

DATE IN 5/10/01	SUSPENSE 5/30/01	ENGINEER MS	LOGGED IN KW	TYPE AMEND NSP	APP NO. 113545537
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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

ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET 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:

[NSP-Non-Standard Location] [NSL-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 OEM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

WFX PMX SWD IPI EOR PPR

[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 if 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

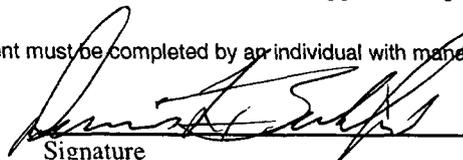
[3] **INFORMATION / DATA SUBMITTED IS COMPLETE** - Certification

I hereby certify that I, or personnel under my supervision, have reviewed the applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common.

I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

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

Dennis Bickford
Print or Type Name


Signature

Drilling Superintendent
Title

5/8/2001
Date

Dennis.Bickford@Apachecorp.com
e-mail Address



May 8, 2001

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Application to Amend NSP-1823 (L) (SD)
Proposed Owen "B" Well No. 10
Blinebry Oil & Gas (Pro Gas) Pool (72480)
Lea County, New Mexico**

Apache Corporation would like to request administrative approval of an amendment to the referenced 120-acre non-standard gas proration unit to include the additional simultaneous dedication of production from Apache's proposed Owen "B" No. 10 in the Blinebry Oil & Gas (Pro Gas) pool.

To support this request we submit the following:

- 1) Apache proposes to drill & complete the Owen "B" No. 10 in the Blinebry O & G (Pro Gas) pool in an effort to fully develop all 120 acres of the existing gas proration unit.
- 2) Owen "B" No. 10, to be directionally drilled due to residential surface obstructions, will be located on the surface at 1137' FSL & 495' FWL, Unit M with actual bottom hole location at a standard gas well location 1980' FSL & 660' FWL, Unit L of Section 34.
- 3) Owen "B" No. 4 (API No. 30-025-06999) located 660' FSL & 1980' FWL, Unit N of Section 34 and Owen "B" No. 6 (API No. 30-025-34321) located 1980' FSL & 2180' FWL, Unit K of Section 34, which share the current simultaneous dedication of the referenced non-standard gas proration unit, have combined marginal production and are both located on the east 80-acres of the Owen "B" lease which consists of 160-acres in its entirety.

- 4) NM-OCD Form C-102 for the Owen "B" No. 4
- 5) NM-OCD Form C-102 for the Owen "B" No. 6
- 6) NM-OCD Form C-102 for the Owen "B" No. 10
- 7) Plat of Owen "B" Lease
- 8) Copy of letter sent (by Certified Mail) to all offset operators in Section 34

If you have any questions or require additional information regarding this application, please contact me at 713-296-6338. Thank you.

