



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

December 20, 2004

**Apache Corporation**  
c/o **James Bruce**  
**P. O. Box 1056**  
**Santa Fe, New Mexico 87504**

*Administrative Order NSL-5142*

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-430130955*) that was submitted to the New Mexico Oil Conservation Division ("Division") on October 26, 2004; (ii) your e-mail correspondence with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe on December 3, 2004; and (iii) the Division's records in Santa Fe: all concerning Apache Corporation's request for an unorthodox oil well location in the Blinebry Oil and Gas Pool (6660), Tubb Oil and Gas Pool (60240), and Drinkard Pool (19190) for its proposed Hawk "B-1" Well No. 42 to be drilled 1365 feet from the South line and 1420 feet from the East line (Unit J) of Section 8, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

The NW/4 SE/4 (Unit J) of Section 8, being a standard 40-acre oil spacing and proration unit for all three intervals, is to be dedicated to this well.

This application has been duly filed under the provisions of: (i) Division Rules 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; (ii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended; and (iii) the "*Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

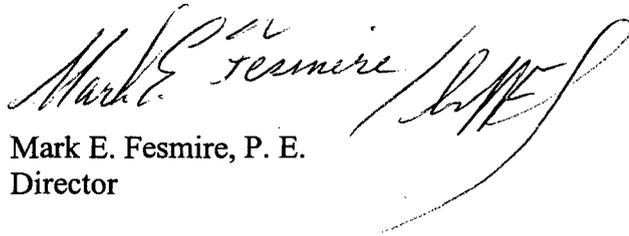
It is the Division's understanding that the E/2 SW/4 and the SE/4 of Section 8 and the E/2 NW/4 and the S/2 of Section 9, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, comprises a single federal lease (U. S. Government lease No. NM-90161) with common mineral interests in which Apache Corporation is the leasehold operator; therefore, there are no adversely affected interests to the proposed 40-acre oil spacing and proration unit within the Blinebry, Tubb, and Drinkard intervals.

Approval of the proposed unorthodox oil well location request should enable Apache Corporation to further develop and deplete the Blinebry, Tubb, and Drinkard intervals within its Hawk "B-1" federal lease that might not otherwise be recovered.

By the authority granted me under the provisions of Division Rules 104.F (2), as revised, and the applicable provisions of the special pool rules governing both the Blinebry Oil and Gas Pool and Tubb Oil and Gas Pool, the above-described unorthodox oil well location of Apache Corporation's proposed Hawk "B-1" Well No. 42 is hereby approved for the Blinebry Oil and Gas Pool, Tubb Oil and Gas Pool, and Drinkard Pool.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark E. Fesmire". The signature is written in dark ink and is positioned above the typed name and title.

Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs  
U. S. Bureau of Land Management - Carlsbad