

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88201
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

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NOV 06 2009

HOBBSOCD

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

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Apache Corporation 6120 S Yale Ave, Suite 1500 Tulsa, OK 74136		² OGRID Number 873
³ Property Code 22879	⁴ Property Name Owen B	⁵ API Number 30 - 25-35638
⁹ Proposed Pool 1 Penrose Skelly; Grayburg		⁸ Well No. 10
⁹ Proposed Pool 1		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no M	Section 34	Township 21S	Range 37E	Lot Idn	Feet from the 1137	North/South line South	Feet from the 495	East/West line West	County Lea
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⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no L	Section 34	Township 21S	Range 37E	Lot Idn	Feet from the 2222	North/South line South	Feet from the 706	East/West line West	County Lea
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Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3444'
¹⁶ Multiple Yes	¹⁷ Proposed Depth 4180'	¹⁸ Formation Grayburg/Blinebry	¹⁹ Contractor Open	²⁰ Spud Date Open

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
NC					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

This well is currently producing from the Blinebry zone. Apache requests to recomple to Grayburg and downhole commingle both zones.

1. MIRU workover unit. POOH w/tbg and rods.
2. RIH w/bit and scraper and CO fill to PBTD @ 4180'.
3. Set CBP @ ~4000'.
4. Perf and stimulate the Grayburg formation.
5. CO fill. DO CBP.
6. TIH w/prod equipment. RWTP.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

Adding

See attached application to downhole commingle including allocations.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Amber Cooke

Printed name: Amber Cooke

Title Engineering Tech

E-mail Address: amber.cooke@apachecorp.com

Date 11/03/2009

Phone: 918.491.4968

OIL CONSERVATION DIVISION

Approved by:

PETROLEUM ENGINEER

Approval Date:

NOV 10 2009

Expiration Date:

Oil Conservation Division

Conditions of approval : Approval for drilling/workover ONLY--- CANNOT produce Downhole Commingled until DHC is approved in Santa Fe.

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-35638		2 Pool Code 50350		3 Pool Name Penrose Skelly; Grayburg		
4 Property Code 22879		5 Property Name Owen B			6 Well Number 10	
7 OGRID No. 873		8 Operator Name Apache Corporation			9 Elevation 3444'	

10 Surface Location

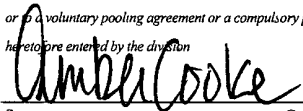
UL or lot no. M	Section 34	Township 21S	Range 37E	Lot Idn	Feet from the 1137	North/South line South	Feet from the 495	East/West line West	County Lea
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11 Bottom Hole Location If Different From Surface

UL or lot no. L	Section 34	Township 21S	Range 37E	Lot Idn	Feet from the 2222	North/South line South	Feet from the 706	East/West line West	County Lea
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12 Dedicated Acres 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16				17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>  11/03/2009 Signature Date Amber Cooke Printed Name	
706' Bottom hole 2222'				18 SURVEYOR CERTIFICATION <i>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 belief.</i>	
495' surface 1137'				Date of Survey Signature and Seal of Professional Surveyor	
				Certificate Number	

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-35638	² Pool Code 6660	³ Pool Name Blinebry Oil & Gas (Oil)	⁴ Well Number 10
⁵ Property Code 22879	⁶ Property Name Owen B		⁷ Elevation 3444'
⁸ OGRID No. 873	⁹ Operator Name Apache Corporation		

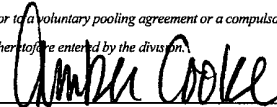
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	21S	37E		1137	South	495	West	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	34	21S	37E		2222	South	706	West	Lea
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. NSP-1823-C			

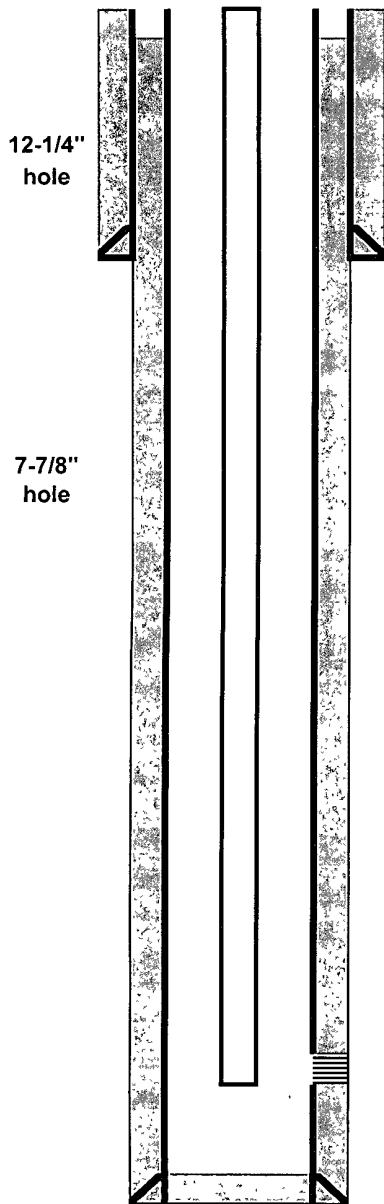
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div style="position: relative; height: 100px;"> 16 <div style="position: absolute; bottom: 0; left: 0; border: 1px solid black; padding: 5px;"> 706' 2222' 495' Bottom hole </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;">  11/03/2009 </p> <p>Signature _____ Date _____</p> <p>Amber Cooke</p> <p>Printed Name _____</p> </div>			
	<div style="border: 1px solid black; padding: 5px;"> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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 belief.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p> </div>			
	<div style="border: 1px solid black; padding: 5px;"> <p>¹⁹ SURFACE LOCATION</p> <p><i>I hereby certify that the surface 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 belief.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor _____</p> <p>Certificate Number _____</p> </div>			

