



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenbery**  
Director  
Oil Conservation Division

January 22, 2003

**Apache Corporation**  
c/o **W. Thomas Kellahin**  
P. O. Box 2265  
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2047

*Administrative Order NSL-4830*

Dear Mr. Kellahin:

Reference is made to the following: (i) your application (*application reference No. pKRVO-300352546*) dated January 2, 2003 on behalf of the operator Apache Corporation; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Order PC-289, dated December 7, 1965: all concerning Apache Corporation's request for an unorthodox Grayburg replacement oil well location within a former standard 40-acre oil spacing and proration unit in the Penrose Skelly (Grayburg) Pool (50350) comprising the SW/4 SE/4 (Unit O) of Section 20, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

It is our understanding that initial development of Grayburg oil production within this 40-acre unit commenced in the 1937 when Getty Oil Company drilled and completed the D. C. Hardy Well No. 2 (API No. 30-025-06691) at a standard oil well location 660 feet from the South line and 1980 feet from the East line of Section 20. Penrose Skelly (Grayburg) oil production ceased in this well in February, 1970 and in November, 1991 this well was finally plugged and abandoned.

Further, the S/2 SE/4 of Section 20 is a single fee lease with common ownership in which Apache Corporation is the leasehold operator.

It is further understood that such unorthodox location is necessitated for geologic and engineering reasons in that this location is approximately equidistance to other former Penrose Skelly (Grayburg) oil producers within this lease. This replacement well at the proposed unorthodox oil well location will enable Apache Corporation to further develop and deplete the Grayburg reserves within this 80-acre lease that might not otherwise be recovered.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled as a replacement Grayburg oil well within this former 40-acre unit at an

Administrative Order NSL-4830

Apache Corporation

January 22, 2003

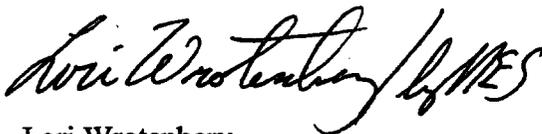
Page 2

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unorthodox oil well location is hereby approved:

**D. C. Hardy Well No. 6**  
**330' FSL & 1330' FEL.**

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenberg / by MES".

Lori Wrotenberg  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address Apache Corporation Two Warren Place, Suite 1500 Tulsa, OK 74136-4224		OGRID Number 873
		API Number 30-25-36114
Property Code 16814	Property Name DC HARDY	Well No. 006

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	20	21S	37E		330	S	1330	E	Lea

**Proposed Pools**

PENROSE SKELLY;GRAYBURG 50350
-------------------------------

Work Type New Well	Well Type Oil	Cable/Rotary	Lease Type State	Ground Level Elevation 3482
Multiple N	Proposed Depth 4100	Formation Grayburg	Contractor	Spud Date 1/27/2003

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	400	325	0
Prod	7.875	5.5	17	4100	825	0

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	3000	Schaefer

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Larry Rader

Title: Technical Coordinator

Date: 1/14/2003 Phone: 918-491-4811

**OIL CONSERVATION DIVISION**

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 1/22/2003 Expiration Date: 1/22/2004

Conditions of Approval:  
There are conditions. See Attached.

3  
C  
A

*Handwritten initials/signature*

District I  
1625 N. French Dr., Hobbs, NM 88240  
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1301 W. Grand Ave., Artesia, NM 88210  
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District IV  
1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-102

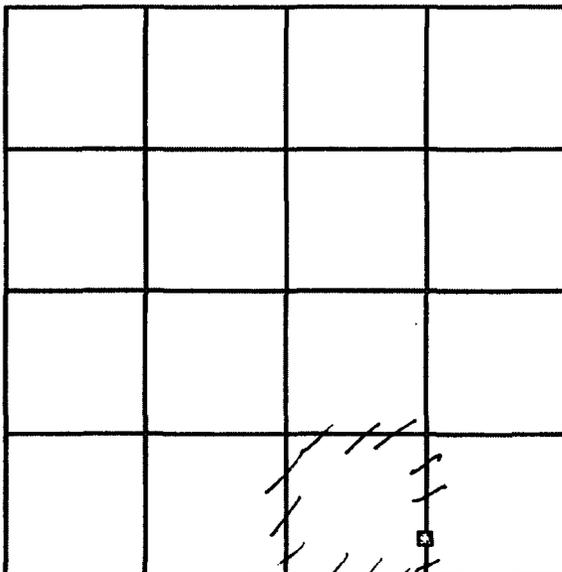
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-25-36114	Pool Name PENROSE SKELLY;GRAYBURG	Pool Code 50350
Property Code 16814	Property Name DC HARDY	Well No. 006
OGRID No. 873	Operator Name Apache Corporation	Elevation 3482

**Surface And Bottom Hole Location**

UL or Lot O	Section 20	Township 21S	Range 37E	Lot Idn	Feet From 330	N/S Line S	Feet From 1330	E/W Line E	County Lea
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			



**OPERATOR CERTIFICATION**

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

Electronically Signed By: Larry Rader  
Title: Technical Coordinator  
Date: 1/14/2003

---

**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 belief.*

Electronically Signed By: RONALD EIDSON  
Date of Survey: 11/27/2002  
Certificate Number: 3239

**APD Comments****Operator: 873 Apache Corporation****Well: DC HARDY 006**

User Name	Comment	Comment Date
LERADER	We have filed the NSL application on this well and will fax a copy of the NSL application to the District Office.	1/13/2003

**APD Conditions Of Approval****Operator: 873 Apache Corporation****Well: DC HARDY 006**

OCD Reviewer	Condition
DMULL	NSL-4830 (SD)
DMULL	To drill well requires NSL order approved in Santa Fe.

