

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**Carlsbad Field Office**
OCD HobbsFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**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.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well ☐ Oil Well ☒ Gas Well ☐ Other		5. Lease Serial No. NMLC032096A
2. Name of Operator APACHE CORPORATION		6. If Indian, Allottee or Tribe Name
3a. Address 303 VETERANS AIRPARK LANE SUITE 3000 MIDLAND, TX 79705		7. If Unit or CA/Agreement, Name and/or No. NMNM120042X
3b. Phone No. (include area code) Ph: 432-818-1062		8. Well Name and No. LOCKHART A-17 4
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 17 T21S R37E NENE 660FNL 660FEL		9. API Well No. 30-025-06639
		10. Field and Pool or Exploratory Area EUNICE; SAN ANDRES N GAS
		11. County or Parish, State LEA COUNTY COUNTY, NM

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Hydraulic Fracturing	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	Surface Commingling
	☐ Convert to Injection	☐ Plug Back	☐ 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 Corporation respectfully requests permission for surface commingling, off-lease measurement and sales and a variance from Onshore Order 5 for gas measurement for the Lockhart A-17 #4 (NMLC032096A; NENE(A) Sec 17 T21S R37E 660 FNL & 660 FEL) at the WBDU central tank battery (NMNM120042X), located in the NWNW(D) Sec 16, T21S, R37E.

NAME CHANGE REQUEST FROM WBDU 67 TO LOCKHART A-17 #004 ON 4/11/16.
NSP approved through state.

See attached detailed commingling information, diagram, maps, Serial Register pages, interest owner information, Gas Marketing letter, and Unit well list.

14. I hereby certify that the foregoing is true and correct. Electronic Submission #378654 verified by the BLM Well Information System For APACHE CORPORATION, sent to the Hobbs Committed to AFMSS for processing by DEBORAH MCKINNEY on 06/13/2017 ()	
Name (Printed/Typed) REESA FISHER	Title SR STAFF REGULATORY ANALYST
Signature (Electronic Submission)	Date 06/12/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <u>J.D. Whitlock</u>	Title <u>TLPET</u>	Date <u>6/21/17</u>
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 <u>CFO</u>

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)

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

APPLICATION FOR COMMINGLING & OFF-LEASE MEASUREMENT AT A WATERFLOOD TANK BATTERY**Proposal for WBDU Facility and Lockhart A-17 #4:**

Apache Corporation is requesting approval for the Off-lease Measurement & Sales of gas for the following well(s):

Federal Lease NMLC032096A (12.5-25% Sch C Royalty Rate)

Well Name	Location	API #	Pool 76520	Gas MCFD	Gas BTU/MCF	\$/MCF*
Lockhart A-17 #4	NENE, Sec.17, T21S, R37E	30-025-06639	EUNICE; SAN ANDRES; NORTH	100	705	\$0.00

Facility information where measurement and sales is taking place is as follows:

Federal Unit NMNM120042X & Associated Wells (List Attached)

Facility Name	Location	State Lease #	Pool 22900	Gas MCFD	Gas BTU/MCF	\$/MCF*
West Blinebry Drinkard Unit	NWNW, Sec. 16, T21S, R37E	STNMB0-1557	EUNICE; BLI-TU-DR, NORTH	500	1295	\$2.56

Combined	Location		Pool 76520 & 22900	Gas MCFD	Gas BTU/MCF	\$/MCF*
Combined Gas at FMP	NWNW, Sec. 16, T21S, R37E		EUNICE; SAN ANDRES, NORTH, BLI-TU-DR	600	1196	\$2.56

*Note: Estimated gas sales price. Actual \$/MCF varies based on market conditions and gas heating value. See Brad Yarbrough Gas Marketing letter.

Surface commingling & off-lease measurement and sales for the Lockhart A-17 #4 (Lockhart):

The combined water/gas produced fluid will enter a two-phase separator (Lockhart Separator) located at the existing WBDU Central Battery (D-16-21S-37E) within the Unit (NMNM120042X) and then be measured through a WBDU Facility Measurement Point (FMP). The production from the well will be transferred to the facility utilizing an existing line, so there will be no new surface disturbance needed for this request. The water will exit the bottom of the Lockhart Separator and flow to the existing WBDU Water Storage Tanks to support the WBDU Waterflood. Gas from the Test Separator will be continually metered for allocation using meter #A1055 (Apache owned/operated Lockhart FMP) and then combined with the produced gas from WBDU (NMNM120042X) for sales via a WBDU FMP. A map is attached showing well pad, production line, facility, lease boundary, and location of FMP's. Gas analysis data is included for lease gas and combined gas.

Royalty will be guaranteed and not be negatively impacted by the approval of this sundry notice. The composition of Lockhart gas alone does not meet pipeline specifications; therefore, the gas will be blended and sold with other WBDU produced gas, but it will not result in a decrease in any FMP sales value. Federal Royalty will be paid on Lockhart meter volumes, which will be deducted from WBDU sales.

Gas metering:

The central tank battery (WBDU Tank Battery NMNM120042X) is located in Unit D-Sec. 16, T21S, R37E. The gas produced from the Lockhart A-17 #4 (NENE of Sec. 17, T21S, 37E; NMLC032096A) will enter the Lockhart A-17 #4 two phase separator located at the WBDU Central Tank Battery. The gas will exit the top of the Lockhart separator and be metered continuously through a Lockhart A-17 #4H gas meter #A1055 immediately downstream of the separator. Once metered, the gas will be delivered to multiple WBDU (NMNM120042X) satellites where it will be blended with WBDU produced gas for sales via a WBDU FMP. (Map Attached)

Water produced from the Lockhart A-17 #4 will exit the bottom of the Lockhart separator and be sent to water tanks at the WBDU battery to be utilized by the existing waterflood.

Meters will be proven as per API, NMOCD, and BLM specifications.

Process and Flow Descriptions:

The flow of production is shown in detail on the enclosed facility diagram and map which shows the lease boundaries, location of wells and flow lines, facility, and FMP's. The commingling of this gas is the most effective economical means of producing the reserves, providing safety for employees and the public, and will not result in reduced royalty or improper measurement of gas.

A central tank battery is located in Unit D, Section 16, T21S, R37E, on Federal Unit NMNM120042X in Lea County, New Mexico. The production from the Lockhart A-17 #4 well will be routed to WBDU Tank Battery utilizing an existing line. After separation the water will go to common water tanks. The gas will be measured after separation and then measured gas will be blended with WBDU gas at an existing FMP, for off-site sales.

The Lockhart A-17 #4 will require off-lease measurement and sales of gas.

All working, royalty, and overriding interest owners have been notified of this proposal via certified mail (see attached list).

Economic Combined Production

		Lockhart A-17 #4	WBDU FMP	Total
Estimated Flow (MSCFD)		100	500	600
HHV (BTU/SCF)		705.7	1295	1196.8
Energy Flow (MMBTU/Day)		70.6	647.5	718.1
MW		25.8	22.0	22.7
Mole %	MW (lb/lb-mol)			
Methane	16.04	60.95%	74.11%	71.91%
Ethane	30.07	1.33%	11.79%	10.04%
Propane	44.1	0.47%	6.08%	5.15%
i-Butane	58.12	0.07%	0.71%	0.60%
n-Butane	58.12	0.04%	1.81%	1.52%
i-Pentane	72.15	0.00%	0.46%	0.38%
n-Pentane	72.15	0.00%	0.55%	0.46%
Hexane	86.18	0.00%	1.06%	0.88%
Heptane	100.21	0.00%	0.00%	0.00%
Octane	114.23	0.00%	0.00%	0.00%
Nonane	128.2	0.00%	0.00%	0.00%
Decane	142.29	0.00%	0.00%	0.00%
Nitrogen	14.01	0.68%	1.94%	1.73%
CO2	44.01	28.46%	0.30%	4.99%
H2S	34.08	8.00%	1.20%	2.33%
H2O	18.02	0.00%	0.00%	0.00%
Total		100.00%	100.00%	100.00%

