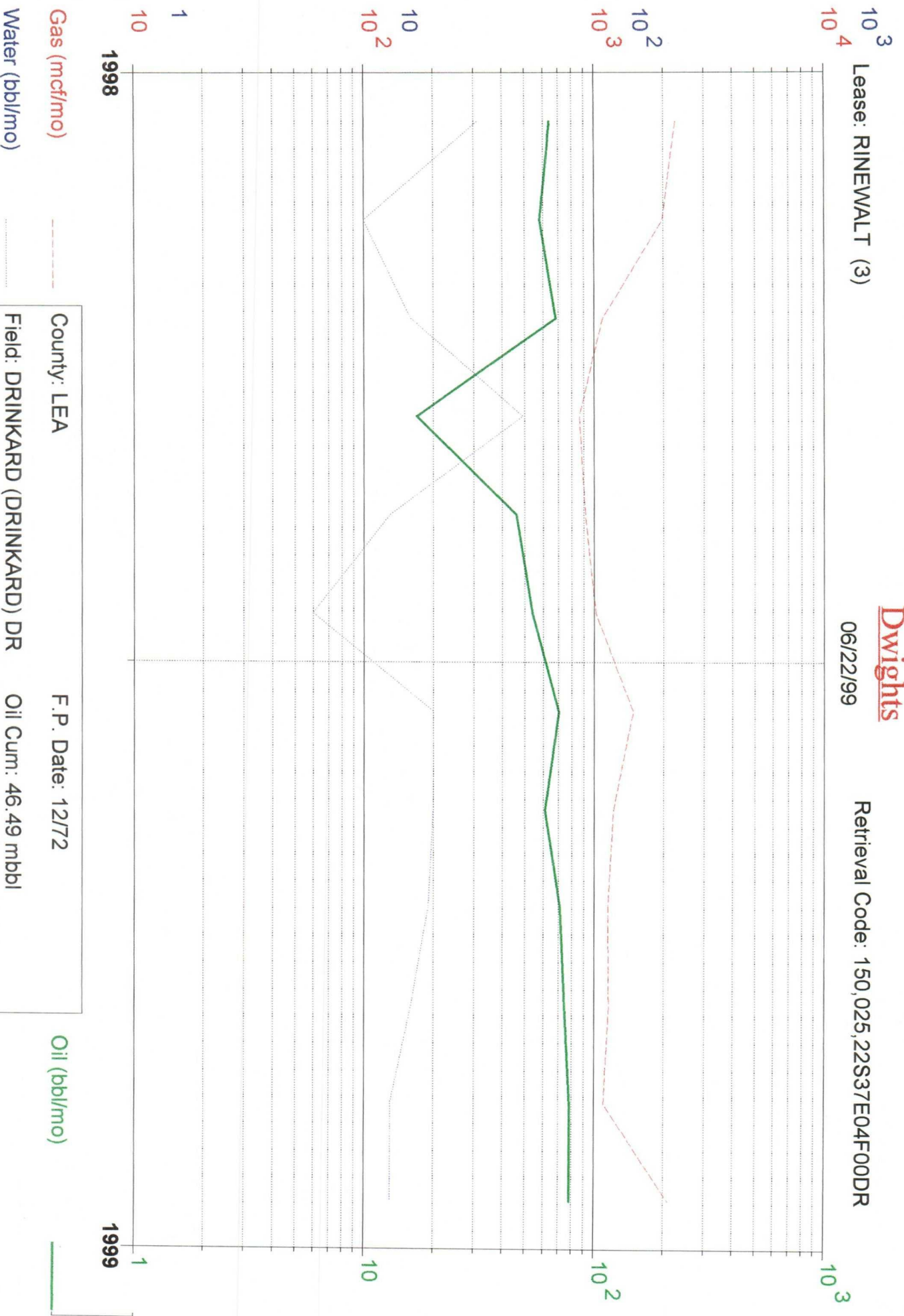
Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