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Avenue, Artesia, NM 87210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

WELL API NO. <u>30-025 36114</u>
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name:  DC HARDY
8. Well No.  6
9. Pool name or Wildcat BENROSE SKELLY; GRAYBURG

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 APACHE CORPORATION

3. Address of Operator TWO WARREN PLACE, SUITE 1500  
 6120 S. YALE TULSA, OK 74136-4224

4. Well Location  
 Unit Letter 0 : 330 feet from the SOUTH line and 1330 feet from the EAST line  
 Section 20 Township 21S Range 37E NMPM County LEA

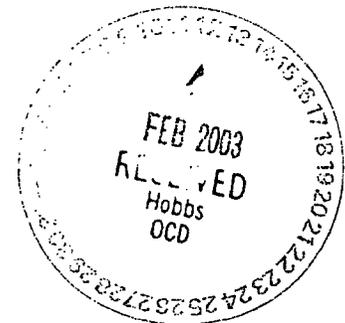
10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3482' GL

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<p><b>NOTICE OF INTENTION TO:</b></p> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	<p><b>SUBSEQUENT REPORT OF:</b></p> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input checked="" type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: CMT SURF CSG;TD;SET PROD CSG. <input type="checkbox"/>
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12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

PLEASE SEE ATTACHED DRILLING HISTORY.



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Larry E. Rader TITLE TECH. COORDINATOR-DRLG. DATE 2/10/03

Type or print name LARRY E. RADER Telephone No. 918-491-4900  
 (This space for State use)

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 14 2003  
 Conditions of approval, if any:

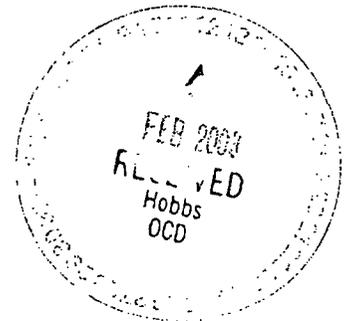
WELL: DC HARDY #6  
API# 30-025-36114

2/4/2003 MIRU CAPSTAR RIG #8. SPUD 12-1/4" HOLE @ 11:00 A.M. 2/3/03. DRILL & SURVEY TO 411'. RIH W/ 8-5/8" 24# J55 CASING. CEMENT SHOE @ 411' W/ 325 SX CLASS C + 2% CACL + 0.125 #/SX CELLO FLAKE=78 BBLs 14.8 PPG SLURRY W/ 1.35 CF/SX YIELD. CIRC 79 SX CEMENT TO PIT. WOC.

2/3/03 - 2/7/03 DRILL & SURVEY 411' - 3789'.

2/8/2003 DRILL 3789' - 4100'. RUN LOGS.

2/9/2003 RIH W/ 5-1/2" 17# J55 CASING W/17 CENTRALIZERS. CEMENT SHOE @ 4100' W/ 500 SX 50:50 POZ:CLASS C W/10% GEL + 5% SALT + 0.125#/SX CELLO FLAKE + 0.003 GPS FP-6L=217 BBLs. 11.8 PPG SLURRY W/ 2.44 CF/SX YIELD. TAIL W/ 250 SX 50:50 POZ:CLASS C W/2% GEL + 5% SALT + 0.003 GPS FP-6L=57 BBLs 14.2 PPG SLURRY W/ 1.29 CF/SX YIELD. BUMPED PLUG & HELD. CIRC 157 SX CMT TO PIT. CUT OFF CSG. RELEASE RIG 2/9/03 10:00 A.M.

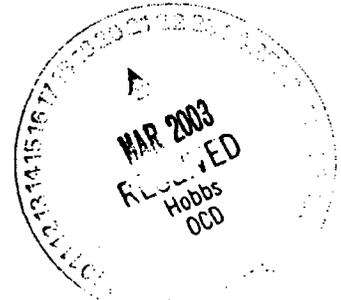


Apache Corporation  
6120 S. Yale Ste 1500  
Tulsa, OK 74136

D.C. Hardy #6  
Lea County, New Mexico

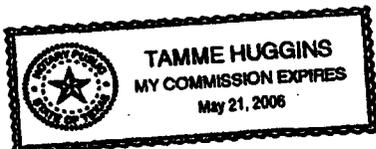
D-20-125-37e  
330/S & 1330/E  
30-025-36114