WEST BLINEBRY DRINKARD UNIT (WBDU)

UNIT NMNM120042X

Well	API	Lease	Unit Letter	Section	Township	Range	Footages
WEST BLINEBRY DRINKARD UNIT #001	30-025-06403	FEE	15	4	21S	37E	3300 FSL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #002	30-025-36811	FEE	15	4	21S	37E	3480 FSL, 1650 FEL
WEST BLINEBRY DRINKARD UNIT #003	30-025-37983	FEE	J	4	21S	37E	2630 FSL, 2310 FEL
WEST BLINEBRY DRINKARD UNIT #004	30-025-38229	FEE	J	4	21S	37E	1330 FSL, 1440 FEL
WEST BLINEBRY DRINKARD UNIT #005	30-025-06442	FEE	G	9	21S	37E	1980 FNL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #006	30-025-06443	FEE	B	9	21S	37E	660 FNL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #007	30-025-06395	FEE	N	4	21S	37E	660 FSL, 1650 FWL
WEST BLINEBRY DRINKARD UNIT #008	30-025-06397	FEE	I	4	21S	37E	1980 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #009	30-025-06444	FEE	H	9	21S	37E	1980 FNL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #010	30-025-06445	FEE	A	9	21S	37E	660 FNL, 585 FEL
WEST BLINEBRY DRINKARD UNIT #012	30-025-36340	FEE	B	9	21S	37E	1210 FNL, 1470 FEL
WEST BLINEBRY DRINKARD UNIT #013	30-025-36314	FEE	P	4	21S	37E	130 FSL, 1270 FEL
WEST BLINEBRY DRINKARD UNIT #014	30-025-37030	FEE	G	9	21S	37E	1330 FNL, 2310 FEL
WEST BLINEBRY DRINKARD UNIT #015	30-025-37031	FEE	P	4	21S	37E	1310 FSL, 430 FEL
WEST BLINEBRY DRINKARD UNIT #016	30-025-37200	FEE	H	9	21S	37E	2310 FNL, 430 FEL
WEST BLINEBRY DRINKARD UNIT #017	30-025-37463	FEE	I	4	21S	37E	2310 FSL, 350 FEL
WEST BLINEBRY DRINKARD UNIT #018	30-025-38281	FEE	O	4	21S	37E	145 FSL, 2630 FEL
WEST BLINEBRY DRINKARD UNIT #019	30-025-38540	FEE	N	4	21S	37E	145 FSL, 1460 FWL
WEST BLINEBRY DRINKARD UNIT #020	30-025-06432	NMLC 031741A	H	8	21S	37E	1980 FNL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #021	30-025-06440	NMLC 031741A	E	9	21S	37E	1980 FNL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #022	30-025-06389	NMLC 031741A	M	4	21S	37E	660 FSL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #023	30-025-21225	NMLC 031741A	D	9	21S	37E	660 FNL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #024	30-025-21621	NMLC 031741A	G	8	21S	37E	1980 FNL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #025	30-025-26265	NMLC 031741A	C	8	21S	37E	990 FNL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #026	30-025-26967	NMLC 031741A	A	8	21S	37E	990 FNL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #027	30-025-27599	NMLC 031741A	B	8	21S	37E	840 FNL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #028	30-025-36339	NMLC 031741A	H	8	21S	37E	1420 FNL, 150 FEL
WEST BLINEBRY DRINKARD UNIT #029	30-025-38194	NMLC 031741A	D	9	21S	37E	1310 FNL, 1310 FWL
WEST BLINEBRY DRINKARD UNIT #030	30-025-38195	NMLC 031741A	G	8	21S	37E	2630 FNL, 1330 FEL
WEST BLINEBRY DRINKARD UNIT #031	30-025-38196	NMLC 031741A	E	9	21S	37E	2528 FNL, 1250 FWL
WEST BLINEBRY DRINKARD UNIT #032	30-025-06437	NMNM 90161	F	9	21S	37E	1980 FNL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #033	30-025-06438	NMNM 90161	J	9	21S	37E	1980 FSL, 1980 FEL

