

Submit to Appropriate District Office
 State Leases - 4 copies
 Fee Leases - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89
BEFORE EXAMINER MORROW
OIL CONSERVATION DIVISION
 APACHE EXHIBIT NO. 1
 CASE NO. 10371

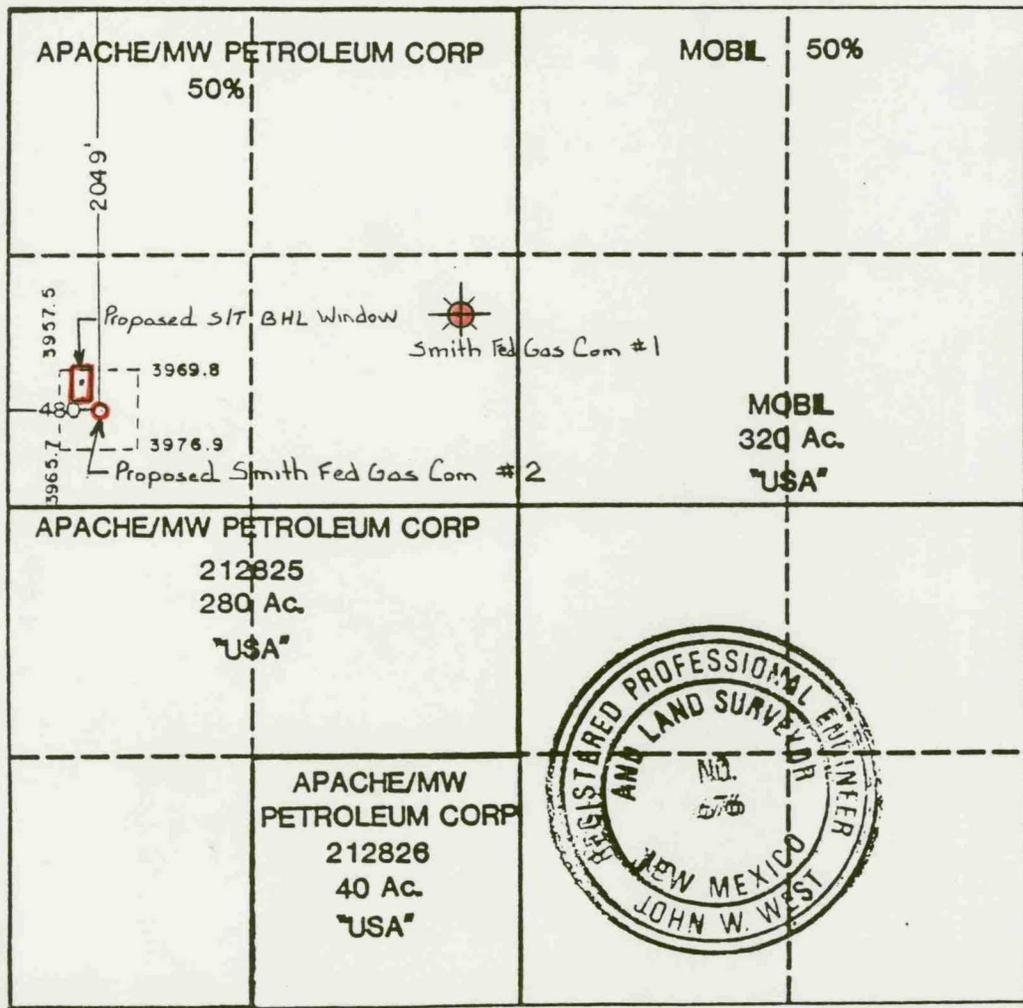
OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240
 DISTRICT II
 P.O. Denver DD, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT
 All Distances must be from the outer boundaries of the section