193	1.93	1/2	0.88	1.69	1.69
411	2.18	1	1.75	3.82	5.50
852	4.41	1	1.75	7.72	13.22
1166	3.14	1/2	0.88	2.75	15.97
1568	4.02	3/4	1.31	5.28	21.25
2003	4.35	1	1.75	7.61	28.86
2441	4.38	1 1/2	2.63	11.50	40.36
2910	4.69	1 1/2	2.63	12.31	52.67
3377	4.67	3/4	1.31	6.13	58.80
3688	3.11	1 1/4	2.19	6.80	65.60
4100	4.12	3/4	1.31	5.41	71.01



  
Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 10<sup>th</sup> day of February 2003 by Michael Roghair - General Manager, CapStar Drilling, L.P.



  
Notary Public  
 2/17/03  
APACHE CORPORATION

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-104  
Revised June 1, 2000

OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Submit to Appropriate District Office  
5 Copies

AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator Name and Address APACHE CORPORATION 6120 SOUTH YALE, SUITE 1500 TULSA, OKLAHOMA 74136-4224		OGRID Number 000873
API Number 30-025-36114		Reason for Filing Code / Effective Date NW - 02/18/03
Property Code 16814	Pool Name Penrose Skelly, Grayburg	Pool Code 50350
	Property Name D C Hardy	Well Number 6

II. Surface Location									
Ul or lot no. O	Section 20	Township 21S	Range 37E	Lot. Idm	Feet from the 330	North/South line South	Feet from the 1330	East/West line East	County Lea

III. Bottom Hole Location									
Ul or lot no.	Section	Township	Range	Lot. Idm	Feet from the	North/South line	Feet from the	East/West line	County
Use Code P	Producing Method Code P	Gas Connection Date 2/18/03	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
015694	Navajo Refining Company P O Box 159 Artesia, New Mexico 88210	2479110	O	Unit P, Sec. 20, T-21S, R-37E D C Hardy Battery
024650	Dynegy Midstream Services Ltd 6 Desta Drive, Suite 3300 Midland, Texas 79705	2479130	G	Unit P, Sec. 20, T-21S, R-37E D C Hardy Battery

IV. Produced Water	
POD 2479150	POD ULSTR Location and Description Unit P, Sec. 20, T-21S, R-37E, DC Hardy Battery

V. Well Completion Data					
Spud Date 2/3/2003	Ready Date 2/18/03	TD 4100'	PBTD 4058'	Perforations 3738 - 3930	DHC, MC
Hole Size 12-1/4	Casing & Tubing Size 8-5/8	Depth Set 411	Sacks Cement 325 sx / circ. 79 sx to pit		
	5-1/2	4100	750 sx / circ. 157 sx to pit		
	2-7/8	3980'			

VI. Well Test Data					
Date New Oil 2/18/03	Gas Delivery Date 2/18/03	Test Date 2/25/03	Test Length 24	Tbg. Pressure	Csg. Pressure
Choke Size	Oil 95	Water 182	Gas 200	AOF	Test Method Pumping

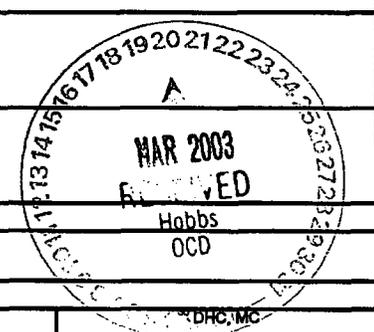
<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kara Coday*  
Printed Name: Kara Coday  
Title: Sr. Engineering Technician  
Date: 3/17/2003 Phone: 918-491-4957

OIL CONSERVATION DIVISION

Approved by: *[Signature]*  
Title: PETROLEUM ENGINEER  
Approval Date: APR 23 2003

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature:	Printed Name	Title	Date



Submit to Appropriate District Office

State Lease-6 copies

Fee Lease-5 copies

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-105  
Revised March 25, 1999

OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe, NM 87505

WELL APNO.  
30-025-36114

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name  
D C Hardy

8. Well No.  
6

9. Pool name or Wildcat  
Penrose Skelly; Grayburg

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER  
b. Type of Completion:  
 New Well  Workover  Deepen  Plug Back  Diff. Resvr.  Other

2. Name of Operator  
Apache Corporation

3. Address of Operator  
6120 South Yale, Suite 1500 Tulsa, Oklahoma 74136-4224 918-491-4957

4. Well Location  
Unit Letter O : 330 Feet From The South Line and 1330 Feet From The East Line  
Section 20 Township 21S Range 37E NMPM Lea County

10. Date Spudded 2/3/2003 11. Date T.D. Reached 2/8/03 12. Date Compl. (Ready to Prod.) 2/18/03 13. Elevations (DP& RKB, RT, GR, etc.) 3482' GR 14. Elev. Casinghead

15. Total Depth 4100' 16. Plug Back T.D. 4058' 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name  
Grayburg 3738' - 3930 20. Was Directional Survey Made