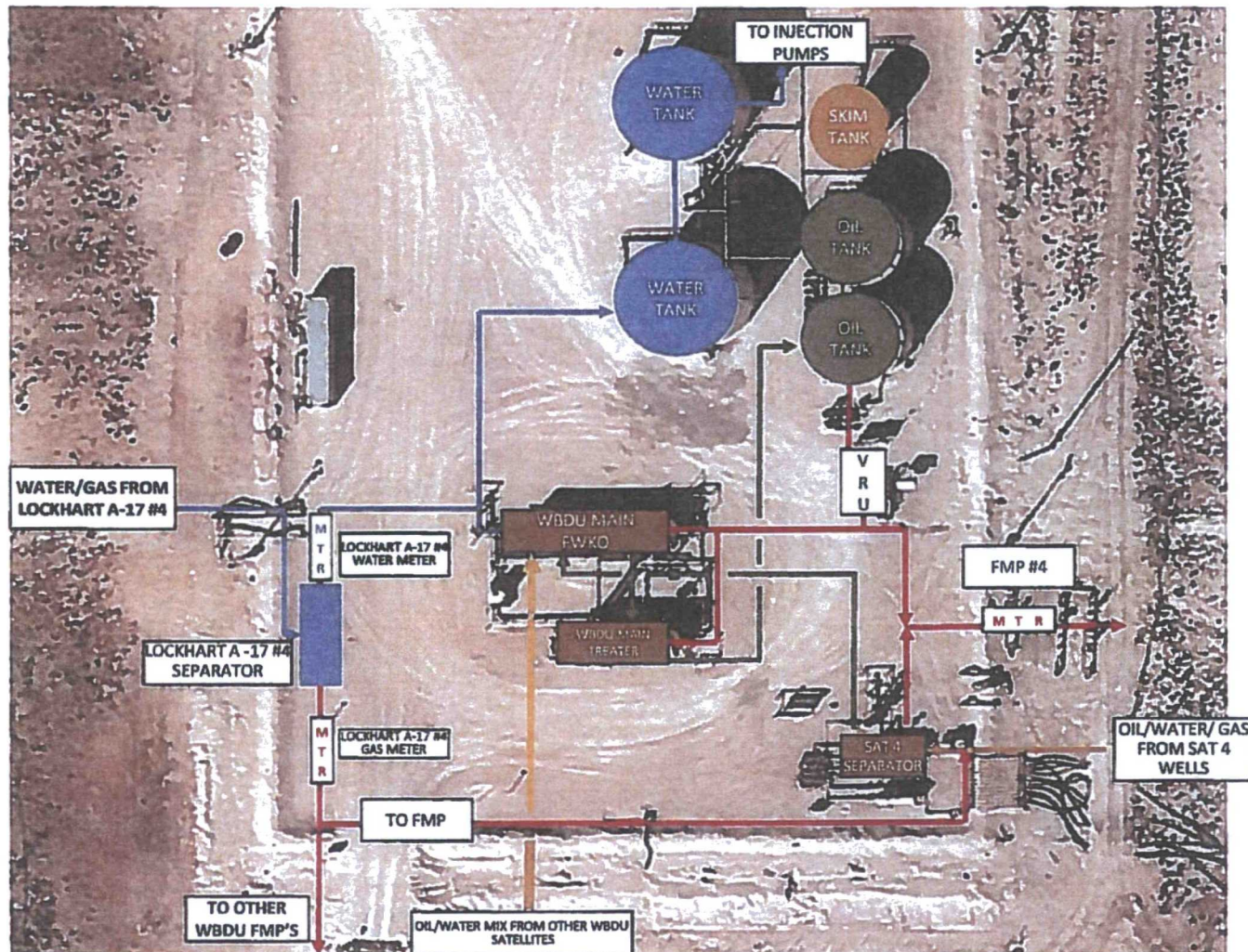
Well	API	Lease	Unit Letter	Section	Township	Range	Footages
WEST BLINEBRY DRINKARD UNIT #034	30-025-09909	NMNM 90161	C	9	21S	37E	660 FNL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #035	30-025-09910	NMNM 90161	L	9	21S	37E	1980 FSL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #036	30-025-09908	NMNM 90161	K	9	21S	37E	1980 FSL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #037	30-025-06439	NMNM 90161	P	9	21S	37E	660 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #038	30-025-09906	NMNM 90161	O	9	21S	37E	660 FSL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #039	30-025-06441	NMNM 90161	M	9	21S	37E	660 FSL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #040	30-025-06433	NMNM 90161	P	8	21S	37E	660 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #041	30-025-06434	NMNM 90161	I	8	21S	37E	1980 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #042	30-025-20178	NMNM 90161	I	9	21S	37E	1980 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #043	30-025-26601	NMNM 90161	N	8	21S	37E	660 FSL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #044	30-025-26266	NMNM 90161	K	8	21S	37E	2093 FSL, 1867 FWL
WEST BLINEBRY DRINKARD UNIT #045	30-025-36344	NMNM 90161	N	9	21S	37E	1040 FSL, 1470 FWL
WEST BLINEBRY DRINKARD UNIT #046	30-025-37020	NMNM 90161	J	8	21S	37E	1365 FSL, 1420 FEL
WEST BLINEBRY DRINKARD UNIT #047	30-025-37741	NMNM 90161	K	8	21S	37E	1332 FSL, 2629 FWL
WEST BLINEBRY DRINKARD UNIT #048	30-025-37742	NMNM 90161	I	8	21S	37E	1475 FSL, 80 FEL
WEST BLINEBRY DRINKARD UNIT #049	30-025-37743	NMNM 90161	J	9	21S	37E	1330 FSL, 2400 FEL
WEST BLINEBRY DRINKARD UNIT #050	30-025-37744	NMNM 90161	J	9	21S	37E	1440 FSL, 1332 FEL
WEST BLINEBRY DRINKARD UNIT #051	30-025-38197	NMNM 90161	O	9	21S	37E	185 FSL, 2460 FEL
WEST BLINEBRY DRINKARD UNIT #052	30-025-38198	NMNM 90161	O	9	21S	37E	190 FSL, 1461 FEL
WEST BLINEBRY DRINKARD UNIT #053	30-025-38199	NMNM 90161	I	9	21S	37E	2605 FSL, 1210 FEL
WEST BLINEBRY DRINKARD UNIT #054	30-025-38200	NMNM 90161	J	9	21S	37E	2620 FSL, 2510 FEL
WEST BLINEBRY DRINKARD UNIT #055	30-025-38521	NMNM 90161	I	8	21S	37E	2620 FSL, 20 FEL
WEST BLINEBRY DRINKARD UNIT #056	30-025-06621	BO-1732	H	16	21S	37E	1980 FNL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #057	30-025-06623	BO-1732	A	16	21S	37E	660 FNL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #058	30-025-06625	BO-1557	E	16	21S	37E	1980 FNL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #059	30-025-06626	BO-1557	F	16	21S	37E	1980 FNL, 3300 FEL
WEST BLINEBRY DRINKARD UNIT #060	30-025-06628	BO-1557	C	16	21S	37E	720 FNL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #061	30-025-06629	BO-1557	D	16	21S	37E	660 FNL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #062	30-025-36305	BO-1557	D	16	21S	37E	1240 FNL, 1270 FWL
WEST BLINEBRY DRINKARD UNIT #063	30-025-38267	BO-1557	D	16	21S	37E	110 FNL, 1195 FWL
WEST BLINEBRY DRINKARD UNIT #064	30-025-38268	BO-1557	F	16	21S	37E	1330 FNL, 2440 FWL
WEST BLINEBRY DRINKARD UNIT #065	30-025-06642	FEE	B	17	21S	37E	330 FNL, 1650 FEL
WEST BLINEBRY DRINKARD UNIT #068	30-025-38411	NMLC 032096A	H	17	21S	37E	2630 FNL, 1310 FEL
WEST BLINEBRY DRINKARD UNIT #069	30-025-38204	NMLC 032096A	I	17	21S	37E	2630 FSL, 120 FEL
WEST BLINEBRY DRINKARD UNIT #070	30-025-38205	NMLC 032096A	A	17	21S	37E	110 FNL, 180 FEL
WEST BLINEBRY DRINKARD UNIT #071	30-025-38206	NMLC 032096A	A	17	21S	37E	1240 FNL, 40 FEL

