

PMESD - 50873851Z

Hawk B-1 #36

30-05-36530

DATE IN 2-21-05	SUSPENSE 3-14-05	ENGINEER MES	LOGGED IN ms	TYPE NSL	APP NO.
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



P-9-21-37

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR
- [D] Other: Specify _____

- [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply
- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce
Print or Type Name

Signature

Attorney for applicant 2/18/05
Title Date

jamesbruc@aol.com
e-mail Address

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

FEB 21 2005

RECEIVED

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jamesbruc@aol.com

February 18, 2005

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request to Amend Division Administrative Order NSL-4955(SD) to include the San Andres formation

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Apache Corporation applies for administrative approval of an unorthodox oil well location in the San Andres formation for the following well:

<u>Well:</u>	Hawk B-1 Well No. 36
<u>Location:</u>	1310 feet FSL & FEL
<u>Well Unit:</u>	SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 9, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico

The well was originally drilled to and completed in the Grayburg formation (Penrose Skelly (Grayburg) Pool). The Grayburg unorthodox location was approved by NSL-4955-SD.

The well was also drilled deep enough to test the San Andres formation (which at that time was in the Hare-San Andres Gas Pool, spaced on 160 acres). The well was at an orthodox gas well location. The well is now located in the East Hare-San Andres (Oil) Pool,¹ which is developed on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line.

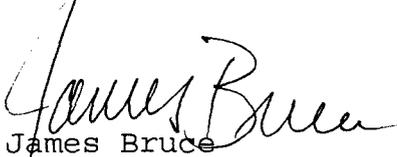
The well tests show that there is San Andres potential, and producing the wells from both zones will make the well more economical and extend the life of the well. An engineering and geological discussion is attached as Exhibit A.

¹ See Division Order No. R-12190.

Attached as Exhibit B is a land plat, highlighting the proposed well's location. The S½ of Section 9 (and other acreage) is covered by a single federal lease (NM 90161), which has common royalty, overriding royalty, and working interest ownership in the Grayburg and San Andres formations. Although the well is very unorthodox, there are no adversely affected interest owners, and no one has been notified of this application.

Please call me if you need any further information on this matter.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Apache Corporation

Application of Apache Corporation for administrative approval of an unorthodox well location:

40 acres – 1310' FSL & 1310' FEL
Section 9, Township 21 South, Range 37 East, NMPM
Lea County, New Mexico

PRIMARY OBJECTIVE: SAN ANDRES

In support:

1. Apache Corporation (Apache) is the operator of the **Hawk B-1 #36** well. The total depth drilled is 4732' in the San Andres formation. The well previously tested as a San Andres oil well and is currently perforated in and productive from the Grayburg.
2. The **Hawk B-1 #36** well was drilled as a standard location in the Hare; San Andres Gas Pool and as an NSL in the Penrose Skelly; Grayburg Oil Pool. Administrative Order NSL-4955 was issued for the Grayburg reservoir. Order R-12190 now extends the East Hare San Andres Oil Pool over this location. As to the San Andres reservoir, the location encroaches toward no currently productive San Andres well (**Exhibit 1**).
3. The **Hawk B-1 #36** unorthodox San Andres location of 1310' from south line and 1310' from east line is based on wellbore availability.
 - a) **Exhibit 1** (Well Information) illustrates that the well tested and is capable of producing hydrocarbons from the San Andres.
 - b) **Exhibit 2** (San Andres Net Pay) illustrates that sufficient reservoir is present to contain and produce commercial amounts of hydrocarbons.
 - c) Even though the location is unorthodox, the entire drainage area is contained within the Hawk B-1 lease.
 - d) Volumetrics and reserves for the Hawk B-1 #39 are:

OPER	WELL	LOC	AREA A	EUR MBO	EUR MMCFG
Apache	Hawk B-1 #36	09-P	40	4	382

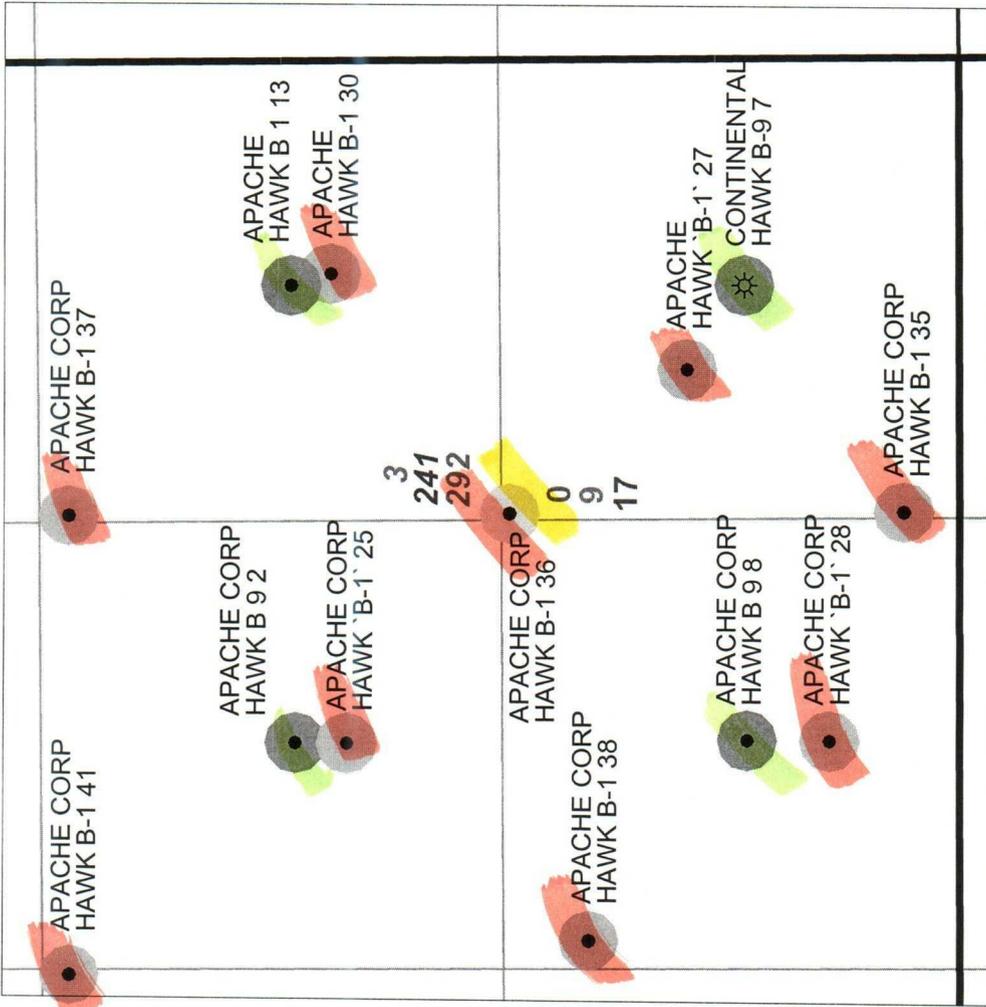
4. Notice

- a. The Hawk Federal Lease covers, among other acreage, the SE¼ §9. Interest ownership in the San Andres Formation is common in the lease.



Therefore, there are no adversely affected parties and no one was notified of the application.

5. Approval of this application will afford the interest owners in this spacing unit an opportunity to recover oil and gas which would not otherwise be recovered.