21. Type Electric and Other Logs Run  
CZD-CNL-GRL, DLL-GRL 22. Was Well Cored

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT FILLED
8-5/8	24#	411	12-1/4	325 sx / circ. 79 sx to pit	
5-1/2	17#	4100	7-7/8	750 sx / circ. 157 sx to pit	

24. LINER RECORD

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN

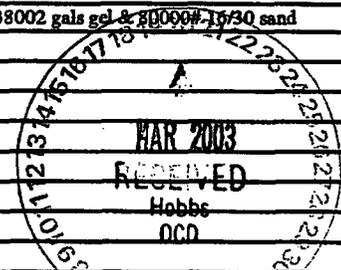
25. TUBING RECORD

SIZE	DEPTH SET	PACKER SET
2-3/8	3980'	

26. Perforation record (interval, size, and number)  
Grayburg - 3738-42, 3764-68, 3832-36, 3864-66, 3880-84, 3900-16, 3920-30  
4" - 88 holes

27. ACID SHOT FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
3738 - 3930	Acidized w/ 2302 Gals 15% HCL Frac'd w/ 38002 gals gel & 80000# 16/30 sand



28. PRODUCTION

Date First Production 2/18/03	Production Method (Flowing, gas lift, pumping - Size and type pump) Pumping - 1.5" Rod Insert	Well Status (Prod. or Shut-in) Producing					
Date of Test 2/25/03	Hours Tested 24	Choke Size	Prod'n Per Test Period	Oil - Bbl. 95	Gas - MCF 200	Water - Bbl. 182	Gas - Oil Ratio 2105
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)  
Sold Test Witnessed By  
Apache Corporation

30. List Attachments  
Deviation Report / C-104

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief  
Signature Kara Coday Printed Name Kara Coday Title Sr. Engineering Technician Date 3/17/2003



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
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1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources  
Oil Conservation Division  
1220 S. St Francis Dr.  
Santa Fe, NM 87505

Form C-101

**APPLICATION FOR PERMIT TO DRILL**

Operator Name and Address Apache Corporation Two Warren Place, Suite 1500 Tulsa, OK 74136-4224		OGRID Number 873
		API Number 30-25-36378
Property Code 16814	Property Name DC HARDY	Well No. 007

**Surface Location**

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	20	21S	37E		990	S	2310	E	Lea

**Proposed Pools**

PENROSE SKELLY;GRAYBURG 50350
-------------------------------

Work Type New Well	Well Type Oil	Cable/Rotary	Lease Type Private	Ground Level Elevation 3490
Multiple N	Proposed Depth 4800	Formation Grayburg	Contractor	Spud Date

**Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	400	325	0
Prod	7.875	5.5	17	4800	930	0

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.  Electronically Signed By: Larry Rader Title: Technical Coordinator Date: 8/19/2003 Phone: 918-491-4811	<b>OIL CONSERVATION DIVISION</b>	
	Electronically Approved By: Chris Williams	
	Title: District Supervisor	
	Approval Date: 8/22/2003	Expiration Date: 8/22/2004
Conditions of Approval: No Conditions		

District I  
 1625 N. French Dr., Hobbs, NM 88240  
District II  
 1301 W. Grand Ave., Artesia, NM 88210  
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 1220 S. St Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-102

Oil Conservation Division  
 1220 S. St Francis Dr.  
 Santa Fe, NM 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-25-36378	Pool Name PENROSE SKELLY;GRAYBURG	Pool Code 50350
Property Code 16814	Property Name DC HARDY	Well No. 007
OGRID No. 873	Operator Name Apache Corporation	Elevation 3490

**Surface And Bottom Hole Location**

UL or Lot O	Section 20	Township 21S	Range 37E	Lot Idn	Feet From 990	N/S Line S	Feet From 2310	E/W Line E	County Lea
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			

		■	

<b>OPERATOR CERTIFICATION</b>
<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>
Electronically Signed By: Larry Rader
Title: Technical Coordinator
Date: 8/19/2003
<b>SURVEYOR CERTIFICATION</b>
<i>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 belief.</i>
Electronically Signed By: Ronald Eidson
Date of Survey: 8/6/2003
Certificate Number: 3239

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Artesia, NM 88210  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
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 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals and Natural Resources

Form C-103  
 Revised March 25, 1999

OIL CONSERVATION DIVISION  
 1625 N. French Drive  
 Hobbs, NM 88240

WELL API NO. 30-025-36378
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: DC HARDY
8. Well No. 7
9. Pool name or Wildcat PENROSE SKELLY; GRAYBURG

**SUNDRY NOTICES AND REPORTS ON WELLS**  
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well:  
 Oil Well  Gas Well  Other

2. Name of Operator  
 APACHE CORPORATION

3. Address of Operator  
 6120 South Yale, Suite 1500 Tulsa, OK 74136

4. Well Location  
 Unit Letter O : 990 feet from the SOUTH line and 2310 feet from the EAST line  
 Section: 20 Township: 21S Range: 37E NMPM County: LEA

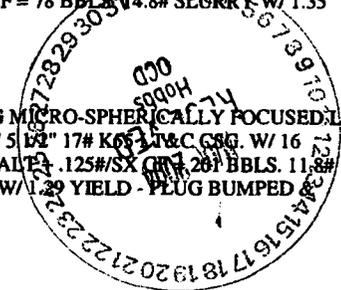
10. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3490 GR

11. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: SPUD, SURF. CSG., TD, LOG, PROD. CSG. <input checked="" type="checkbox"/>	

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompilation.