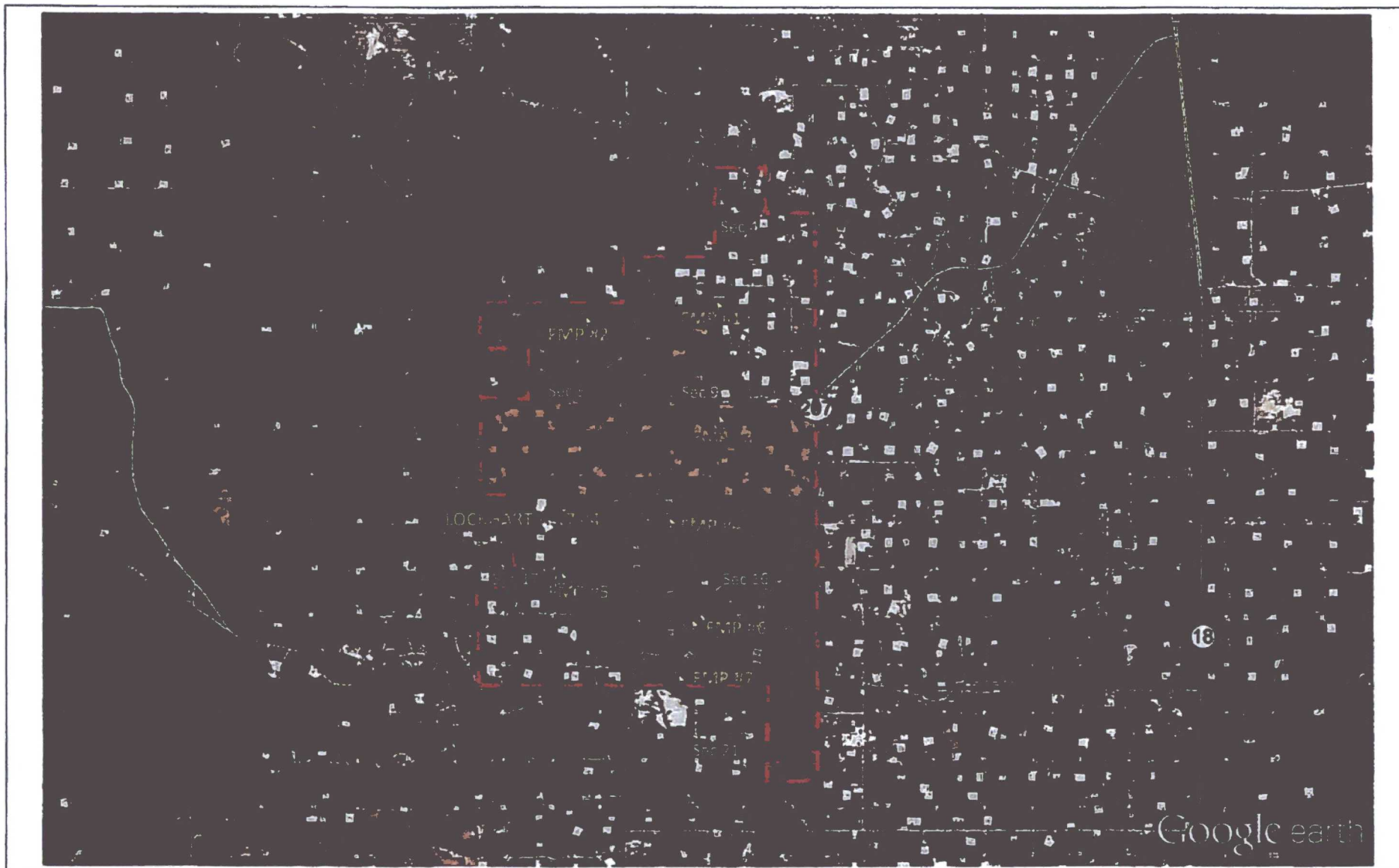
Well	API	Lease	Unit Letter	Section	Township	Range	Footages
WEST BLINEBRY DRINKARD UNIT #072	30-025-06645	FEE	J	17	21S	37E	1980 FSL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #073	30-025-06646	FEE	G	17	21S	37E	1980 FNL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #074	30-025-06647	FEE	K	17	21S	37E	2058 FSL, 2053 FWL
WEST BLINEBRY DRINKARD UNIT #075	30-025-06615	BO-0085	L	16	21S	37E	1980 FSL, 660 FWL
WEST BLINEBRY DRINKARD UNIT #076	30-025-06616	BO-0085	K	16	21S	37E	1980 FSL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #077	30-025-06618	BO-0085	J	16	21S	37E	1980 FSL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #078	30-025-06619	BO-0085	I	16	21S	37E	1980 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #079	30-025-37201	BO-0085	J	16	21S	37E	1650 FSL, 1650 FEL
WEST BLINEBRY DRINKARD UNIT #080	30-025-38220	BO-0085	L	16	21S	37E	2530 FSL, 1240 FWL
WEST BLINEBRY DRINKARD UNIT #081	30-025-38230	BO-0085	K	16	21S	37E	2630 FSL, 2610 FWL
WEST BLINEBRY DRINKARD UNIT #082	30-025-38231	BO-0085	J	16	21S	37E	2630 FSL, 1360 FEL
WEST BLINEBRY DRINKARD UNIT #083	30-025-38414	BO-0085	L	16	21S	37E	1510 FSL, 1280 FWL
WEST BLINEBRY DRINKARD UNIT #084	30-025-38415	BO-0085	K	16	21S	37E	1330 FSL, 2630 FWL
WEST BLINEBRY DRINKARD UNIT #085	30-025-06652	FEE	P	17	21S	37E	660 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #087	30-025-06643	FEE	N	17	21S	37E	660 FSL, 1980 FWL
WEST BLINEBRY DRINKARD UNIT #088	30-025-06632	BO-8105	O	16	21S	37E	660 FSL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #089	30-025-06633	BO-8105	P	16	21S	37E	660 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #090	30-025-06634	BO-8105	P	16	21S	37E	330 FSL, 330 FEL
WEST BLINEBRY DRINKARD UNIT #091	30-025-20311	BO-8105	O	16	21S	37E	330 FSL, 1650 FEL
WEST BLINEBRY DRINKARD UNIT #092	30-025-37535	BO-8105	O	16	21S	37E	910 FSL, 1330 FEL
WEST BLINEBRY DRINKARD UNIT #093	30-025-37536	BO-8105	O	16	21S	37E	330 FSL, 2610 FEL
WEST BLINEBRY DRINKARD UNIT #094	30-025-37537	BO-8105	N	16	21S	37E	330 FSL, 1330 FWL
WEST BLINEBRY DRINKARD UNIT #095	30-025-06716	NMLC 032591A	A	21	21S	37E	660 FNL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #098	30-025-39119	BO-1732-0001	B	16	21S	37E	1260 FNL, 1330 FEL
WEST BLINEBRY DRINKARD UNIT #099	30-025-39287	FEE	J	4	21S	37E	2310 FSL, 1450 FEL
WEST BLINEBRY DRINKARD UNIT #100	30-025-39708	FEE	N	4	21S	37E	760 FSL, 2630 FWL
WEST BLINEBRY DRINKARD UNIT #101	30-025-40270	NMLC 031741A	D	9	21S	37E	440 FNL, 330 FWL
WEST BLINEBRY DRINKARD UNIT #102	30-025-40271	NMLC 031741A	B	8	21S	37E	400 FNL, 1400 FEL
WEST BLINEBRY DRINKARD UNIT #103	30-025-39276	FEE	N	4	21S	37E	910 FSL, 1470 FWL
WEST BLINEBRY DRINKARD UNIT #104	30-025-40272	NMLC 031741A	G	8	21S	37E	1331 FNL, 1330 FEL
WEST BLINEBRY DRINKARD UNIT #105	30-025-40480	NMLC 031741A	C	8	21S	37E	330 FNL, 2550 FWL
WEST BLINEBRY DRINKARD UNIT #106	30-025-39407	NMNM 90161	J	8	21S	37E	2310 FSL, 2310 FEL
WEST BLINEBRY DRINKARD UNIT #107	30-025-40481	NMLC 031741A	C	8	21S	37E	330 FNL, 1650 FWL
WEST BLINEBRY DRINKARD UNIT #108	30-025-40273	NMNM 90161	K	8	21S	37E	1330 FSL, 1650 FWL
WEST BLINEBRY DRINKARD UNIT #109	30-025-39733	FEE	B	17	21S	37E	130 FNL, 2260 FEL
WEST BLINEBRY DRINKARD UNIT #110	30-025-39494	FEE	P	4	21S	37E	140 FSL, 330 FEL

