



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

August 17, 2004

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

Apache Corporation  
Two Warren Place – Suite 1500  
6120 South Yale  
Tulsa, Oklahoma 74136-4224

Attention: Kara Coday

**RE:** NMOCD Correspondence Reference No. SD-04-06: Paddock Pool (49210) development within Apache Corporation's existing standard 40-acre oil spacing and proration unit comprising the SE/4 SW/4 (Unit N) of Section 22, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

Dear Ms. Coday:

Reference is made to the following: (i) your letter dated July 20, 2004 (*Division administrative reference No. pSEM0-420927303*); and (ii) the records of the New Mexico Oil Conservation Division ("Division").

The rules currently governing spacing, well locations, gas/oil ratio limitation, and allowables for the Paddock Pool include, but not necessarily limited to:

- (a) Division Order No. R-10026, issued in Case No. 10830 on November 30, 1993, as amended by Division Order No. R-10026-A on March 3, 1995; and
- (b) Division Rules 104.B and 505.A.

It is the Division's understanding that oil and casinghead gas production attributed to the Paddock Pool within the above-described 40-acre unit is to be simultaneously dedicated to the following two Apache Corporation's wells:

- (1) Turner Well No. 11 (API No. 30-025-06753), located at a standard oil well location 915 feet from the South line and 1650 feet from the West line (Unit N) of Section 22; and
- (2) Turner Well No. 18 (API No. 30-025-34388), located at a standard oil well location 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 22.

Sincerely,

Michael E. Stogner  
Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division – Hobbs  
James Bruce, Legal Counsel for Apache Corporation – Santa Fe