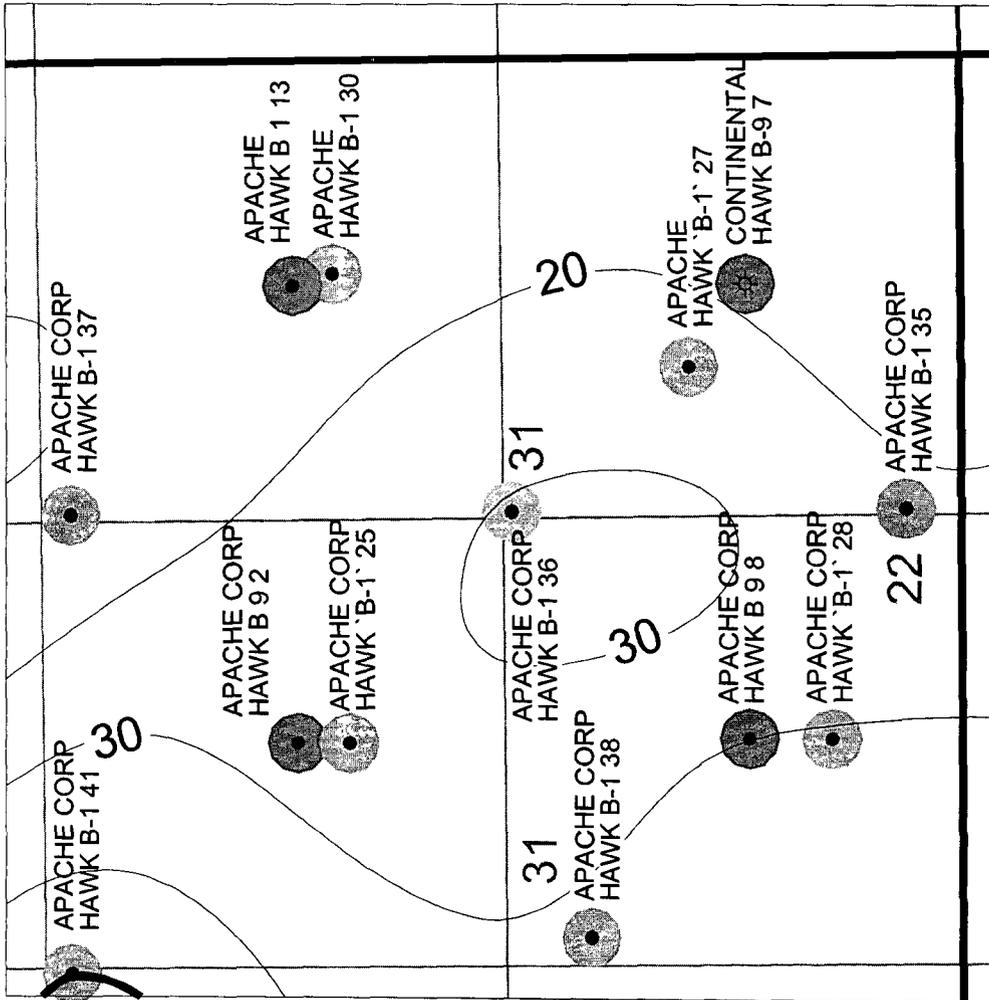
WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ⊖ Dry

POSTED WELL DATA

- CURRENT BOPD** ● OPERATOR WELL LABEL
- CURRENT MCFD** MBO
- CURRENT BWPD** MMCFG
- MBW

<p>Apache CORPORATION CENTRAL REGION</p>	<p>TWO WARREN PLACE, SUITE 1500 6120 SOUTH YALE TULSA, OKLAHOMA 74136-4224</p>
	<p>HAWK B-1 # 3 6</p>
<p>SEC 9-T21S-R37E LEA COUNTY, NEW MEXICO</p>	
<p>EXHIBIT 1 WELL INFORMATION</p>	
<p>DATE: 5/26/04 DWG: PROD (CURTIS)OCD-NM2004 (SAN ANDRES)</p>	