Well	API	Lease	Unit Letter	Section	Township	Range	Footages
WEST BLINEBRY DRINKARD UNIT #111	30-025-40363	FEE	H	9	21S	37E	1600 FNL, 330 FEL
WEST BLINEBRY DRINKARD UNIT #112	30-025-39442	NMNM 90161	P	9	21S	37E	1295 FSL, 330 FEL
WEST BLINEBRY DRINKARD UNIT #113	30-025-39277	BO-1732-0001	A	16	21S	37E	1290 FNL, 330 FEL
WEST BLINEBRY DRINKARD UNIT #114	30-025-39963	BO-8105-004	P	16	21S	37E	1200 FSL, 330 FEL
WEST BLINEBRY DRINKARD UNIT #115	30-025-39300	BO-8105-004	P	16	21S	37E	280 FSL, 740 FEL
WEST BLINEBRY DRINKARD UNIT #117	30-025-39278	FEE	B	17	21S	37E	1115 FNL, 2310 FEL
WEST BLINEBRY DRINKARD UNIT #118	30-025-39709	FEE	J	17	21S	37E	2330 FSL, 2430 FEL
WEST BLINEBRY DRINKARD UNIT #119	30-025-39279	FEE	K	17	21S	37E	1365 FSL, 2630 FWL
WEST BLINEBRY DRINKARD UNIT #120	30-025-39710	FEE	O	17	21S	37E	400 FSL, 2630 FEL
WEST BLINEBRY DRINKARD UNIT #121	30-025-39986	FEE	P	17	21S	37E	330 FSL, 1310 FEL
WEST BLINEBRY DRINKARD UNIT #122	30-025-39171	FEE	K	17	21S	37E	1330 FSL, 1650 FWL
WEST BLINEBRY DRINKARD UNIT #123	30-025-39172	FEE	J	17	21S	37E	1450 FSL, 1350 FEL
WEST BLINEBRY DRINKARD UNIT #124	30-025-40274	NMNM 90161	P	8	21S	37E	170 FSL, 1180 FEL
WEST BLINEBRY DRINKARD UNIT #125	30-025-39987	FEE	B	17	21S	37E	1190 FNL, 1330 FEL
WEST BLINEBRY DRINKARD UNIT #126	30-025-39958	FEE	P	17	21S	37E	1310 FSL, 120 FEL
WEST BLINEBRY DRINKARD UNIT #127	30-025-39381	NMLC 032591A	A	21	21S	37E	755 FNL, 990 FEL
WEST BLINEBRY DRINKARD UNIT #128	30-025-39964	FEE	J	4	21S	37E	1435 FSL, 2310 FEL
WEST BLINEBRY DRINKARD UNIT #129	30-025-39280	FEE	P	17	21S	37E	330 FSL, 110 FEL
WEST BLINEBRY DRINKARD UNIT #130	30-025-42495	NMLC 032096A	A	17	21S	37E	780 FNL, 540 FEL
WEST BLINEBRY DRINKARD UNIT #131	30-025-39965	FEE	15	4	21S	37E	3630 FSL, 2310 FEL
WEST BLINEBRY DRINKARD UNIT #133	30-025-40275	NMLC 031741A	M	4	21S	37E	910 FSL, 330 FWL
WEST BLINEBRY DRINKARD UNIT #135	30-025-40276	NMNM 90161	N	8	21S	37E	400 FSL, 1650 FWL
WEST BLINEBRY DRINKARD UNIT #136	30-025-39988	FEE	K	17	21S	37E	2310 FSL, 1650 FWL
WEST BLINEBRY DRINKARD UNIT #137	30-025-39574	FEE	O	4	21S	37E	680 FSL, 2130 FEL
WEST BLINEBRY DRINKARD UNIT #138	30-025-06396	FEE	P	4	21S	37E	660 FSL, 660 FEL
WEST BLINEBRY DRINKARD UNIT #139	30-025-39989	FEE	N	17	21S	37E	550 FSL, 1650 FWL
WEST BLINEBRY DRINKARD UNIT #140	30-025-40695	NMLC 031741A	G	8	21S	37E	1330 FNL, 2310 FEL
WEST BLINEBRY DRINKARD UNIT #142	30-025-41262	NMNM 90161	P	9	21S	37E	205 FSL, 535 FEL
WEST BLINEBRY DRINKARD UNIT #144H	30-025-40429	FEE	B	17	21S	37E	800 FNL, 2100 FEL
WEST BLINEBRY DRINKARD UNIT #145	30-025-43229	NMLC 032096A	H	17	21S	37E	1780 FNL, 940 FEL
WEST BLINEBRY DRINKARD UNIT #152	30-025-41543	BO-8105-004	M	16	21S	37E	820 FSL, 820 FWL
WEST BLINEBRY DRINKARD UNIT #154	30-025-41549	BO-8105-004	N	16	21S	37E	895 FSL, 1810 FWL
WEST BLINEBRY DRINKARD UNIT #164	30-025-42537	BO-1732-0001	H	16	21S	37E	2610 FNL, 300 FEL
WEST BLINEBRY DRINKARD UNIT #166	30-025-43125	BO-1557-0002	F	16	21S	37E	1345 FNL, 1815 FWL
WEST BLINEBRY DRINKARD UNIT #167	30-025-43126	BO-1732-0001	B	16	21S	37E	1310 FNL, 1920 FEL
WEST BLINEBRY DRINKARD UNIT #168	30-025-41548	FEE	G	16	21S	37E	1860 FNL, 2230 FEL

Well	API	Lease	Unit Letter	Section	Township	Range	Footages
WEST BLINEBRY DRINKARD UNIT #175	30-025-43127	BO-1557-0002	C	16	21S	37E	125 FNL, 2205 FWL
WEST BLINEBRY DRINKARD UNIT #176	30-025-43222	NMNM 90161	O	9	21S	37E	260 FSL, 1875 FEL
WEST BLINEBRY DRINKARD UNIT #178	30-025-41547	FEE	B	16	21S	37E	520 FNL, 2095 FEL
WEST BLINEBRY DRINKARD UNIT #179	30-025-43528	BO-8105-0004	O	16	21S	37E	770 FSL, 1740 FEL
WEST BLINEBRY DRINKARD UNIT #180	30-025-43529	FEE	O	17	21S	37E	784 FSL, 2061 FEL
WEST BLINEBRY DRINKARD UNIT #182	30-025-43530	FEE	G	17	21S	37E	1834 FNL, 1980 FEL
WEST BLINEBRY DRINKARD UNIT #183	30-025-43780	NMNM 90161	N	8	21S	37E	730 FSL, 2215 FWL
WEST BLINEBRY DRINKARD UNIT #184	30-025-43804	NMNM 90161	K	8	21S	37E	1820 FSL, 2300 FWL
WEST BLINEBRY DRINKARD UNIT #185	30-025-42493	NMNM 90161	O	8	21S	37E	695 FSL, 1760 FEL
WEST BLINEBRY DRINKARD UNIT #188	30-025-42569	NMNM 90161	N	9	21S	37E	640 FSL, 2170 FWL
WEST BLINEBRY DRINKARD UNIT #192	30-025-42494	NMNM 90161	J	8	21S	37E	1865 FSL, 1985 FEL
WEST BLINEBRY DRINKARD UNIT #195	30-025-43043	NMNM 90161	F	9	21S	37E	2585 FNL, 1965 FWL
WEST BLINEBRY DRINKARD UNIT #196	30-025-42649	FEE	G	9	21S	37E	1770 FNL, 2595 FEL
WEST BLINEBRY DRINKARD UNIT #201	30-025-41871	FEE	G	9	21S	37E	2380 FNL, 2540 FEL
WEST BLINEBRY DRINKARD UNIT #202	30-025-41872	FEE	G	9	21S	37E	2040 FNL, 1410 FEL
WEST BLINEBRY DRINKARD UNIT #205	30-025-43044	NMNM 90161	C	9	21S	37E	1310 FNL, 1970 FWL
WEST BLINEBRY DRINKARD UNIT #206	30-025-41873	FEE	H	9	21S	37E	1570 FNL, 565 FEL
WEST BLINEBRY DRINKARD UNIT #210	30-025-41874	FEE	B	9	21S	37E	650 FNL, 2570 FEL
WEST BLINEBRY DRINKARD UNIT #211	30-025-41875	FEE	A	9	21S	37E	510 FNL, 1310 FEL
WEST BLINEBRY DRINKARD UNIT #214	30-025-41876	FEE	O	4	21S	37E	100 FSL, 2040 FEL
WEST BLINEBRY DRINKARD UNIT #220	30-025-43172	NMNM 90161	I	9	21S	37E	1370 FSL, 850 FEL
WEST BLINEBRY DRINKARD UNIT #221	30-025-42496	NMLC 032096A	I	17	21S	37E	2300 FSL, 500 FEL
WEST BLINEBRY DRINKARD UNIT #238	30-025-42881	NMLC 032591A	I	21	21S	37E	2315 FSL, 580 FEL
WEST BLINEBRY DRINKARD UNIT #239	30-025-43045	NMNM 90161	I	9	21S	37E	2335 FSL, 215 FEL
WEST BLINEBRY DRINKARD UNIT #241	30-025-41880	FEE	P	4	21S	37E	735 FSL, 1300 FEL
WEST BLINEBRY DRINKARD UNIT #242	30-025-43046	NMNM 90161	C	9	21S	37E	1270 FNL, 2500 FWL
WEST BLINEBRY DRINKARD UNIT #243	30-025-42882	NMLC 032591A	I	21	21S	37E	2315 FSL, 505 FEL
WEST BLINEBRY DRINKARD UNIT #244	30-025-43223	NMNM 90161	K	9	21S	37E	1765 FSL, 1555 FWL

