



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



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IN REPLY REFER TO:
3162.3-2 (P0220)
NM70945X

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Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Application of Apache Corporation for Retroactive Surface Commingling and an Exception to the Metering Requirements of Division Rule 15.12.10(C) (1) NMAC. Lea County, New Mexico. Hearing docket scheduled on January 24, 2013.

The BLM will object to the above approval. Commingling cannot be approved with the current test and allocation method for federal wells on federal leases. There are six co-op well agreements involving two federal leases with different royalty rates involved. (See attached serial register pages). Federal regulations require oil measurement to be done according to Onshore Order #4 and gas measurement to be done according to Onshore Order #5. The operator never submitted an official sundry form 3160-5 requesting approval nor have they contacted the BLM Carlsbad Field Office to further discuss the current metering requirements.

If you have any questions regarding this approval, please contact Duncan Whitlock at (575) 234-5926 or Wesley Ingram, Supervisory Petroleum Engineer at (575) 234-5982.

Sincerely,

James A. Davis
Don

Don Peterson
Assistant Field Manager,
Lands and Minerals
Bureau of Land Management
Carlsbad Field Office

cc: Apache Corporation