POROSITY \geq 6%
 GAMMA RAY \leq 30 APIU
 WATER SATURATION \leq 50%

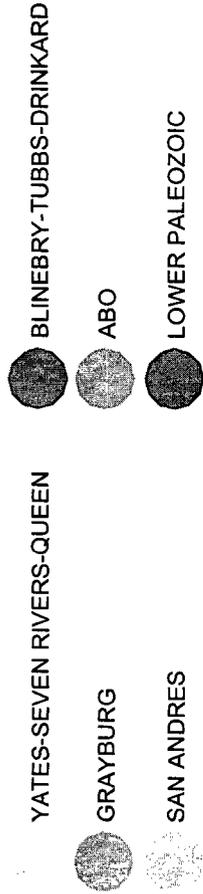
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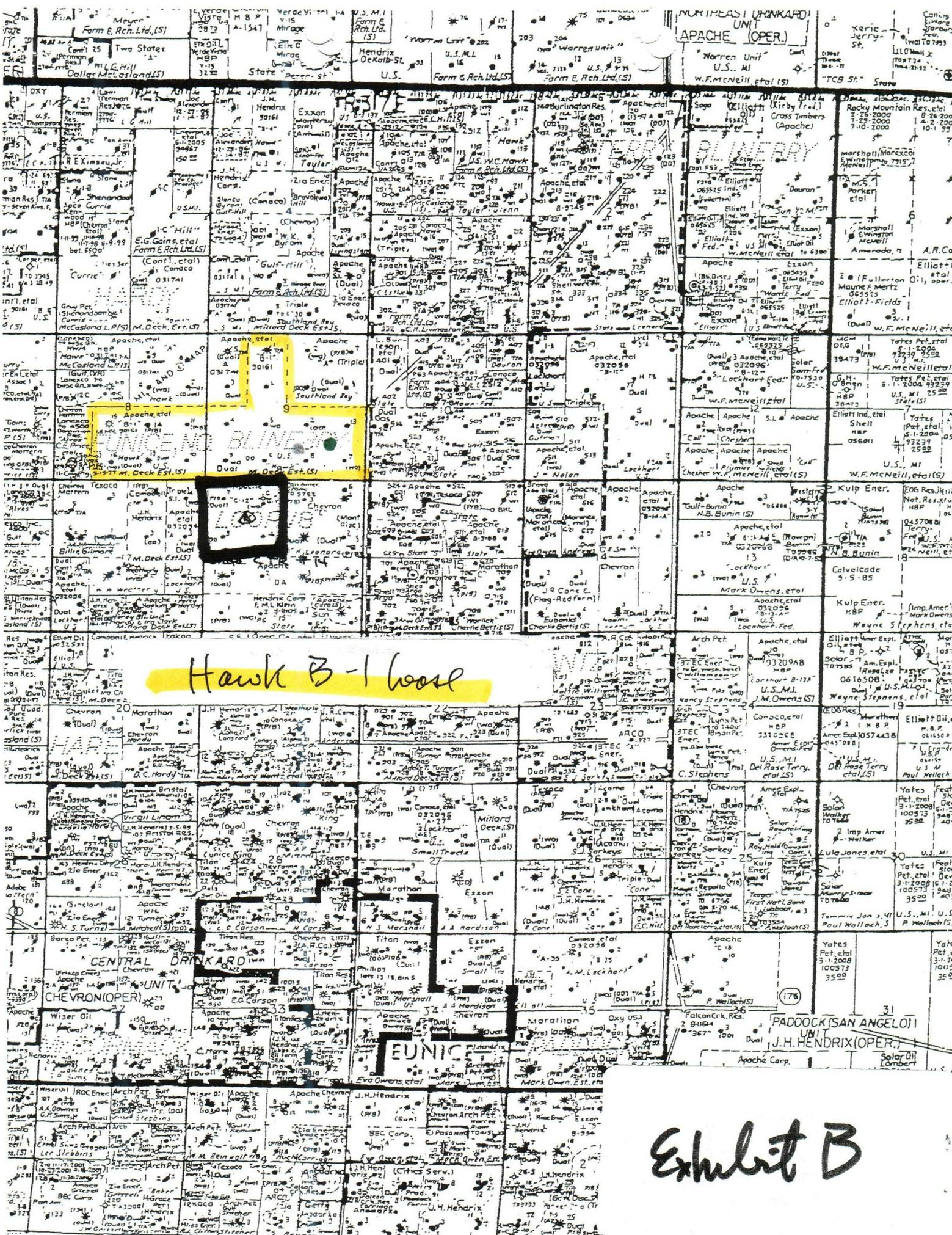
- Location Only
- Oil Well
- ☀ Gas Well
- ⊖ Dry

POSTED WELL DATA

SAN ANDRES ● OPERATOR
NET PAY ● WELL LABEL

 APACHE CORPORATION CENTRAL REGION	TWO WARREN PLACE, SUITE 1500 6120 SOUTH YALE TULSA, OKLAHOMA 74136-4224
	HAWK B-1 # 36
SEC 9-T21S-R37E LEA COUNTY, NEW MEXICO	EXHIBIT 2 SAN ANDRES NET PAY
DATE: 5/26/04 DWG: PROD (CURTIS/OCD-NM)2004 SAN ANDRES	





Hawk B-1 lease

EUNIC

Exhibit B

APACHE UNIT

CENTRAL DRINKARD

CHEVRON OPER.

PADOCK (SAN ANGELO) UNIT

J.H. HENDRIX OPER.

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