WBDU CENTRAL BATTERY PLOT PLAN





DATE: 5/20/2017

PREPARED BY:
D. JARRETT

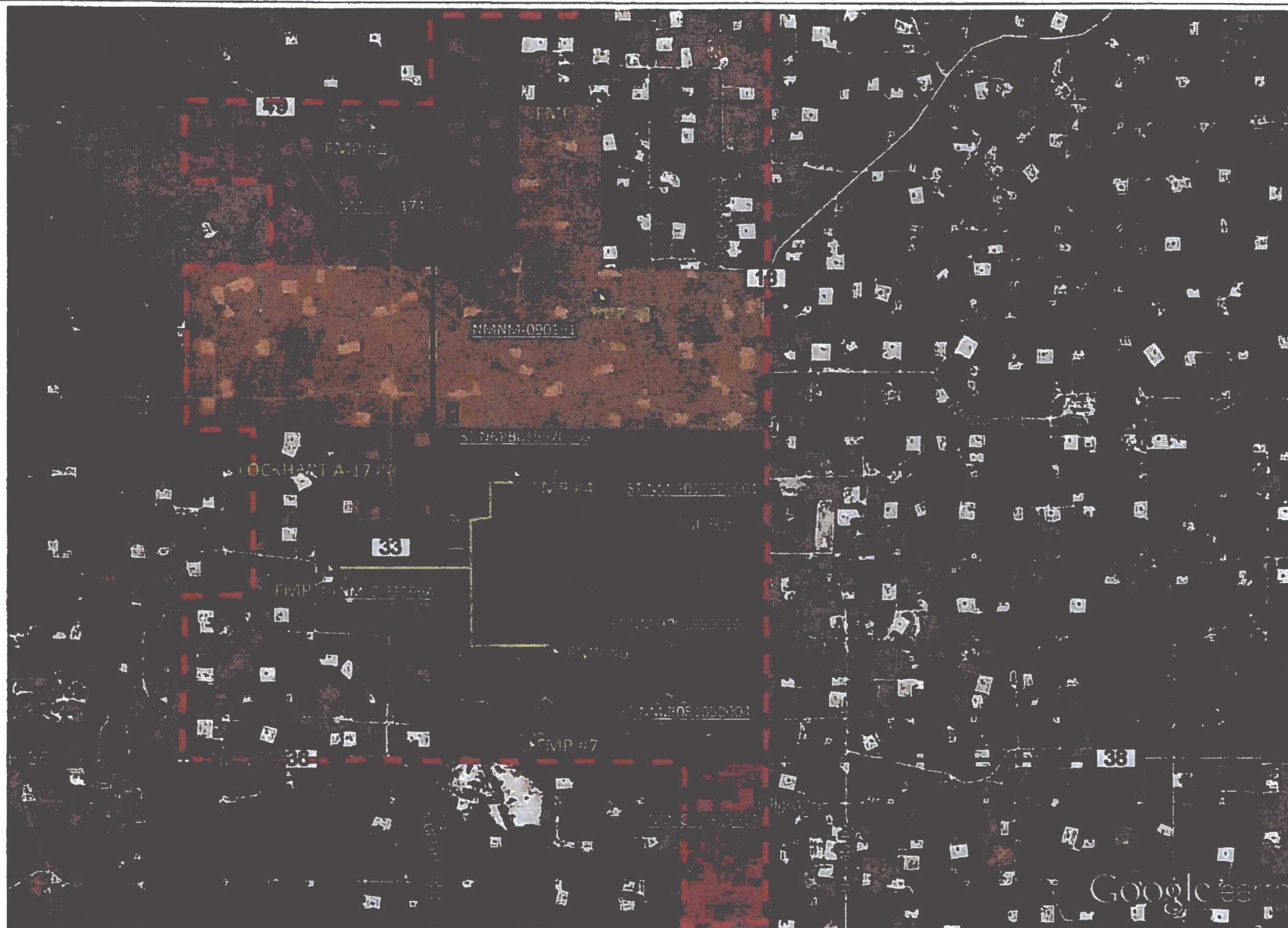


WBDU NMNM-120042X LOCKHART A-17 #4

Township 21 South – Range 37 East, NMPM Lea County, New Mexico
 Section 4: Lot 15; SE/4; S/2 SW/4
 Section 8: E/2; NE/4 NW/4; E/2 SW/4
 Section 9: ALL
 Section 16: ALL
 Section 17: E/2; E/2 SW/4
 Section 21: E/2 NE/4

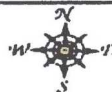
Apache

PERMIAN OFFICE
 303 Veterans Airpark Ln #1000
 Midland, TX 79705
 Phone:(432) 818-1000



DATE: 5/20/2017

PREPARED BY
D. JARRETT



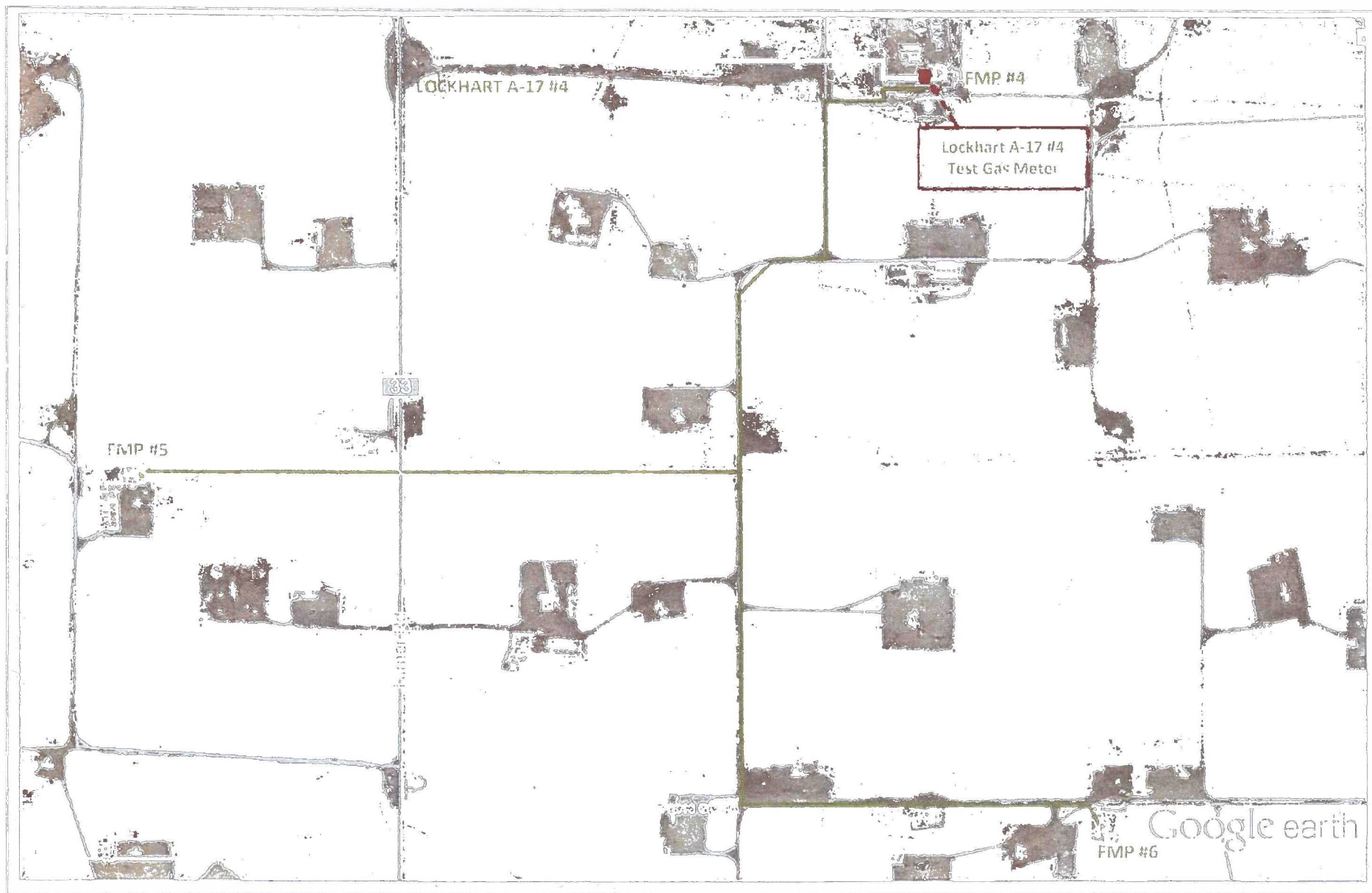
FEDERAL - STATE OF NEW MEXICO OIL & GAS LEASES

NMLC - 31741A
NMNM - 90161
NMLC - 32096A
NMLC - 32591A

ST NM B01557-02
ST NM B01732-01
ST NM B08500-16
ST NM B81050-04

Apache

PERMIAN OFFICE
303 Veterans Airpark Ln #1000
Midland, TX 79705
Phone (432) 818-1000



