

District I
1625 N French Drive, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
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 Department
RECEIVED
SEP 17 2010
HOBBSOCD
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505
APPLICATION FOR DOWNHOLE COMMINGLING

Form C-107A
Revised June 10, 2003
APPLICATION TYPE
☒ Single Well
☐ Establish Pre-Approved Pools
EXISTING WELLBORE
☒ Yes ☐ No

APACHE CORPORATION 303 VETERANS AIRPARK LN. STE. 3000
Operator Address
REDTAG 001 J 2 20S 38E LEA
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 873 Property Code 27082 API No. 30-025-35333 Lease Type: ☐ Federal ☒ State ☐ Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	HOUSE;BLINEBRY	HOUSE; TUBB	HOUSE; DRINKARD
Pool Code	33230	78760	33250
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	6008'-6108' (Perfs)	6746'-6777' (Perfs)	7003'-7056' (Perfs)
Method of Production (Flowing or Artificial Lift)	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)	N/A	N/A	N/A
Oil Gravity or Gas BTU (Degree API or Gas BTU)	35.5	35.5	35.5
Producing, Shut-In or New Zone	PRODUCING	PRODUCING	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: 9/27/2007 Rates: .5 BO / 23 BW 1 MCF	Date: 9/27/2007 Rates: .5 BO 12 BW 1 MCF	Date: 9/27/2007 Rates: 2 BO 31 BW 3 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required.)	Oil 18 % Gas 20 %	Oil 12 % Gas 27 %	Oil 70 % Gas 53 %

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 Katie Kauffman TITLE Eng. Tech DATE 9.15.10
TYPE OR PRINT NAME Katie Kauffman TELEPHONE NO. (432) 818.1045
E-MAIL ADDRESS katie.kauffman@apachecorp.com

