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WWW.APACHECORP.COM
Telephone (918) 491-4900

May 04, 2010

**Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240**

**RE: Application for Exception to Rule 303-C – Downhole Commingling
JG Hare #18
Unit K, Section 33, T-21-S, R-37-E
Blinebry Oil & Gas (Oil) and Tubb Oil & Gas (Oil)
Lea County, New Mexico**

Dear Mr. Kautz,

Enclosed please find form C-103 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

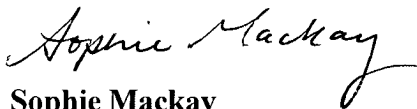
The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at (918) 491-4864.

Sincerely,

A handwritten signature in cursive script that reads "Sophie Mackay". The signature is written in black ink and is positioned above the printed name and title.

**Sophie Mackay
Engineering Technician**

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Blinbry	Tubb	Blinbry	Tubb	Blinbry	Tubb
STATE DC	1	3002506663	19F 21S 37E	19110		443906		6726	
L G WARLICK A	1	3002506664	19I 21S 37E	57859		1406533		4627	
L G WARLICK	1	3002506665	19H 21S 37E	38616		160835		77411	
L G WARLICK A	2	3002506666	19J 21S 37E	12602		1680817		2284	
GRAHAM STATE NCT I	1	3002506668	19O 21S 37E	11212		164308		102	
L G WARLICK	1	3002506669	19A 21S 37E	102444		1353592		272242	
STATE CK	1	3002506672	19N 21S 37E						
STATE CK	2	3002506673	19K 21S 37E	227063		445690		225839	
HARDY	2	3002506674	19P 21S 37E	150699		2591228		3717	
HARDY	5	3002506677	19O 21S 37E	170599		3240056		19757	
J G RANDLE	1	3002506680	20G 21S 37E	19232		985033		32995	
J G RANDLE A	1	3002506681	20F 21S 37E	7713		772233		34	
C L HARDY	2	3002506685	20N 21S 37E SE SE SW	13667		256571		3752	
C L HARDY	3	3002506686	20K 21S 37E	40446		849029		115810	
C L HARDY	5	3002506687	20L 21S 37E C NW SW	127303		3642897		16105	
DAYTON HARDY	2	3002506688	20I 21S 37E	14185	4231	206732	58991	12439	9682
DAYTON HARDY	3	3002506689	20J 21S 37E C NW SE	14341		213482		7721	
D C HARDY	4	3002506691	20O 21S 37E S2 SW SE		17855		2509		29021
ELLIOTT B	1	3002506692	20D 21S 37E	17798		140590		8636	
J G RANDLE	1	3002506693	20E 21S 37E	26690		694051		8291	
D C HARDY	5	3002506694	20P 21S 37E NW SE SE	71277		5906079		12717	
ANDERSON	1	3002506695	21I 21S 37E	20525	11180	666487	1716739	325	789
ANDERSON	1	3002506696	21I 21S 37E C NE SE		11087		1514402		780
M E WANTZ	8	3002506697	21O 21S 37E	74885		4615906		68286	
M E WANTZ	4	3002506698	21J 21S 37E	20076	35400	283007	3660587	1193	1183
M E WANTZ	11	3002506702	21L 21S 37E	20672		3317130		1936	
M E WANTZ	9	3002506703	21J 21S 37E		33514		3569883		424