DATE 5/22/2017
PREPARED BY D. JANNETT

APACHE respectfully requests permission for a variance from Onshore Order 5 for gas measurement. On a monthly basis, Apache will measure Lockhart A-17 #4 (NENE of Sec. 17, T21S, 37E; NMLC032096A) gas through a digital readout test meter (SN 20020734), dilute it with WBDU gas (NMNM120042X), and then sell it through a WBDU FMP. The Lockhart gas will be allocated by subtracting gas measured by the digital readout test meter from the sales volume at the FMP.

PETROLEUM OFFICE 808 Veterans Airport Ln #200 Midland, TX 79705 Phone: (409) 537-0330

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 11:07 AM

Page 1 of 3

Run Date: 05/17/2017

01 02-25-1920;041STAT0437;30USC226

Case Type 310771: O&G EXCHANGE LEASE - PD

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres

120.000

Serial Number

NMLC-- 0 032096A

Serial Number: NMLC-- 0 032096A

Name & Address			Int Rel	% Interest
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	OPERATING RIGHTS	0.000000000
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	LESSEE	50.000000000
CHEVRON USA INC	6301 DEAUVILLE	MIDLAND TX 797062964	LESSEE	25.000000000
CONOCOPHILLIPS CO	550 WESTLAKE PARK BLVD	HOUSTON TX 77079	OPERATING RIGHTS	0.000000000
CONOCOPHILLIPS CO	PO BOX 7500	BARTLESVILLE OK 740057500	OPERATING RIGHTS	0.000000000
SIX AECHES CO	BOX 481	MIDLAND TX 797020481	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	OPERATING RIGHTS	0.000000000
ZPZ DELAWARE I LLC	2000 POST OAK BLVD STE 100	HOUSTON TX 770564497	LESSEE	25.000000000

Serial Number: NMLC-- 0 032096A

Mer Twp Rng Sec	STyp	SNr Suff	Subdivision	District/Field Office	County	Mgmt Agency
23 02105 0370E 017	ALIQ		E2NE,NESE;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Relinquished/Withdrawn Lands

Serial Number: NMLC-- 0 032096A

23 02105 0370E 735	FF	NWNW,E2NW SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 02105 0370E 717	FF	W2SW SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT
23 02105 0370E 727	FF	N2 SEGR;	CARLSBAD FIELD OFFICE	LEA	BUREAU OF LAND MGMT

Serial Number: NMLC-- 0 032096A

Act Date	Code	Action	Action Remark	Pending Office
04/06/1926	124	APLN RECD		
10/18/1937	237	LEASE ISSUED		
10/18/1937	496	FUND CODE	05;145003	
10/18/1937	650	HELD BY PROD - ACTUAL		
10/18/1937	658	MEMO OF 1ST PROD-ACTUAL		
10/18/1937	868	EFFECTIVE DATE		
11/01/1956	246	LEASE COMMITTED TO CA	3455	
11/15/1956	102	NOTICE SENT-PROD STATUS		
10/01/1957	237	LEASE ISSUED		
10/01/1957	549	RLTY RATE 12.5-25% SCH C	/A/	
10/01/1957	868	EFFECTIVE DATE		
10/19/1963	909	BOND ACCEPTED	EFF 09/27/63;ES0085	
08/10/1966	940	NAME CHANGE RECOGNIZED	ATL RFG/ATL RICHFIELD	
07/01/1969	246	LEASE COMMITTED TO CA	SW-59	
03/19/1971	940	NAME CHANGE RECOGNIZED	PAN AMER PETRO/AMOCO	
04/06/1978	817	MERGER RECOGNIZED	CHEVRON ASPHALT/USA	
04/06/1978	817	MERGER RECOGNIZED	CHEVRON USA/OIL	
04/06/1978	940	NAME CHANGE RECOGNIZED	CHEVRON OIL/USA INC	
01/16/1979	909	BOND ACCEPTED	EFF 11/16/78;NM0110	
09/30/1979	522	CA TERMINATED	SW-59 EB	
10/24/1979	940	NAME CHANGE RECOGNIZED	CONTL OIL/CONOCO INC	
01/01/1985	522	CA TERMINATED	CA-3455	
07/16/1985	963	CASE MICROFILMED/SCANNED	CNUM 107,100 AC	
09/13/1985	817	MERGER RECOGNIZED	ATL RICHFIELD PA/DE	
12/23/1987	974	AUTOMATED RECORD VERIF	SSP/LO	
03/23/1990	932	TRF OPER RGTS FILED	HEDRICK/STX AECHES CO	

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

**DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page**

Run Time: 11:00 AM

Page 1 of 2

Run Date: 05/17/2017

01 02-25-1920;041STAT0437;30USC181

Case Type 318220: O&G SECONDARY UNIT

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED

Total Acres

2,480.000

Serial Number

NMNM-- - 120042X

Name & Address			Serial Number: NMNM-- - 120042X	Int Rel	% Interest
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	OPERATOR		100.000000000
BLM CARLSBAD FO	620 E GREENE ST	CARLSBAD NM 88220	OFFICE OF RECORD		0.000000000

Serial Number: NMNM-- - 120042X						
Mer Twp	Rng	Sec	STyp	SNr Suff	Subdivision	District/Field Office
23	02105	0370E	004	ALIQ	SE,S2SW;	CARLSBAD FIELD OFFICE
23	02105	0370E	004	LOTS	15;	CARLSBAD FIELD OFFICE
23	02105	0370E	008	ALIQ	E2,NENW,E2SW;	CARLSBAD FIELD OFFICE
23	02105	0370E	009	ALIQ	ALL;	CARLSBAD FIELD OFFICE
23	02105	0370E	016	ALIQ	ALL;	CARLSBAD FIELD OFFICE
23	02105	0370E	017	ALIQ	E2,E2SW;	CARLSBAD FIELD OFFICE
23	02105	0370E	021	ALIQ	E2NE;	CARLSBAD FIELD OFFICE

Serial Number: NMNM-- - 120042X				
Act Date	Code	Action	Action Remark	Pending Office
01/24/2008	387	CASE ESTABLISHED	DESIGNATION REC'D;	
01/24/2008	500	GEOGRAPHIC NAME	W BLINEBRY DRINKARD;	
02/27/2008	519	AGRMT/EXPANSION DESIG	AGREEMENT;	
02/27/2008	974	AUTOMATED RECORD VERIF	ACS;	
09/01/2008	334	AGRMT APPROVED		
09/01/2008	516	FORMATION	BLINEBRY/TUBB/DRINKAR	
09/01/2008	525	ACRES-NONFEDERAL	640.00; 25.81% STATE	
09/01/2008	525	ACRES-NONFEDERAL	680.00; 27.42% FEE	
09/01/2008	526	ACRES-FED INT 100%	1160.00; 46.77%	
09/01/2008	868	EFFECTIVE DATE	09/01/2008	