REDTAG #1 W/ABO

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)				Cum Gas (MCF)				Cum Water (BBL)			
				Blnebr	Tubb	Drnkard	Abo	Blnebr	Tubb	Drnkard	Abo	Blnebr	Tubb	Drnkard	Abo
L D JONES	1	3002507722	1H 20S 38E SE NE	3476				186180				5043			
PHILLIPS HOUSE STATE	1	3002507725	2O 20S 38E			101594				478075				25376	
STATE U	1	3002507727	2P 20S 38E			157611				97687				184324	
ARNOLD A	1	3002507761	11F 20S 38E	864	29307	670		2690	1364670			5724	4900		
HOUSE B	1	3002507764	11P 20S 38E		9855				118752						
BLANKENSHIP	1	3002507766	12E 20S 38E			54657				16638				7010	
BLANKENSHIP	2	3002507767	12L 20S 38E	3906	20	134312		9570	42	1177167		2664	114	37126	
BLANKENSHIP	3	3002507768	12M 20S 38E NE SW SW	5508	8725	39616		31481	47105	2435461		4785	15341	22235	
CONE A	1	3002507770	12F 20S 38E		16919	206425			66264	237263			56412	83927	
CONE B	1	3002507771	12J 20S 38E			239833				591551				69199	
HESTER 12	3	3002507772	12O 20S 38E			150171				853402				32702	
HESTER 12	2	3002507773	12N 20S 38E			82932				540453				17896	
HESTER 12	1	3002512549	17K 20S 38E			97448				457760				16669	
HOWSE C	1	3002522165	11H 20S 38E SE NE			26370	35571			143078	92577			6340	8034
CONE B	2	3002525921	12G 20S 38E			398				86772				1460	
WERTA FEDERAL	1	3002527696	35O 19S 38E SW SE	42271	14640	11778		207243	10262	24012		50956	10929	29470	
L & M	1	3002528287	2L 20S 38E C S2 SW	721	9486	179		7049	129658	829		966	417	282	
FRANCES EVELYN	1	3002532163	35N 19S 38E SE SW	5470				61072				35070			
PICAYUNE	1	3002534734	11J 20S 38E C NW SE		13947	25957		1088	67767	378942				17895	
DRESSEN	1	3002534857	1G 20S 38E C SW NE	2199				7175				23039			
HOWSER	1	3002534970	1J 20S 38E C NW SE	1371				28097				35934			
MERIT	1	3002535240	11O 20S 38E E2 SW SE		9402				587838					7350	
REDTAG	1	3002535333	2J 20S 38E NW NW SE	26399	3936	675		70771	9314	7158		3480			
MERIT II	1	3002535448	1JG 20S 38E C SW NE	2918	16678	21816		13178	27409	151455			11887	19484	
DUKES	1	3002535614	11K 20S 38E E2 NE SW		7818	31778			38544	134174			8390	26341	
REDTAG	2	3002535630	2K 20S 38E NE NE SW	15088			1333	858739			10611	2484			138
DIXIE QUEEN	1	3002536421	11P 20S 38E S2 SE SE		7300				507743						
WHITE OWL	1	3002536689	2OS 38E NW NW NW	31998				118961				9450			
HESTER 12	6	3002536795	12N 20S 38E SW SE SW	26300	7949	10810		316778	179755	57140		27805	6522	4770	
HESTER 12	4	3002536800	12O 20S 38E SW SW SE	15350	4808	4274		258265	114539	103881		39855		2512	
PLOW BOY FEDERAL	1	3002536962	35J 19S 38E NW NW SE	21452				68373							
ROUND-UP	1	3002537100	36H 19S 38E SW SE NE			6772				12276					
SALEM	1	3002537316	3A 20S 38E SE NE NE	2627		8510		7763		25174		5779		2721	
HESTER 12	8	3002538076	12K 20S 38E SW NE SW	12452	3706	3551		120910	83789	53137		9567	10794	4173	
HESTER 12	5	3002538211	12P 20S 38E NW SE SE	18312	5401	10516		172946	75938	73688		38401	5207	117	
HESTER 12	7	3002538369	12N 20S 38E NE SE SW	5998	6885	2919		53325	50276	29755		15534	8076	9845	
MELOT	1	3002538370	11C 20S 38E SW NE NW	4496	5780	2564		41830	32533	18595		21795	21175	19307	
BLANKENSHIP	4	3002538397	12L 20S 38E NE NW SW	2714	2917	6044		12138	20393	21031		10127	4187	3142	
BLANKENSHIP	5	3002538399	12M 20S 38E SW SW SW	11687	4331	5399		40537	78367	235865		19125	4250	3189	
BLANKENSHIP	6	3002538400	12L 20S 38E SW NW SW	6454	5063	1135		28562	1601	57682		7627	559	10413	
RHINO	2	3002538484	11N 20S 38E SE NE SW	8585	2356	4709		23820	16092						
MAGNOLIA	1	3002538660	11E 20S 38E NE SW NW	5134	4889	3605		73503	14239	15061		16235	2441	30936	
DIXIE QUEEN	2	3002538661	11P 20S 38E NE SE SE	10287	2791	4431		50883	23035	43299					
HESTER 12	10	3002538662	12O 20S 38E NE SW SE	3922	354	2791		29185	7533	20095		24782	3233	8406	
HESTER 12	11	3002538663	12P 20S 38E SW SE SE	1368	1231	2326		74493	74186	7119		5879	7776	4428	
MELOT	2	3002538700	11C 20S 38E NW NE NW	13811	4427	1740		37000	6401	18660		14061	17437	13077	
HESTER 12	9	3002538791	12K 20S 38E NE NE SW	1731	1096	4014		41654	5161	4663		18714	4889	10581	
MAGNOLIA	2	3002539090	11D 20S 38E NE NW NW	1439	459	3860		55766	30414	82803		13238	2836	2836	
L & M	2	3002539450	2N 20S 38E	860	615	4667		12770	16131	38311		7141	3569	13090	
DIXIE QUEEN	3	3002539451	11I 20S 38E	1127	291	2218		3192	1357	3432					
MELOT	3	3002539458	11B 20S 38E	1099	285	2163		4178	1775	4491		9950	1828	8528	
BLANKENSHIP	7	3002539488	12E 20S 38E					1433	609	1540		6491	1352	5679	
MAGNOLIA	3	3002539489	11E 20S 38E	917	237	1804		13389	5691	14392		8265	1517	7085	
ARNOLD A	2	3002539490	11F 20S 38E	605	153	1137		6372	2708	6850		4758	971	3981	
CONE A	2	3002539491	12F 20S 38E	438	121	949		1581	711	1660		2436	- 497	2038	
ARNOLD A	3	3002539636	11F 20S 38E NE SE NW	890	222	1668		2482	1055	2669		5386	1102	4515	
TOTALS				322,244	214,400	1,488,796	36,904	3,156,412	3,819,857	8,765,166	103,188	512,556	225,958	773,085	8,172
AVERAGES				8,263	5,795	33,084	18,452	76,986	100,523	199,208	51,594	14,644	7,532	19,327	4,086

Proposed Allocations	Oil	Gas	Water
Blnebr	13%	18%	32%
Tubb	9%	23%	17%
Drnkard	50%	47%	42%
Abo	28%	12%	9%
TOTAL	100%	100%	100%