STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCESED OCCUPANTION DIVISION

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AMENDED APPLICATION OF APACHE CORPORATION FOR APPROVAL OF THE FIRE EAGLE STATE SAN ANDRES EXPLORATORY UNIT, IN LEA COUNTY, NEW MEXICO.

CASE NO. 15401

APPLICATION

Apache Corporation ("Apache") by and through its attorneys, Modrall, Sperling, Roehl, Harris & Sisk, P.A., files this amended application with the Oil Conservation Division for an order approving its Fire Eagle State San Andres Exploratory Unit pursuant to 19.15.20.14 NMAC. In support of its application, Apache states:

- 1. On October 12, 2015, Apache filed an application with the Division for the approval of its Fire Eagle State San Andres Exploratory Unit. In that application Apache sought to establish a unit which consisted of approximately 3,360 acres of state lands situated in Lea County, New Mexico. Apache has since decided to not include the SW/4 of Section 9, and the S/2 of Section 11 in Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico within the Unit Area.
- 2. The proposed Unit Area for the Unit will consist of approximately 2,880 acres of state lands situated in Lea County, New Mexico, described as follows:

Township 10 South, Range 36 East, N.M.P.M.:

Section 2: All

Section 3: All

Section 4: All

Section 9: N/2 Section 10: N/2 Section 11: N/2

- 3. Apache (OGRID No. 873) is the designated operator under the Unit Agreement. The unitized interval is the stratigraphic equivalent of the San Andres formation defined at a depth of 4,243' down to the base of the formation at a measured depth of 5,643' as encountered in the Gainer 22 #1 well (API No. 30-025-38792) in Section 22, Township 10 South, Range 36 East, Lea County, New Mexico.
- 4. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.
- 5. The entire Unit Area will be developed and operated as a single participating area.
- 6. Pursuant to 19.15.20.14 NMAC, after notice and hearing, the Division may approve the combining of contiguous spacing units into a unitized area.
- 7. Approval of this Application will be in the best interest of conservation, the prevention of waste and the protection of correlative rights.

WHEREFORE, Apache Corporation requests that this Application be set for hearing before an Examiner of the Oil Conservation Division on December 17, 2015, and that after notice and hearing as required by law, the Division enter its order granting this Application.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

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Case No. 15401: Amended Application Of Apache Corporation For Approval Of the Fire Eagle State San Andres Exploratory Unit, Lea County New Mexico. Applicant seeks approval of its Fire Eagle State San Andres Exploratory Unit consisting of approximately 2,880 acres of state lands situated in all or parts of Sections 2, 3, 4, 9, 10, and 11 of Township 10 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The unitized interval is the stratigraphic equivalent of the San Andres formation defined at a depth of 4,243' down to the base of the formation at a measured depth of 5,643' as encountered in the Gainer 22 #1 well (API No. 30-025-38792) in Section 22, Township 10 South, Range 36 East, Lea County, New Mexico. The subject acreage is located approximately 4.5 miles Southeast of Crossroads, New Mexico.

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