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May 24, 2011

Case 14671

RECEIVED OCD

2011 MAY 25 P 12: 59

Florene Davidson Oil Conservation Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505

Dear Florene:

Enclosed for filing, on behalf of Apache Corporation, are an original and one copy of an application for approval of a unit agreement, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set this matter for the June 23, 2011 Examiner hearing. Thank you.

Very truly yours,

Attorney for Apache Corporation

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF APACHE CORPORATION FOR APPROVAL OF A UNIT AGREEMENT, LEA COUNTY, NEW MEXICO.

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Case No. 2011 MAY 26 77 12: 59

APPLICATION

Apache Corporation applies for an order approving the Unit Agreement for the proposed South Pacific State Exploratory Unit Area, and in support thereof, states:

1. Applicant is a working interest owner in, and the operator of, the proposed South Pacific State Exploratory Unit Area, an exploratory unit comprising 1,920.00 acres of state lands in Lea County, New Mexico, described as follows:

Township 12 South, Range 36 East, N.M.P.M.

Section 5: $S^{1/2}$

Section 8:

All

Section 9:

All

Section 17:

All

- 2. Applicant has obtained preliminary approval of the Unit Agreement from the Commissioner of Public Lands.
- 3. Approval of this application will prevent waste, protect correlative rights, and conserve natural resources.

WHEREFORE, applicant requests that, after hearing, the Division enter its order approving the relief requested herein.

Respectfully submitted,

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Apache Corporation

PROPOSED ADVERTISEMENT

Case No. 19671:

Application of Apache Corporation for approval of a unit agreement, Lea County, New Mexico: Applicant seeks approval of the Unit Agreement for the South Pacific State Exploratory Unit Area, comprising 1920 acres of state lands covering all or part of Sections 5, 8, 9, and 16, Township 12 South, Range 36 East, NMPM. The proposed unit area is centered approximately 2 miles north-northwest of Tatum, New Mexico.

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