M E WANTZ	10	3002506704	21K 21S 37E	14452	24029	193621	1050685	24416	
C L HARDY	4	3002506705	20M 21S 37E C SW SW	56265		761087		34650	
M E WANTZ	1	3002506706	21N 21S 37E	50049		1569953		13803	
M E WANTZ	3	3002506707	21P 21S 37E	32314		113381		5781	
M E WANTZ	6	3002506709	21M 21S 37E	23116		105488		1660	
ELLIOTT A	1	3002506716	21A 21S 37E C NE NE	17587	5448	234367	85696	29498	15894
ELLIOTT A	2	3002506717	21H 21S 37E C SE NE	38466	33724	830859	2512828	51113	946
ELLIOTT A	3	3002506718	21A 21S 37E	145850		484116		21395	
ELLIOTT A	4	3002506719	21H 21S 37E	41040		89276		13215	
WEATHERLY	2	3002506720	21D 21S 37E	23377		683237		26926	
WEATHERLY	3	3002506721	21C 21S 37E	80792		4544911		43769	
WEATHERLY	4	3002506722	21B 21S 37E	115494		1303352		50347	
WEATHERLY	5	3002506723	21E 21S 37E	40711		713367		67997	
WEATHERLY	6	3002506724	21F 21S 37E	118459		1053484		70102	
WEATHERLY	7	3002506725	21G 21S 37E		1239		135621		2388
WEATHERLY E	1	3002506726	21G 21S 37E	143550	58350	4102065	7653840	2212	
UNIT	125	3002506813	28O 21S 37E	17127		1405139		59	
J N CARSON NCT A	10	3002506816	28J 21S 37E NW SE	29817		906636		8213	
UNIT	126	3002506831	28P 21S 37E		41810		4674523		1486
J N CARSON NCT C	6	3002506833	28P 21S 37E SW SE SE	23453		7417712		1027	
J N CARSON NCT C	9	3002506836	28I 21S 37E	32244		963577		19050	
UNIT	110	3002506841	28F 21S 37E	10693		2563254			
EUNICE KING	8	3002506844	28H 21S 37E C SE NE	66076	4156	1105326	35817	50154	2389
UNIT	111	3002506845	28G 21S 37E	80251		4678308		2654	
EUNICE KING	10	3002506846	28B 21S 37E C NW NE	51655		759681		15271	
EUNICE KING	13	3002506849	28A 21S 37E	97395	15927	2685991	5419751	32941	332
J N CARSON NCT A	9	3002506850	28K 21S 37E	12156	4673	6358693	3134392	1444	9058
EUNICE KING	14	3002506851	28G 21S 37E NW SW NE	18357	3661	263475	475943	12593	17309
EUNICE KING	15	3002506852	28F 21S 37E SE SE NW	45058		2739175		15538	
EUNICE KING	18	3002506855	28E 21S 37E		6239		942488		658
EUNICE KING	19	3002506856	28C 21S 37E C NE NW	141196		3473879		27964	
LINAM HARDY GAS COM	1	3002506859	29A 21S 37E SE NE NE	27106	15727	1712042	3288195	13791	831
UNIT	114	3002506861	28J 21S 37E		26982		1696615		254
UNIT	103	3002506862	28C 21S 37E		28458		4952056		
EUNICE KING	24	3002506864	28E 21S 37E	43032		1692461		9164	
EUNICE KING	104	3002506865	28D 21S 37E SE NW NW	125641	5424	1307881	350645	73142	10539
E O CARSON	17	3002506871	28N 21S 37E SE SW	3762	9106	1343622	1256887	4456	6323
E O CARSON	19	3002506873	28L 21S 37E	31849	18581	5024907	3600039	44428	7212
UNIT	117	3002506877	29I 21S 37E		20694		1954603		531