06/22/99

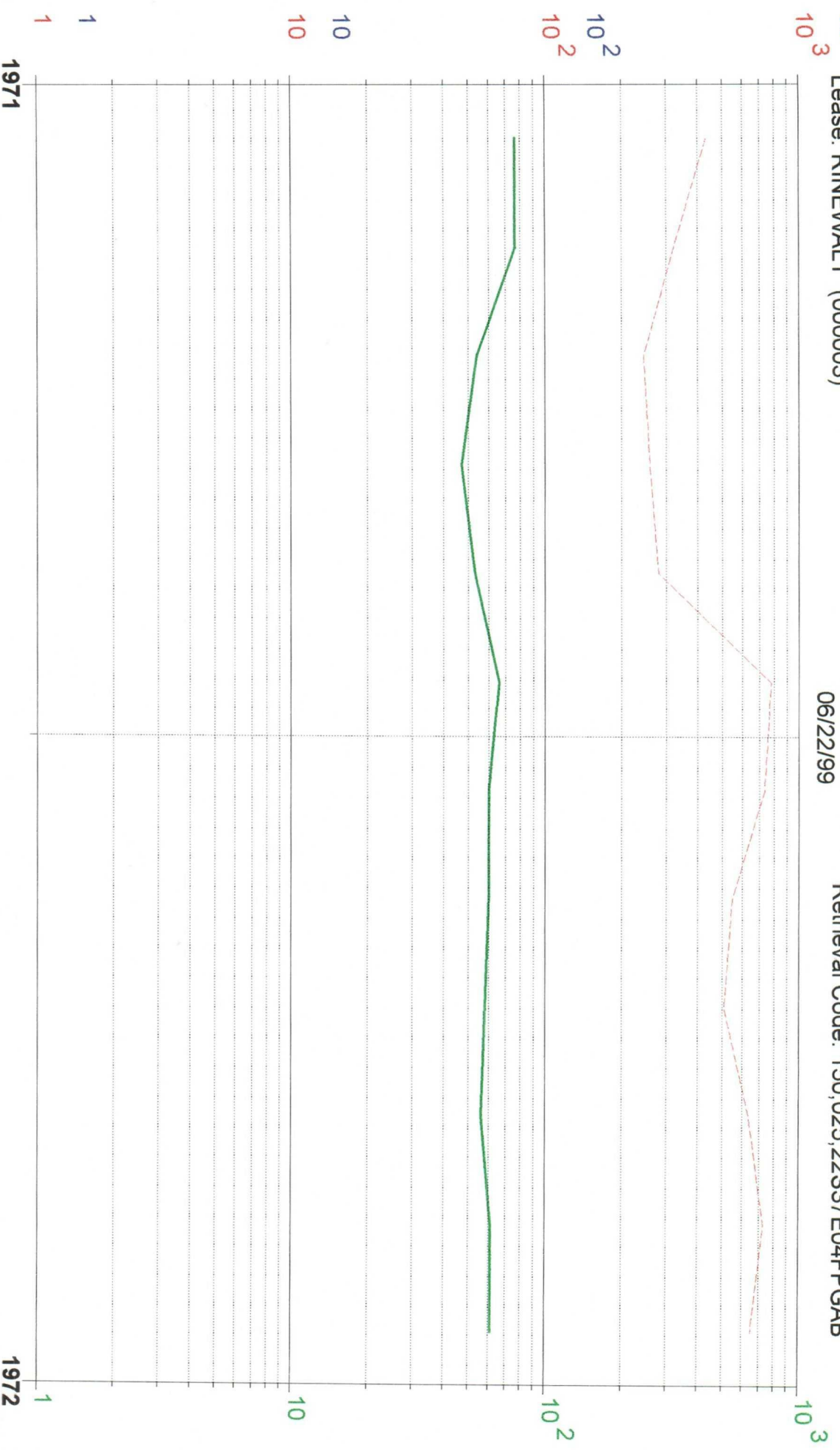
Lease: RINEMALT (3)



10³
10³ Lease: RINEWALT (000003)

Dwights
06/22/99

Retrieval Code: 150,025,22S37E04FPGAB



Gas (mcf/mo)

Water (bbl/mo)

Oil (bbl/mo)

County: LEA	F.P. Date: N/A
Field: WANTZ (ABO) AB	Oil Cum: 7418 bbl
Reservoir: ABO	Gas Cum: 99.09 mmcf
Operator: SHELL WESTERN E&P IN	Location: 4F 22S 37E



County: LEA
Field: WANTZ (ABO) AB
Reservoir: ABO
Operator: TEXACO EXPL & PROD I

F.P. Date: 01/93
Oil Cum: 6056 bbl
Gas Cum: 967.1 mmcf
Location: 4P 22S 37E

Retrieval Code: 150,025,0251001662700



Allocation Formula Explanation

Rinewalt # 3

Drinkard Pool (19190)

