

June 19, 2008

Office

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S St. Francis Dr., Santa Fe, NM

87505

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JUL 20 2010

HOBBSCOCD

CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO. ✓

30-025-39715

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil &amp; Gas Lease No.

7. Lease Name or Unit Agreement Name

H Corrigan ✓

8. Well Number 022 ✓

9. OGRID Number

873 ✓

10. Pool name or Wildcat

Bli O&amp;G (Oil)/Tubb O&amp;G (Oil/Drinkard) ✓

## SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other: ✓

2. Name of Operator

Apache Corporation ✓

3. Address of Operator

303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705

4. Well Location

Unit Letter H : 1550 feet from the North line and 1280 feet from the East line  
Section 4 Township 22S Range 37E NMPM County Lea ✓

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3448' GR

## 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

## NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☒OTHER: ☐

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P. AND A ☐  
CASING/CEMENT JOB ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. R-11363

## Pool Names:

Blinbry Oil & Gas (Oil) 6660  
Tubb Oil & Gas (Oil) 60240  
Brunson; Drinkard-Abo, S 7900

## Proposed Perforations:

Blinbry 5590' - 5753'  
Tubb 6051' - 6212'  
Drinkard 6480' - 6601'

The allocation method will be as follows based on offset production. (See attached application for exception to Rule 303-C.)

	OIL	GAS	WATER
Blinbry	33%	20%	42%
Tubb	24%	37%	15%
Drinkard	43%	43%	43%

DAC-HOB-0395

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

Spud Date: 05/11/2010

Rig Release Date: 05/22/2010

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

SIGNATURE

Reesa Holland

TITLE Sr. Engr Tech

DATE 07/13/2010

Type or print name Reesa Holland

E-mail address: Reesa.Holland@apachecorp.com

PHONE: 432/818-1062

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

JUL 21 2010

Conditions of Approval (if any):

J.M.

**RECEIVED**

**JUL 20 2010**

**HOBBSOCD**

**July 13, 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  
H Corrigan #22  
Unit H, Section 4, T-22-S, R-37-E (Surf Loc)  
Lot 1, Section 4, T-22-S, R-37-E (BHL)  
Blinebry Oil & Gas (Oil), Tubb Oil & Gas (Oil) & Drinkard  
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.**

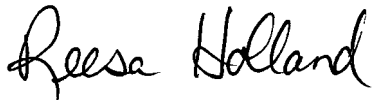
**The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the 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 black ink that reads "Reesa Holland". The signature is written in a cursive style with a large, stylized "R" and "H".

**Reesa Holland  
Sr. Engineering Technician**