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Blinbry	Tubb	Blinbry	Tubb	Blinbry	Tubb
WM TURNER	3	3002506879	29I 21S 37E SE NE SE	40051	20554	3428395	1867881	6043	346
UNIT	122	3002506880	29P 21S 37E C SE SE		27491		2431548		1177
TURNER	3	3002506882	29P 21S 37E	9222	27027	1955104	2161687	2251	321
UNIT	165	3002506885	29A 21S 37E C SE SW	14246		459862			
UNIT	164	3002506886	29M 21S 37E	22117		309129		5326	
UNIT	162	3002506888	29K 21S 37E		12191		1185513		
UNIT	158	3002506891	29E 21S 37E C NE NW	45719	309	2144399	5590	1222	
UNIT	159	3002506894	29D 21S 37E	28328		396563		163057	
D HARDY	3	3002506897	29H 21S 37E	61429		1417805		24936	
UNIT	119	3002506904	30I 21S 37E	28123		208191		228695	
V M HENDERSON	2	3002506908	30A 21S 37E C NE NE	148952		1878869		19174	
V M HENDERSON	3	3002506909	30H 21S 37E SE NE	10663		278295		16292	
V M HENDERSON	5	3002506911	30B 21S 37E C NW NE	7631		234616		5290	
V M HENDERSON	6	3002506912	30C 21S 37E	59299		3600790		18119	
V M HENDERSON	9	3002506915	30G 21S 37E		5064		12285		1864
UNIT	149	3002506936	32I 21S 37E		19503		1805259		
UNIT	153	3002506938	32P 21S 37E SE SE SE	11705		1512102		110	
UNIT	140	3002506939	32H 21S 37E SE SE NE			365433			
W T MCCOMACK	11	3002506940	32A 21S 37E NE NE	18872		182374		357521	
UNIT	132	3002506941	32E 21S 37E NE NW NE	15671		103123		3755	
UNIT	131	3002506942	32A 21S 37E		15962		3352335		4452
UNIT	150	3002506944	32E 21S 37E NW NW SE	19746		314189		6892	
UNIT	133	3002506948	32C 21S 37E		7012		539611		
DOWNES D	1	3002506954	32K 21S 37E	17850		566167		23269	
DOWNES D	2	3002506955	32L 21S 37E	23516	13623	280140	115990	386615	122875
DOWNES D	3	3002506956	32N 21S 37E	17521	5422	160555	1512822	88952	
STATE DB	1	3002506957	32F 21S 37E		12547		954332		3
J G HARE	1	3002506961	33N 21S 37E	681	2435	4891	90913	341	15715
J G HARE	4	3002506964	33N 21S 37E	60974		734826		19382	
J G HARE	5	3002506965	33K 21S 37E	15181		910762		170	
J G HARE	6	3002506966	33L 21S 37E	14917		170838		21716	
J G HARE	7	3002506967	33M 21S 37E	53559	26982	454052	3287668	46406	
UNIT	127	3002506970	33A 21S 37E	2361		1031509		2419	
J N CARSON NCT A	7	3002506973	33B 21S 37E	2564		415328		2580	
CARSON WATSON COM	2	3002506974	33H 21S 37E		7529		1909285		2113
CARSON WATSON COM	2	3002506975	33H 21S 37E	24539	7300	3246716	1596042	9104	1181
E O CARSON	5	3002506977	33G 21S 37E	8516		637752		44129	
UNIT	129	3002506979	33C 21S 37E		3809		270951		1844
UNIT	142	3002506980	33F 21S 37E	20131	30294	3337790	2669051		
E O CARSON	9	3002506981	33E 21S 37E	22760	10895	1280800	2044775	19744	4565
E O CARSON	10	3002506982	33F 21S 37E	16576		718097		14669	
CARSON WATSON COM	13	3002506984	33G 21S 37E SE SW NE		187		137850		287
E O CARSON	14	3002506985	33C 21S 37E	35747	329	2395076	0	21336	0
E O CARSON	16	3002506987	33D 21S 37E	21339	25	731742	8106	30610	1500
H CORRIGAN	5	3002506992	33J 21S 37E	8245		280909		7933	
UNIT	156	3002506993	33O 21S 37E		5160		180025		7429
CORRIGAN GAS COM	7	3002506994	33P 21S 37E	22113	14443	2371980	3433748	8353	1331
WE LEE	5	3002509920	20B 21S 37E	89323		3397635		6252	
WE LEE	3	3002509922	20C 21S 37E		9266		89102		6894
A M YORK	2	3002509924	20A 21S 37E C NE NE	22455	30845	474269	200056	10950	17429
A M YORK	1	3002509925	20H 21S 37E SE NE	4776	2378	223148	612639		13031
UNIT	163	3002509935	29L 21S 37E NW NW SW	60392		1478184		4081	
WE LEE	2	3002511520	20B 21S 37E		34210		347071		5989
GULF MATTERN	1	3002520004	30J 21S 37E	43771		792974		36618	
L G WARLICK B	2	3002520368	19G 21S 37E	36258		892406		27233	
STATE CK	3	3002520540	19N 21S 37E	36129		2346083		36075	
STATE DC	2	3002520583	19 21S 37E	23526		529399		29933	
SUNSHINE STATE	1	3002520776	19C 21S 37E	17312		366962		8571	
L G WARLICK	2	3002520777	19B 21S 37E	50508		942123		89260	
W T MCCOMACK	17	3002523117	32I 21S 37E SW NE SE	22087	6624	215861	593771	75535	3170
MATTERN	1	3002523494	30 21S 37E S2 NW SW	117311		757018		1154560	
MATTERN	2	3002523535	30K 21S 37E	79753		408419		256584	
H T MATTERN NCT B	14	3002524022	30M 21S 37E C SW SW	34695		375994		148276	
H T MATTERN NCT B	15	3002524084	30N 21S 37E	78262		673003		1226454	
H T MATTERN NCT B	16	3002524120	31D 21S 37E	44430		366331		160024	
H T MATTERN NCT B	17	3002524156	31C 21S 37E	22334		539069		5225	