- 3/5/04 9:00 AM - NOTIFY NMOCD INTENT SPUD. SPUD 12 1/4" HOLE. DRILL & SURVEY TO 400'. RIH 9 JTS. 403 19' 8 5/8" 2 1/2" I55 ST&C CSG. W/ 5 CENTRALIZERS. BJ CMT SHOE @ 400 W/ 325 SX CLASS C + 2% CACL + .125#/SX CF = 78 BBLs. 14.8# SLURRY W/ 1.35 YIELD - DISPLACE PLUG TO 370 W/ 23 BFW - CIRC. 104 SX. CMT. TO PIT.
- 3/6/04 - 3/11/04 DRILL & SURVEY FROM 400' - 4350'.
- 3/12/04 HALIBURTON RAN BOREHOLE COMPENSATED SONIC LOG 4294-3300; DUAL LATEROLOG MICRO-SPHERICALLY FOCUSED LOG 4340-3300; DUAL-SPACED NEUTRON SPECTRAL DENSITY LOG 4269-200. RIH 97 JTS 4359.34' 5 1/2" 17# K09 1 1/2" I55 ST&C CSG. W/ 16 CENTRALIZERS. BJ CMT. SHOE @ 4350 - FC @ 4302 W/ 600 SX 50:50 POZ W/ 10% GEL + 5% SALT + .125#/SX CF = 111 BBLs. 11.8# SLURRY W/ 2.44 YIELD & 300 SX 50:50 POZ W/ 2% GEL + 5% SALT = 69 BBLs. 14.2# SLURRY W/ 1.29 YIELD - PLUG BUMPED HELD - CIRC. 153 SX. CMT. TO PIT - DISPLACE W/ 2% KCL WATER. RELEASE RIG @ 4:00 PM 3/12/2004



I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michelle L. Hanson TITLE Drilling Tech. DATE 3/15/04

Type or print name Michelle L. Hanson Telephone No. 918-491-4980

(This space for State use)

APPROVED BY Hayward Wink TITLE OC FIELD REPRESENTATIVE II/STAFF MANAGER DATE MAR 23 2004  
 Conditions of approval, if any:

# WELL LOGS

API number:	30-025-36378		
OGRID:		Operator:	APACHE CORP
		Property:	DC HARDY # 7

surface

ULSTR:	O	20	T	21S	R	37E
		990	FSL	2310	FEL	

BH Loc

ULSTR:	O	20	T	21S	R	37E
		990	FSL	2310	FEL	

Ground Level:	3490	DF:	3496	KB:	3497
Datum:	KB			TD:	4350

Land: STATE

Completion Date: (1) 3/19/2004  
 Date Logs Received: 5/3/2004 **\*\*Late**  
 Date Logs Due in: (2) 4/8/2004

Confidential:	NO			Date out:	
---------------	----	--	--	-----------	--

Confidential period: 90 Days for State & Fee, 1 Year for federal  
 Date Due In: (1) is equal to Completion Date (1) + 20 days

Logs	Depth interval		
DSN/SDL	200	4269	Spectral Density Dual Spaced Neutron
DLL/MSFL	3300	4340	Dual Laterolog Micro Spherically Focused Log
BHC	3300	4294	Borehole Compensated Sonic Log

### OCD TOPS

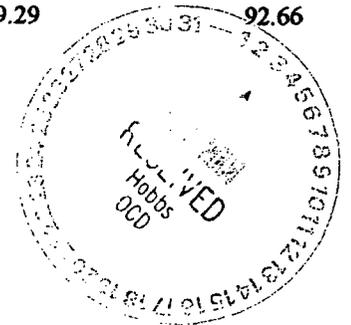
Rustler	1218	Strawn		
Tansill	2460	Atoka		
Yates	2631	Morrow		
7R	2860			
T. Bowers Sd	3177			
B. Bowers Sd	3250			
Queen	3386			
Penrose	3494			
Grayburg	3636			
San Andres	3938			
Glorieta				
Tubb				
Drinkard				
Abo				
Wolfcamp				

Apache Corporation  
 6120 S. Yale Ste 1500  
 Tulsa, OK 74136

D.C. Hardy #7  
 Lea County New, Mexico

*8-20-21s-37e  
 990/s + 2310/E  
 30-025-36378*

191	1.91	1/4	0.44	0.84	0.84
370	1.79	3/4	1.31	2.35	3.19
846	4.76	1	1.75	8.33	11.52
1312	4.66	1 3/4	3.06	14.27	25.79
1594	2.82	1	1.75	4.94	30.72
2031	4.37	1 1/4	2.19	9.56	40.28
2439	4.08	1 1/2	2.63	10.71	50.99
2845	4.06	1	1.75	7.11	58.10
3315	4.70	2	3.50	16.45	74.55
3819	5.04	1	1.75	8.82	83.37
4350	5.31	1	1.75	9.29	92.66



*[Signature]*  
 Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 15<sup>th</sup> day of March, 2004 by Michael Roghair - General Manager, CapStar Drilling, L.P.