Serial Number: NMNM-- - 120042X				
Line Nr	Remarks			
0001	EXHIBIT B-3 EFFECTIVE 09/01/2008			
0002	LEASE SERIAL NO TR# PH 1 % PH 2 % PH 3 %			
0003	NMLC 0 31741A	1	6.30032	6.29076
0004	NMNM 90161	2	30.38117	27.27194
0005	NMLC 0 32096A	3	3.19013	3.27494
0006	NMLC 0 32591A	4	0.41893	5.65016
0007	STATE	5	11.01977	7.47837
0008	STATE	6	6.07217	6.83058
0009	STATE	7	10.34503	6.29076
0010	STATE	8	8.16665	10.97643
0011	FEE	9	4.01219	1.03646
0012	FEE	10	16.2133	16.20914
0013	FEE	11	3.04426	3.74278
0014	FEE	12	0.05754	2.11611
0015	FEE	13A	0.00000	1.18689

NO WARRANTY IS MADE BY BLM FOR USE OF THE DATA FOR PURPOSES NOT INTENDED BY BLM

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASE RECORDATION
(MASS) Serial Register Page

Run Time: 11:00 AM

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Run Date: 05/17/2017

0016	FEE	13B	0.06252	0.38507
0017	FEE	14A	0.00000	0.74856
0018	FEE	14B	0.19815	0.51103
0019	TR1, 21S, 37E, S4: SWSW, S8: NE, NWNE, S9: W2NW			
0020	TR2, 21S, 37E, S8: E2SW, SE, S9: E2NW, S2			
0021	TR3, 21S, 37E, S17: E2NE, NESE			
0022	TR4, 21S, 37E, S21: E2NE			
0023	TR5, 21S, 37E, S16: NW			
0024	TR6, 21S, 37E, S16: NE			
0025	TR7, 21S, 37E, S16: N2S2			
0026	TR8, 21S, 37E, S16: S2S2			
0027	TR9, 21S, 37E, S4: L15, NESE			
0028	TR10, 21S, 37E, S17: SWNE, NESW, NWSE			
0029	T11, 21S, 37E, S17: NWNE			
0030	TR12, 21S, 37E, S17: S2SE			
0031	TR13A, 21S, 37E, S17:			
0032	TR13B, 21S, 37E, S17: SESW			
0033	TR14A, 21S, 37E, S17:			
0034	TR14B, 21S, 37E, S17:			

Chevron USA Inc
Attn: NOJV Group
PO Box 2100
Houston, TX 77252

John P. Searls &
Susan Searls Collier
P.O. Box 4023
Odessa, Texas 79760-4023

Linda and Robert Neidert
9307 Raleigh
Lubbock, TX 79424

Campbell Estate Partnership
& Osado Oil & Gas Ltd
Attn: Austen S Campbell
PO Box 11086
Midland, Texas 79702

Six Aeches Company
P. O. Box 1327
Edmond, Oklahoma 73083-1327

WBDU

**Certified Mail Out sent 1/9/15
MGC**

Chevron
Certified #70131710000179131383

John Searls & Susan S. Collier
Cert.# 70131710000179131390

Linda Neidert
Cert# 70131710000179131406

Six Aeches Company
Cert.# 70131710000179131420

Campbell Estate Partnership &
Osado Oil & Gas LTD
Cert# 70131710000179131413

January 8, 2015

Working Interest Owners

RE: West Blinbry Drinkard Unit ("WBDU")
WBDU #67WSW Facility AFE
Section 17, T21S, R37E
Lea County, New Mexico

Dear Working Interest Owners,

Apache Corporation ("Apache") proposes to equip the WBDU #67WSW water source well with a two-phase separator to separate dissolved natural gas (approximately 200 MCFD) from the source water produced by the well from the San Andres formation (approximately 12,000 BWPD). While the well will remain a water source well for the WBDU, in order to maintain regulatory and legal compliance and correctly allocate the gas production from this well to the San Andres formation, the well will have to be removed from the Unit, re-designated as the Lockhart A-17 #4 and its regulatory status changed from a water source well to a gas well producing from the Eunice; San Andres, North (Gas) pool.

The separated gas will be metered and sold into a sales line, which will be located at the WBDU central battery in Section 16, for the benefit of the Lockhart A-17 interest owners, while the de-gassed water will flow to the WBDU injection facility and continue to be used as critically needed source water for the WBDU waterflood.

This project is also necessary from a safety, environment, and operational perspective; as otherwise, the slightly sour gas produced by this well would be vented to atmosphere from the WBDU produced water tanks when the well is in operation.

The WBDU working interest owners will continue to assume the operating costs for this well, given the WBDU derives the primary benefit from this well. The well is currently shut-in awaiting the completion of this project. The source water volumes supplied by this well are critically needed to support the expansion of the WBDU waterflood.

Accordingly, enclosed for your review is a copy of Apache's AFE No. 11-14-4420 showing estimated costs of \$90,420 to perform the proposed work. Should Apache receive necessary partner approval to equip the well with the two phase separator, the well will be reactivated and WBDU will continue to receive source water to support the WBDU waterflood.

Apache further requests your approval to remove the well from the Unit and re-designate the well as the Lockhart A-17 #4 as proposed above.

Page 2 – WBDU #67WSW

January 8, 2015

Please evidence your election of Apache's proposal set forth above by executing in the space provided below, and should you elect to approve Apache's proposal, please also execute a copy of the AFE, returning same to the undersigned, as soon as reasonably possible, using the enclosed, pre-paid, self-addressed envelope provided for your convenience.

Should you have any questions, please do not hesitate to contact the undersigned at (432) 818-1871.

Sincerely,

APACHE CORPORATION



Casey Addison

Landman

(432) 818-1197 fax

Casey.Addison@apachecorp.com

_____ The undersigned hereby **APPROVES** Apache's proposal to reactivate and equip the WBDU #67WSW with a two phase separator in order to allocate and sell separated gas and send de-gassed water to the WBDU injection facility to benefit the WBDU waterflood. Further, the undersigned acknowledges that the wellbore will be re-designated as the Lockhart A-17 #4 well and the regulatory status of the well will be changed from a water source well to a gas well producing from the Eunice; San Andres, North (Gas) pool. (Please execute a copy of the AFE and return with your election)

_____ The undersigned hereby **DISAPPROVES** Apache's proposal as set forth above.

By: _____

Title: _____

Date: _____

Apache

May 5, 2016

Bureau of Land Management
Carlsbad Field Office
c/o Ed Fernandez
620 E. Greene St
Carlsbad, New Mexico 88220

Re: Letter to Clarify Gas Sales Value

Mr. Fernandez,

Apache Corporation would like to confirm that the commingle of Lockhart A17 #4 gas with WBDU (West Blinberry Drinkard Unit) Satellite 4 will not result in a decrease in sales value. The sale of gas strictly from Lockhart A17 #4 is not permitted because the composition does not meet pipeline specifications (see attached). Therefore, in order to operate the Lockhart A17 #4 to supply water to the WBDU and support the waterflood, the gas must be blended and sold with WBDU Satellite 4 produced gas.

If you have any question regarding the aforementioned, please do not hesitate contacting the undersigned at (432) 818-1912

Sincerely,
APACHE CORPORATION



Brad Yarbrough
Marketing Representative
brad.yarbrough@apachecorp.com

Attachment I - Combined Heating Value Worksheet

**Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Lockhart A 17 #4, West Blinebry Drinkard Unit,
3002506639
Leases NMLC0032096A and Unit Agreement - NMNM120042X**

**Apache Corporation
June 21, 2017**

**Condition of Approval
Surface commingling and off lease measurement and sales of gas**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. Gas measurement for allocation must be measured as per Federal Regulations, AGA and API requirements for sales meters.
7. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per NTL-4A to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
8. This agency shall be notified of any change in sales method or location of sales point.
9. Additional wells and/or leases require additional commingling approvals.
10. Notify this office 24 Hrs. prior to any meter calibration/proving to allow time for an inspector to witness.