	Oil	Gas	Water
5/15/99	3	75	1

Wantz Abo Pool (67200)

The Abo interval in the Rinewalt No. 3 well was abandoned in December 1972 making 2 BOPD x 65 MCFD. The well is offset to the south by two recent Abo completions: R.L. Brunson No. 2 (1 BOPD x 400 MCFD) and Brunson Argo No. 20 (20 BOPD x 110 MCFD). Both of these wells are perforated in the lower Abo which is not open in the Rinewalt No. 3. An initial rate of 5 BOPD x 100 MCFD is expected.

**Rinewalt No. 3 Downhole Commingle Application
Offset Operators**

Arch Petroleum
802 E. Texas
Eunice, New Mexico 88231
Certified Rcpt. # Z 116 148 813

Cross Timbers Operating Company
3000 N. Garfield, Suite 250
Midland, Texas 79705
Certified Rcpt. # Z 116 149 273

BEC Corporation
110 N. Marienfeld, Suite 370
Midland, Texas 79702
Certified Rcpt. # Z 116 148 814

Texaco E&P Inc.
205 E. Bender Blvd.
Hobbs, New Mexico 88240
Certified Rcpt. # Z 116 149 274

Chevron USA Inc.
P O Box 1150
Midland, Texas 79702
Certified Rcpt. # Z 116 148 815

Wiser Oil Company
3504 N. West County Rd.
Hobbs, New Mexico 88241
Certified Rcpt. # Z 116 149 275

Collins & Ware
303 W. Wall, Suite 2200
Midland, Texas 79701
Certified Rcpt. # Z 116 148 816

Zia Energy
1234 W. Broadway Place
Hobbs, New Mexico 88241
Certified Rcpt. # Z 116 149 276

DISTRICT I
1625 N. French Drive, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department
OIL CONSERVATION DIVISION
2040 S. Pacheco
Santa Fe, New Mexico 87505-6429

Form C-107A
New 3-12-96

APPROVAL PROCESS:
☒ Administrative
☐ Hearing
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLE

Apache Corporation 2000 Post Oak Blvd., Suite 100 - Rm 365A, Houston, Texas 77056-4400
Operator Address
Rinewalt 3 F / 4 / T-22S / R-37E Lea
Lease Well No. Unit Ltr.-Sec-Twp-Rgn County
Spacing Unit Lease Types: (one or more)
☐ Federal ☐ State ☒ Fee


OGRID NO.	Property Code	23110 API No.	30-025-10036
The following facts are submitted in support of downhole commingling:			
1. Pool Name and Pool Code	Drinkard (19190)	Intermediate Zones	Lower Zone
2. Top and Bottom of Pay Section (Perforations)	6405 - 6616		6714 - 7293
3. Type of production (Oil or Gas)	Oil		Oil
4. Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
5. Bottomhole Pressure Oil Zones - Artificial Lift: Estimated Current Gas & Oil - Flowing: Measured Current All Gas Zones: Estimated or Measured Original	a. (Current) 600 b. (Original)	a. b.	a. 2100 b.
6. Oil Gravity (*API) or Gas BTU Content	38		35.1
7. Producing or Shut-In? Production Marginal? (Yes or No) * If Shut-In, give date and oil/gas/water rates of last production Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data * If Producing, give date and oil/gas/water rates of recent test (within 80 days)	Producing Yes Date: Rates: Date: 5/15/99 Rates: 3 x 75 x 1		Shut-In Yes Date: 11/30/72 Rates: 2 x 65 x 0 Date: Rates:
8. Fixed Percentage Allocation Formula - % for each zone	Oil: 40% Gas: 40%	Oil: % Gas: %	Oil: 60% Gas: 60%