Apache Corporation

Co. Rep Hal Hogsett
 Well Name Owen B Well No. 10
 Field Blinebry Oil and Gas
 API 30-025-35638
 County Lea
 State New Mexico
 Date 10/26/2009
 GL 3,444'
 KB 3,458'

Casing	O.D.	Grade	Wt	Depth	Sacks	TOC
Surf	8-5/8"	J-55	24#	1,130'	460	Surf
Inter						
Prod	5-1/2"	J-55	17#	6,036'	1,500	284'
Liner						



TOC @ surf

Depth	Description
5,058'	Marker Joint
5,952'	Float Collar
6,035'	Float Shoe

TOC @ 284'

2-7/8" tbg set @ 5,893'

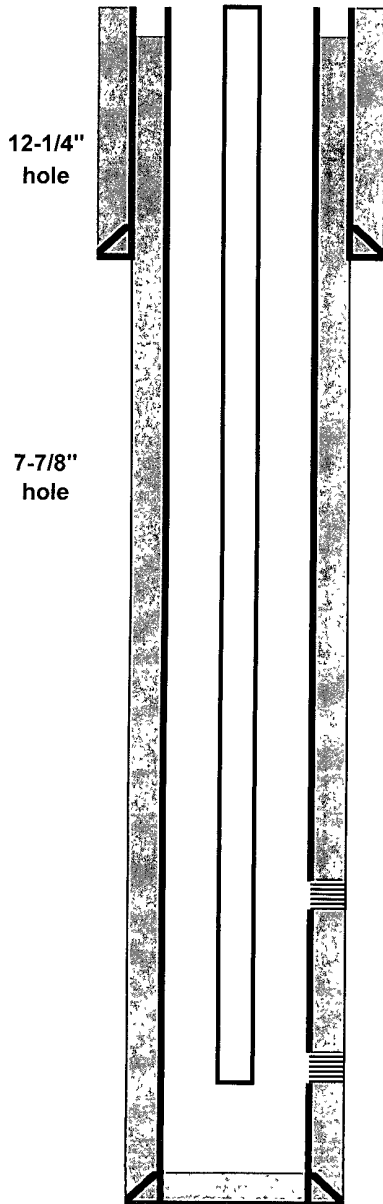
BL 5,606' - 5,853' (251 Shots)

PBTD @ 5,952' MD; 5,817' TVD
 TD @ 6,036' MD; 5,900' TVD

Apache Corporation

Co. Rep Hal Hogsett
 Well Name Owen B Well No. 10
 Field Blinebry Oil and Gas
 API 30-025-35638
 County Lea
 State New Mexico
 Date 10/26/2009
 GL 3,444'
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Liner						



TOC @ surf

Depth	Description
5,058'	Marker Joint
5,952'	Float Collar
6,035'	Float Shoe

TOC @ 284'

GB 3,800' - 3,950' PROPOSED

2-7/8" tbg set @ 5,893'

BL 5,606' - 5,853' (251 Shots)

PBTD @ 5,952' MD; 5,817' TVD
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Amend

Form C-107A
Revised June 10, 2003

APPLICATION TYPE
☒ Single Well
Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APPLICATION FOR DOWNHOLE COMMINGLING

Apache Corporation 6120 S Yale Ave, Suite 1500 Tulsa, OK 74136
Operator Address
Owen B 10 M 34 21S 37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 873 Property Code 22879 API No. 30-025-35638 Lease Type: ☐ Federal ☐ State ☒ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Penrose Skelly; Grayburg		Blinebry Oil & Gas (Oil) Gas
Pool Code	50350		6660 72480
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	3650'-3950' (Est Perf)		5606'-5853' (Perf)
Method of Production (Flowing or Artificial Lift)	Artificial Lift		Artificial Lift
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)	1370 psig		1695 psig
Oil Gravity or Gas BTU (Degree API or Gas BTU)	37.8 API		36.6 API
Producing, Shut-In or New Zone	New Zone		Producing
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.)	Date: 25 BOPD Rates: 100 BWPD 120 MCFPD	Date: Rates:	Date: 10/1/2009 Rates: 0 BOPD 0 BWPD 79 MCFPD
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 100 % Gas 60 %	Oil % Gas %	Oil 0 % Gas 40 %

ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes ☒ No ☐
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes ☐ No ☐
Are all produced fluids from all commingled zones compatible with each other? Yes ☒ No ☐
Will commingling decrease the value of production? Yes ☐ No ☒
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes ☐ No ☐
NMOCD Reference Case No. applicable to this well: _____

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 working, royalty and overriding royalty interests for uncommon interest cases.
Any additional statements, data or documents required to support commingling

PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

List of other orders approving downhole commingling within the proposed Pre-Approved Pools
List of all operators within the proposed Pre-Approved Pools
Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
Bottomhole pressure data

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

SIGNATURE Amber Cooke TITLE Engineering Tech DATE 11/3/2009

TYPE OR PRINT NAME Amber Cooke TELEPHONE NO. (918) 491.4968

E-MAIL ADDRESS amber.cooke@apachecorp.com