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
				Blinebry	Tubb	Blinebry	Tubb	Blinebry	Tubb
H T MATTERN NCT B	18	3002524187	30O 21S 37E	59226		335004		32238	
UNIT	161	3002524415	29F 21S 37E S2 SW NW	26905	348	496638	42755	189941	2312
DOWNES D	4	3002524568	32M 21S 37E E2 SW SW	22214	9772	162381	77736	133662	26012
JOYCE PRUITT	2	3002524753	31J 21S 37E	58490	2820	472005	8171	67988	6583
H T MATTERN NCT B	19	3002524968	31 21S 37E N2 SW NW		7186		32124		15915
GILL DEEP	1	3002525030	31 21S 37E	60529	384	391779	1478	279422	998
GILL DEEP	2	3002525118	31 21S 37E	30624		532241		168967	
GILL DEEP	3	3002525119	31N 21S 37E	21495		197962		224405	
H T MATTERN NCT B	20	3002525129	31F 21S 37E W2 SE NW	32163		215672		237592	
GILL DEEP	4	3002525208	31K 21S 37E	22734		137734		167078	
H T MATTERN NCT B	22	3002525246	31B 21S 37E	162511		850541		1751048	
JOYCE PRUITT	3	3002525353	31P 21S 37E NE SW SW	37150	9012	395874	57444	51201	29978
W T MCCOMACK	18	3002526447	32B 21S 37E		9153		225621		99013
WILLIAM TURNER	4	3002527261	29J 21S 37E	18943		185876		12954	
CORDELIA HARDY	8	3002528900	29C 21S 37E	24967		1085213		55754	
H T MATTERN NCT B	25	3002530047	31G 21S 37E NW SW NE	3805		47019		40024	
V M HENDERSON	15	3002533328	30G 21S 37E NE SW NE	8685		322065		6375	
MATTERN	4	3002533544	30J 21S 37E	3789		20504		124049	
JOYCE PRUITT	4	3002534074	31O 21S 37E	55283		288348		72886	
JOYCE PRUITT	5	3002534078	31I 21S 37E NE NE SE	48855	2624	282059	29501	65028	5877
E O CARSON	24	3002534353	28M 21S 37E SW SW	18575		481444		27883	
LINAM HARDY GAS COM	2	3002534355	29H 21S 37E SE NE	6711		135119		13634	
STATE DC	3	3002534401	19F 21S 37E NE SE NW	1437		18644		5959	
W T MCCOMACK	19	3002534669	32P 21S 37E SE SE		1807		849106		5328
STATE CK	4	3002534776	19K 21S 37E SW NE SW	43148		345350		188175	
STATE DB	3	3002535522	32E 21S 37E NW SW NW	18940	753	130955	3259	377576	20905
W H TURNER	3	3002537161	29K 21S 37E NE NE SW	12040	1690	375839	140574	55340	9187
H S TURNER	8	3002537873	29M 21S 37E NW SW SW		12387		155135		135043
W H TURNER	9	3002538126	29L 21S 37E SE NW SW	7551	7796	289336	85210	62955	80116
H S TURNER	10	3002538296	29N 21S 37E NE SE SW	5356	5581	58220	62834	50096	52360
GILL DEEP	6	3002538684	31K 21S 37E SE NW SW	4108	2502	23615	4170	29100	2329
E O CARSON	27	3002539024	33F 21S 37E SW SE NW		1353		100831		24279
D C HARDY	10	3002539342	20P 21S 37E SE SE SE		61		3554		132
TOTALS				5,607,824	872,140	158,795,999	89,039,144	11,065,090	847,912
AVERAGES				41,539	12,459	1,167,618	1,271,988	84,466	14,132

Proposed Allocations	Oil	Gas	Water
Blinebry	77%	48%	86%
Tubb	23%	52%	14%
TOTAL	100%	100%	100%