9. If allocation formula is based upon something other than current or past production, or is based upon some other method, submit attachments with supporting data and / or explaining method and providing rate projections or other required data.
10. Are all working, overriding and royalty interests identical in all commingled zones?
If not, have all working, overriding and royalty interests been notified by certified mail?
Have all offset operators been given written notice of the proposed downhole commingling?
☒ Yes ☐ No
11. Will cross-flow occur? ☐ Yes ☒ No If yes, are fluids compatible, will the formations be undamaged, will any cross-flow production be recovered and will the allocation formula be reliable.
☐ Yes ☐ No (If No, attach explanation)
12. Are all produced fluids from all commingled zones compatible with each other?
☒ Yes ☐ No
13. Will the value of production be decreased by commingling?
☐ Yes ☒ No (If Yes, attach explanation)
14. If this well is on or communitized with state or federal lands, either the Commissioner of Public Lands or the United States Bureau of Land Management has been notified in writing of this application.
☐ Yes ☐ No
15. NMOCD Reference Cases for Rule 303(C) Exceptions:
Order No.s _____

16. ATTACHMENTS:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of all offset operators.
- Notification list of working, overriding, and royalty interests for uncommon interest cases.
- Any additional statements, data, or documents required to support commingling.

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

SIGNATURE 
TYPE OR PRINT NAME Debra J. Anderson

TITLE Sr. Engineering Technician

DATE 6/30/99

TELEPHONE NO. 713-296-6338



June 30, 1999

Offset Operators

**Re: Application to Downhole Commingle
Rinewalt No. 3
Drinkard Pool (49210) and Wantz Abo Pool (62700)
Lea County, New Mexico**

Attached please find a copy of an Application to Downhole Commingle the referenced pools in the Rinewalt # 3 that Apache Corporation has filed with the New Mexico Oil Conservation Division. If you have an objection to this application, you must notify the OCD in writing within 20 days from the date of this letter.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Debra J. Anderson", written over a horizontal line.

Debra J. Anderson
Sr. Engineering Technician

Attachment

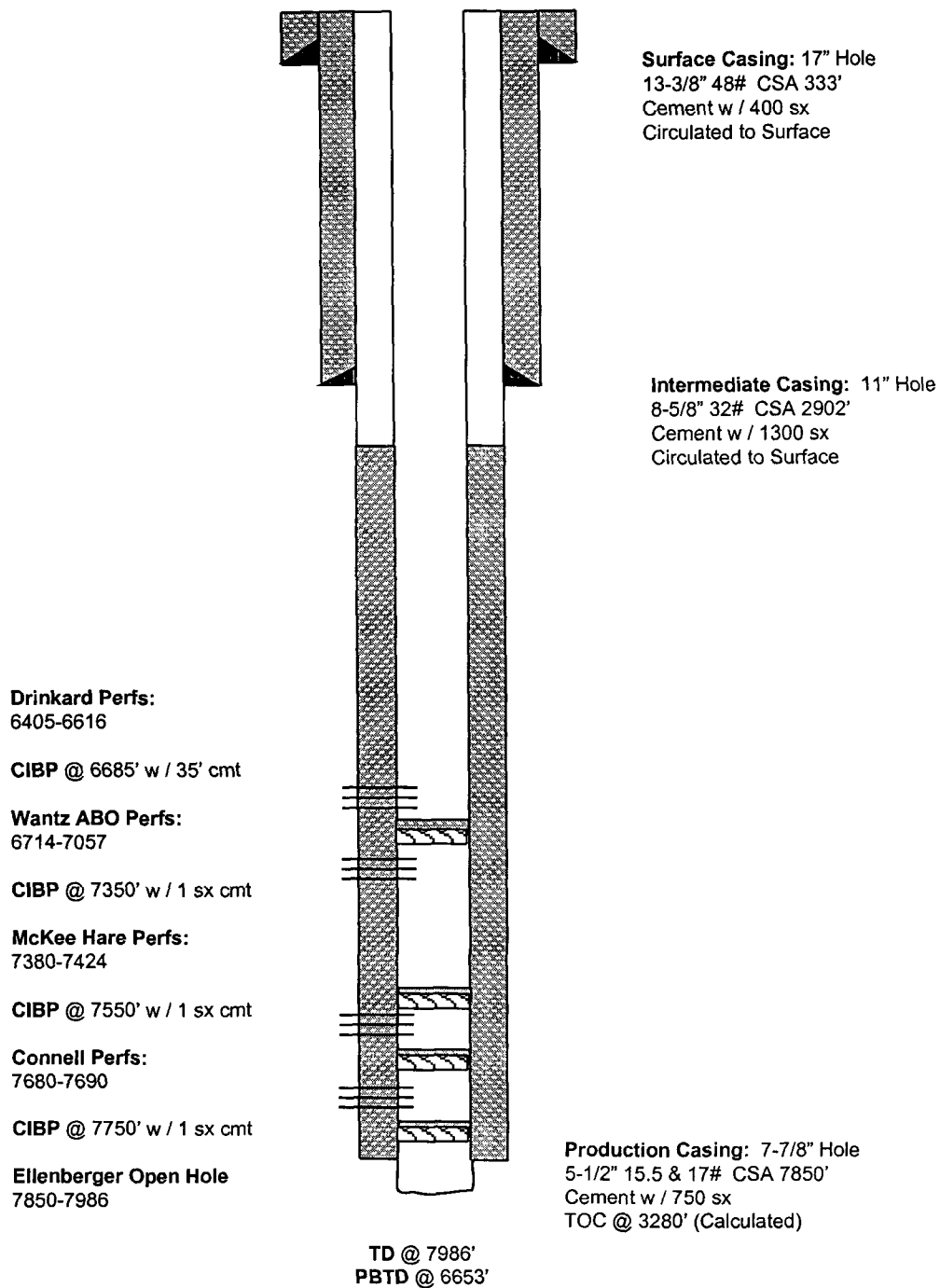
cc: New Mexico – Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