*[Signature]*  
 Notary Public

*[Signature]*

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-104  
Revised June 1, 2000

OIL CONSERVATION DIVISION  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Submit to Appropriate District Office  
5 Copies

30-025-36378  AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

<sup>1</sup> Operator Name and Address APACHE CORPORATION 6120 SOUTH YALE, SUITE 1500 TULSA, OKLAHOMA 74136-4224		<sup>4</sup> OGRID Number 000873
<sup>2</sup> API Number 30-025-36378		<sup>3</sup> Reason for Filing Code / Effective Date NW-3/22/2004
<sup>5</sup> Property Code 16814	<sup>6</sup> Pool Name Penrose Skelly, Grayburg	<sup>7</sup> Pool Code 50350
	<sup>8</sup> Property Name D C Hardy	<sup>9</sup> Well Number 7

II. <sup>10</sup> Surface Location

Ul or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	20	21S	37E		990	South	2310	East	Lea

<sup>11</sup> Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South line	Feet from the	East/West line	County
		990							

<sup>12</sup> Use Code P	<sup>13</sup> Producing Method Code P	<sup>14</sup> Gas Connection Date 3/22/04	<sup>15</sup> C-129 Permit Number	<sup>16</sup> C-129 Effective Date	<sup>17</sup> C-129 Expiration Date
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III. Oil and Gas Transporters

<sup>18</sup> Transporter OGRID	<sup>19</sup> Transporter Name and Address	<sup>20</sup> POD	<sup>21</sup> O/G	<sup>22</sup> POD ULSTR Location and Description
015694	Navajo Refining Company P O Box 159 Artesia, New Mexico 88210	2479110	O	Unit P, Sec. 20, T-21S, R-37E D C Hardy Battery
024650	Dynegy Midstream Services Ltd 6 Desta Drive, Suite 3300 Midland, Texas 79705	2479130	G	Unit P, Sec. 20, T-21S, R-37E D C Hardy Battery

IV. Produced Water

<sup>23</sup> POD 2479150	<sup>24</sup> POD ULSTR Location and Description Unit P, Sec. 20, T-21S, R-37E, DC Hardy Battery
------------------------------	-----------------------------------------------------------------------------------------------------

V. Well Completion Data

<sup>25</sup> Spud Date 3/5/04	<sup>26</sup> Ready Date 3/22/04	<sup>27</sup> TD 4350	<sup>28</sup> PBTD 4302	<sup>29</sup> Perforations 3832 - 3926	<sup>30</sup> DHC, MC
<sup>31</sup> Hole Size 12-1/4	<sup>32</sup> Casing & Tubing Size 8-5/8	<sup>33</sup> Depth Set 400	<sup>34</sup> Sacks Cement 325 sx / circ. 104 sx to pit		
	7-7/8	5-1/2	900 sx / circ. 153 sx to pit		
	2-7/8	4008			

VI. Well Test Data

<sup>35</sup> Date New Oil 3/22/04	<sup>36</sup> Gas Delivery Date 3/22/04	<sup>37</sup> Test Date 4/11/2004	<sup>38</sup> Test Length 24	<sup>39</sup> Tbg. Pressure	<sup>40</sup> Csg. Pressure
<sup>41</sup> Choke Size 25	<sup>42</sup> Oil	<sup>43</sup> Water 279	<sup>44</sup> Gas 268	<sup>45</sup> AOF	<sup>46</sup> Test Method Pumping

<sup>47</sup> I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Kara Coday*  
Printed Name: Kara Coday  
Title: Sr. Engineering Technician  
Date: 4/26/2004  
Phone: 918-491-4957

OIL CONSERVATION DIVISION

Approved by: *[Signature]*  
Title: PETROLEUM ENGINEER  
Approval Date: JUN 18 2004

<sup>48</sup> If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature:	Printed Name	Title	Date
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Submit to Appropriate District Office

State Lease-6 copies

Fee Lease-5 copies

DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals and Natural Resources

Form C-105

Revised March 25, 1999

OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

WELL API NO. 30-025-36378

5. Indicate Type of Lease STATE FEE

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name D C Hardy

8. Well No. 7

9. Pool name or Wildcat Penrose Skelly, Grayburg

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL GAS WELL DRY OTHER
b. Type of Completion: New Well Workover Deepen Plug Back Diff. Resvr. Other

