

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order DHC-3770-A

Order Date: October 28, 2015

Application Reference Number: pMAM1529954616

Apache Corporation
303 Veterans Airpark Lane, Suite 3000
Midland, Tx 79705

Attention: Ms. Reesa Fisher

Redtag Well No. 2
API No. 30-025-35630
Unit K, Section 2, Township 20 South, Range 38 East NMPM
Lea County, New Mexico

Pool	HOUSE; BLINEBRY	Oil (33230)
Names:	HOUSE; DRINKARD	Oil (33250)
	HOUSE; ABO	Oil (33210)

Reference is made to your recent application for an exception to Division Rule 19.15.12.9A. NMAC of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appears that the subject well qualifies for approval for such exception pursuant to the provisions of Division Rule 19.15.12.11A. NMAC, and since reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division Rule 19.15.12.11A.(6) NMAC, the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

As per the application, the assignment of allowable and allocation of oil and gas production from the subject well for the House; Blinebry Pool, House; Drinkard Pool, and House; Abo Pool shall be based on the actual production of the well.

Assignment of allowable and allocation of production from the well shall be as follows:

HOUSE; BLINEBRY POOL	Pct. Oil: 75	Pct. Gas: 90
HOUSE; DRINKARD POOL	Pct. Oil: 24	Pct. Gas: 7
HOUSE; ABO POOL	Pct. Oil: 1	Pct. Gas: 3

It is also understood that notice of this application, pursuant to Division Rule 19.15.4.12A.(6), is not required since the interest ownership between the zones to be commingled is common throughout.

REMARKS: The operator shall notify the Division's District I office upon implementation of commingling operations.

This Order supersedes Division Order DHC-3770, issued on August 14, 2006.

Pursuant to Division Rule 19.15.12.11B. NMAC, the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.



David R. Catanach
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals