



# New Mexico Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**John H. Bemis**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



July 18, 2011

Apache Corporation  
Attn: Mr. David Catanach  
6120 S. Yale, Suite 1500  
Tulsa, OK 74136

**Administrative Order NSL-6423**  
**Administrative Application Reference No. pWVJ11-18654790**

**Apache Corporation**  
OGRID 873  
Turner Well No. 31  
API No. 30-025-40175

**Proposed Location:**

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
1580 FSL & 540 FEL	I	22	21S	37E	Lea

**Proposed Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 SE/4 Sec. 22	40	Penrose Skelly-Grayburg	50350
NE/4 SE/4 Sec. 22	40	Paddock	49210

Reference is made to your application received on July 5, 2011.

You have requested to drill or re-complete this well at an unorthodox oil well location described above in the referenced pools. This location is governed, as to both such pools, by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

Oil Conservation Division  
1220 South St. Francis Drive • Santa Fe, New Mexico 87505  
Phone (505) 476-3440 • Fax (505) 476-3462 • [www.emnrd.state.nm.us/OCD](http://www.emnrd.state.nm.us/OCD)



It is our understanding that you are seeking this location for engineering reasons (to optimize recovery from these reservoirs) and to avoid interference with existing surface uses.

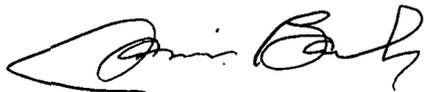
It is also understood that notice to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is stylized and cursive.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office