Operator APACHE/MW PETROLEUM CORPORATION			Lease SMITH FEDERAL GAS COM.			Well No. 2		
Unit Letter E	Section 12	Township 22 SOUTH	Range 23 EAST	County EDDY		NMPM		
Actual Footage Location of Well: 480 feet from the WEST line and 2049 feet from the NORTH line								
Ground level Elev. 3971.5	Producing Formation Upper Penn		Pool Indian Basin Upr. Penn (Pro Gas)			Dedicated Acreage: 640 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hectograph marks on the plat below.
 - If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
 - If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 - Yes No If answer is "yes" type of consolidation Communitization
 If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
- No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: C. J. Pavlich
 Printed Name: C. J. Pavlich
 Position: Drilling Manager
 Company: Apache/MW Petroleum Corp.
 Date: 8/8/91

SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 7-23-91
 Signature & Seal of Professional Surveyor: John W. West
 Certificate No. JOHN W. WEST, 676
 RONALD J. EIDSON, 3259



Exhibits 1 through 3
 Complete Set



1500 CITYWEST BOULEVARD / HOUSTON, TEXAS 77042

August 19, 1991

(713) 953-5300

Musselman, Owen & King, Inc.
911 Walker, Suite 969
Houston, Texas 77002
Attention: Stacy L. Owen

Oryx Energy Company
P. O. Box 26300
Oklahoma City, OK 73126-0300
Attention: ~~Gregg Jacobson~~

REQUEST FOR WAIVER OF OBJECTION
SMITH FEDERAL GAS COM NO. 2
INDIAN BASIN (UPPER PENN) GAS POOL
EDDY COUNTY, NEW MEXICO

BEFORE EXAMINER MORROW
OIL CONSERVATION DIVISION

~~APACHE~~ EXHIBIT NO. 2

CASE NO. 10371

Apache Corporation, operator, is ~~requesting your waiver of~~ objection to Apache's application to drill a gas well at an unorthodox location in Section 12 of Township 22-S, Range 23-E, Eddy County, New Mexico. This application is an amendment to an approved unorthodox drilling location permit approved by NMOCD Order No. R-9487, dated May 8, 1991.

The application has been set for a hearing at the offices of the New Mexico Oil Conservation Division in Santa Fe, New Mexico on August 22, 1991.

The original plan was to re-enter an existing well and drill directionally to an unorthodox bottom hole location. Because of mechanical wellbore problems, we have decided to plug the existing well and drill a straight hole at an unorthodox location very nominally outside the approved target area. The revised surface location is 480' FWL and 2049' FNL of Section 12, T-22-S, R-23-E, Eddy County, New Mexico. Although the concept is essentially unchanged, the revised location requires that this application be set for hearing. We have asked the NMOCD to apply the same penalized acreage factor of 0.49 to the well at the revised location.

If you have no objections to Apache's drilling and producing this unorthodox location, please sign and return one copy of this letter in the enclosed envelope. Should you have any questions regarding this proposal, please call Ceci Leonard at (713) 953-5306.

Sincerely,

Ceci Leonard
Ceci Leonard
Apache Corporation

[Signature] 8/19/91
Name of Company

CL/lc

ORyx ENERGY CO.
Representative's Signature and Date



1500 CITYWEST BOULEVARD / HOUSTON, TEXAS 77042

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REQUEST FOR WAIVER OF OBJECTION
SMITH FEDERAL GAS COM NO. 2
INDIAN BASIN (UPPER PENN) GAS POOL
EDDY COUNTY, NEW MEXICO

BEFORE EXAMINER MORROW	
OIL CONSERVATION DIVISION	
<u>Apache</u>	EXHIBIT NO. <u>3</u>
CASE NO.	<u>10371</u>

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Sincerely,

Ceci Leonard
Ceci Leonard
Apache Corporation

MUSSELMAN OWEN & KING OPERATING, INC.
Name of Company

Stacy L. Owen 8/22/91
Representative's Signature and Date
Stacy L. Owen - Vice-President

CL/lt