[illegible]

**APACHE CORPORATION
RINEWALT No. 3 - Downhole Commingle
SEC. 4 / T-22S / R-37E
LEA COUNTY, NEW MEXICO**

Well: Rinewalt #3
Field: Drinkard
Location: 1990' FNL, 1980' FWL
Section 4, Township 22S, Range 37E
API#: 30-025-10036

Current Status: Active Oil



Well: Rinewalt #3
Field: Drinkard
Location: 1990' FNL, 1980' FWL
Section 4, Township 22S, Range 37E
API#: 30-025-10036

Proposed Status: Active Oil
Downhole Commingled from
Drinkard & Wantz ABO Pools

Drinkard Perfs:
6405-6616

Wantz ABO Perfs:
6714-7057
Drill out CIBP & cement cap
Add Perfs: 7079-7293

CIBP @ 7350' w / 1 sx cmt

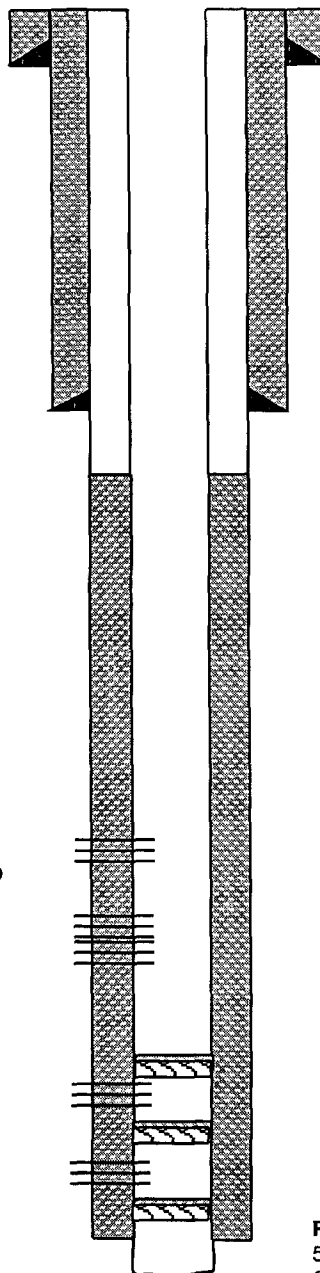
McKee Hare Perfs:
7380-7424

CIBP @ 7550' w / 1 sx cmt

Connell Perfs:
7680-7690

CIBP @ 7750' w / 1 sx cmt

Ellenberger Open Hole
7850-7986



Surface Casing: 17" Hole
13-3/8" 48# CSA 333'
Cement w / 400 sx
Circulated to Surface

Intermediate Casing: 11" Hole
8-5/8" 32# CSA 2902'
Cement w / 1300 sx
Circulated to Surface

Production Casing: 7-7/8" Hole
5-1/2" 15.5 & 17# CSA 7850'
Cement w / 750 sx
TOC @ 3280' (Calculated)

TD @ 7986'
PBTD @ 6653'

DHC-2403



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GOVERNOR

7/22/99

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Apache Corp Renewal #3-F-4-22s-37e
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly, .

Chris Williams
Supervisor, District 1

/ed