2. Name of Operator Apache Corporation

3. Address of Operator 6120 South Yale, Suite 1500 Tulsa, Oklahoma 74136-4224 918-491-4957

4. Well Location Unit Letter O : 990 Feet From The South Line and 2310 Feet From The East Line Section 20 Township 21S Range 37E NMPM Lea County

10. Date Spudded 3/5/04 11. Date T.D. Reached 3/11/04 12. Date Compl. (Ready to Prod.) 3/22/04 13. Elevations (DF&RKB, RT, GR, etc.) 3490 GR 14. Elev. Casinghead

15. Total Depth 4350 16. Plug Back T.D. 4302 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By 19. Producing Interval(s) of this completion - Top, Bottom, Name Grayburg 3832-3926

21. Type Electric and Other Logs Run BCSL, DSN-SDL, DLL-MSFL 22. Was Well Cored

23. CASING RECORD (Report all strings set in well)

Table with 5 columns: CASING SIZE, WEIGHT LB./FT., DEPTH SET, HOLE SIZE, CEMENTING RECORD, AMOUNT PULLED. Rows include 8-5/8, 5-1/2 casing sizes.

Table with 2 main sections: LINER RECORD and TUBING RECORD. LINER RECORD columns: SIZE, TOP, BOTTOM, SACKS CEMENT, SCREEN. TUBING RECORD columns: SIZE, DEPTH SET, PACKER SET.

Table with 2 main sections: 26. Perforation record (interval, size, and number) Grayburg - 3832-36, 3915-18, 3921-26 w/ 2 JSPF (24 holes); 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC. with depth intervals and materials used.

Table with 2 main sections: 28. PRODUCTION Date First Production 3/22/04 Production Method Pumping - 1.5" Rod Insert Well Status Producing; Date of Test 4/11/2004 Hours Tested 24 Choke Size 25 Oil - Bbl. 268 Gas - MCF 279 Water - Bbl. 10720 Gas - Oil Ratio 36.4

29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold Apache Corporation

30. List Attachments Deviation Report / C-104

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief. Signature Kara Coday Printed Name Kara Coday Title Sr. Engineering Technician Date 4/26/2004

# INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division Office not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105. 30-025-36378

## INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico		Northwestern New Mexico	
T. Anby _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 2631	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 2861	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 3385	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____ 3634	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 3939	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	7 Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____	# T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____	T. Rustler _____ 1218	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn "A" _____	T. _____

### OIL OR GAS SANDS OR ZONES

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ No. 3, from \_\_\_\_\_ to \_\_\_\_\_  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ No. 4, from \_\_\_\_\_ to \_\_\_\_\_

### IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from \_\_\_\_\_ to \_\_\_\_\_ feet  
 No. 2, from \_\_\_\_\_ to \_\_\_\_\_ feet  
 No. 3, from \_\_\_\_\_ to \_\_\_\_\_ feet

### LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF CONSIDER-  
ING:

CASE NO. 390  
ORDER NO. R-199

THE APPLICATION OF THE OIL  
CONSERVATION COMMISSION UPON  
ITS OWN MOTION FOR AN ORDER (a)  
EXEMPTING CERTAIN POOLS IN EDDY,  
LEA, CHAVES AND ROOSEVELT COUNTIES  
FROM THE PROVISIONS OF RULE 301 AND  
RULE 506 (PARAGRAPH 'D'); AND (b) EXEMPT-  
ING CERTAIN POOLS IN LEA COUNTY FROM  
THE PROVISIONS OF RULE 506 (PARAGRAPH  
'D').

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at Santa Fe, New Mexico, at 9 o'clock a. m. August 19, 1952, and September 16, 1952, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 13th., day of November, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being otherwise fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the following pools in Eddy, Lea, Chaves and Roosevelt Counties, New Mexico, by reason of their low productivity of oil and gas, should be exempted from:

(a) The provisions of Rule 301 of the Commission's Rules and Regulations, said rule pertaining to the filing of Form C-116, Gas-Oil Ratio Test; and

(b) The provisions of Paragraph (d) of Rule 506 of the Commission's Rules and Regulations, said rule pertaining to gas-oil ratio limitations.

Case No. 390  
Order No. R-199

Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Burton, Caprock, Cedar Hills, Chisum-San Andres, Daughterity, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Keely, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, South Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P. C. A., Pearsall, Penrose-Skelly, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, and Young.

(3) That the following pools in Lea County, New Mexico, because of their low productivity of gas should be exempted from the provisions of Rule 506, Paragraph (d), of the Commission's Rules and Regulations, pertaining to gas-oil ratio limitations.

Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Langlie-Mattix, Maljamar-Paddock, Rhodes, Wilson, West Wilson, Crossroads, Bagley-Siluro-Devonian, East Caprock-Devonian, and Knowles.

IT IS THEREFORE ORDERED:

(1) That the following pools in Eddy, Lea, Chaves and Roosevelt Counties be and the same hereby are exempted from the provisions of Rule 301 of the Commission's Rules and Regulations and from the provisions of Rule 506, Paragraph (d), of the Commission's Rules and Regulations:

Acme, Aid, Anderson, Artesia, Barber, Benson, Black River, Burton, Caprock, Cedar Hills, Chisum-San Andres, Daughterity, Dayton, South Drinkard, Dublin-Devonian, Empire, Forest, Fren, Garrett, Getty, Grayburg-Jackson, Grayburg-Keely, Halfway, Henshaw, High Lonesome, Leo, Leonard, Loco Hills, Loco Hills-Queen, Lusk, West Lusk, North Lynch, East Maljamar, South Maljamar, McMillan, McMillan-Seven Rivers, Millman, Nadine, New Hope, Nichols, P. C. A., Pearsall, Penrose-Skelly, Premier, Red Lake, Robinson, Russell, Santo Nino, San Simon, Sawyer, Shugart, North Shugart, Square Lake, Teas, Turkey Track, East Turkey Track, West Turkey Track, Turkey Track-Seven Rivers, Watkins, Watkins-Grayburg, North Wilson, and Young.

(2) That the following pools in Lea County, New Mexico, be and the same hereby are exempted from the provisions of Rule 506, Paragraph (d), of the Commission's Rules and Regulations:

-3-

Case No. 390  
Order No. R-199

Baish, Cooper-Jal, South Eunice, Hardy, Lynch, Langlie-Mattix,  
Maljamar-Paddock, Rhodes, Wilson, West Wilson, Crossroads, Bagley-Siluro-  
Devonian, East Caprock-Devonian, and Knowles.

DONE at Santa Fe, New Mexico, on the day and year hereinabove  
designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

SEAL

Rule 301 requires G.O.R. test, and filing of C116  
Rule 506 establishes 2000 ton as the statewide  
G.O.R. limit.

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF THE STATE OF NEW  
MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. - 308  
ORDER NO. R-98-B

THE APPLICATION OF THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO ON ITS OWN  
MOTION FOR AN ORDER (a) REVISING AND  
AMENDING SECTIONS 'G', 'H', 'J', 'M', 'N',  
AND 'O' OF ORDER NO. 850; AND (b) PERMITT-  
ING THE ADOPTION OF SUCH OTHER CHANGES  
AND AMENDMENTS IN OTHER RULES NECESSARY  
AND PROPER TO GIVE FULL FORCE AND EFFECT  
TO THE REVISIONS AND AMENDMENTS CONTEM-  
PLATED.

NUNC PRO TUNC ORDER OF THE COMMISSION

It appearing to the Commission that the order heretofore entered in the  
above entitled cause is not a correct memorial of the judgment as rendered and  
announced by this Commission in that Appendix B of said order, through inadvertence  
and clerical error, established gas-oil ratio limits pursuant to Rule 506, as follows:

<u>POOL</u>	<u>GAS-OIL RATIO LIMIT</u>
Hardy	2000
Eunice, South	2000
Penrose-Skelly	2000
Vacuum	2000

when it should have been shown, as follows:

<u>POOL</u>	<u>GAS-OIL RATIO LIMIT</u>
Hardy	No Limiting gas-oil ratio
Eunice, South	"
Penrose-Skelly	"
Vacuum	2500

No limiting gas-oil ratio shall be applied in Hardy, Penrose-Skelly,  
Langlie-Mattix, Rhodes, Cooper-Jal and South Eunice Pools in Lea County, now  
primarily gas reservoirs; Provided that the oil produced with the gas shall not  
be in excess of the current top unit allowable; and provided further that the gas pro-  
duced from said pools shall be put to beneficial use so as not to constitute waste,  
except as to proration units in said pools for which there are no facilities for the  
marketing or application to beneficial use of the gas produced therefrom. As to  
such proration units the limiting gas-oil ratio in effect immediately prior to the

effective date of the order herein shall apply.

THEREFORE, it is hereby ordered that the order heretofore entered by this Commission in the above entitled cause on June 24, 1952, be, and the same hereby is corrected to conform to the actual findings announced and rendered by the Commission by modifying Appendix B to read, as follows:

<u>POOL</u>	<u>GAS-OIL RATIO LIMIT</u>
Hardy	No limiting gas-oil ratio
Eunice, South	"
Penrose-Skelly	"
Vacuum	2500

No limiting gas-oil ratio shall be applied in Hardy, Penrose-Skelly, Langlie-Mattix, Rhodes, Cooper-Jal and South Eunice Pools in Lea County, now primarily gas reservoirs; Provided that the oil produced with the gas shall not be in excess of the current top unit allowable; and provided further that the gas produced from said pools shall be put to beneficial use so as not to constitute waste, except as to proration units in said pools for which there are no facilities for the marketing or application to beneficial use of the gas produced therefrom. As to such proration units the limiting gas-oil ratio in effect immediately prior to the effective date of the order herein shall apply, and said order in all other respects is hereby ratified and confirmed, and,

IT IS FURTHER ORDERED, That this order correcting the record of said order be entered nunc pro tunc as of the 24th day of June, 1952, that being the date when said order was originally made and entered.

DONE this 24th day of July, 1952.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

SEAL