Sincerely,

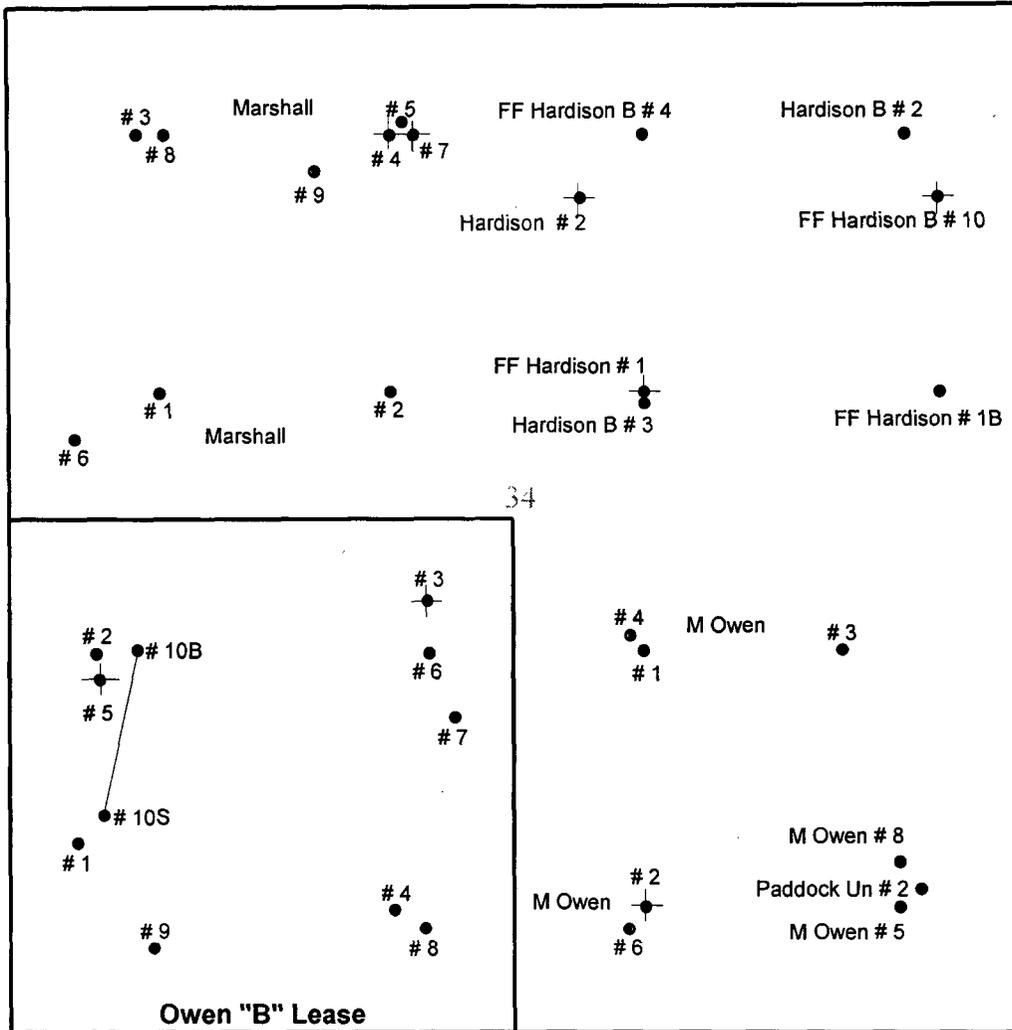
APACHE CORPORATION



Debra J. Anderson
Sr. Engineering Technician

Attachments

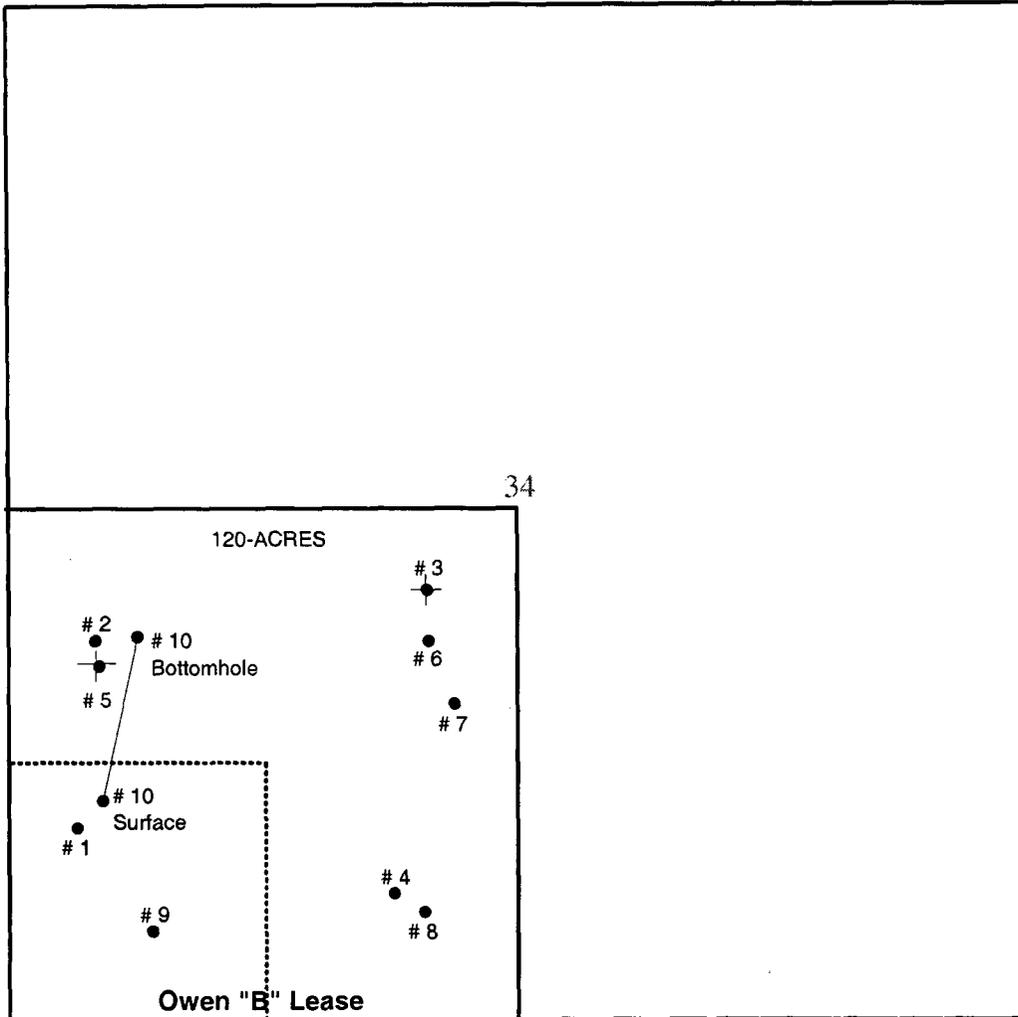
cc: New Mexico Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240





Apache
CORPORATION

SECTION 34
T21S - R37E
LEA COUNTY, NEW MEXICO
SCALE: 1" = 1000'





OWEN "B" NO. 10
 SURFACE: 1137' FSL & 495' FWL
 BOTTOM: 1980' FSL & 660' FWL
 SECTION 34 / T21S / R37E
 LEA COUNTY, NEW MEXICO
 SCALE: 1" = 1000'

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 1994

District II
P O Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

Instruction on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

2040 S. Pacheco

Santa Fe, New Mexico 87505

AMENDED REPORT

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-06999		2 Pool Code 72480		3 Pool Name Blinebry Oil and Gas (Pro Gas)			
4 Property Code 22879		5 Property Name Owen 'B'				6 Well Number 4	
7 OGRID No. 000873		8 Operator Name Apache Corporation				9 Elevation 3435	

10 Surface Location

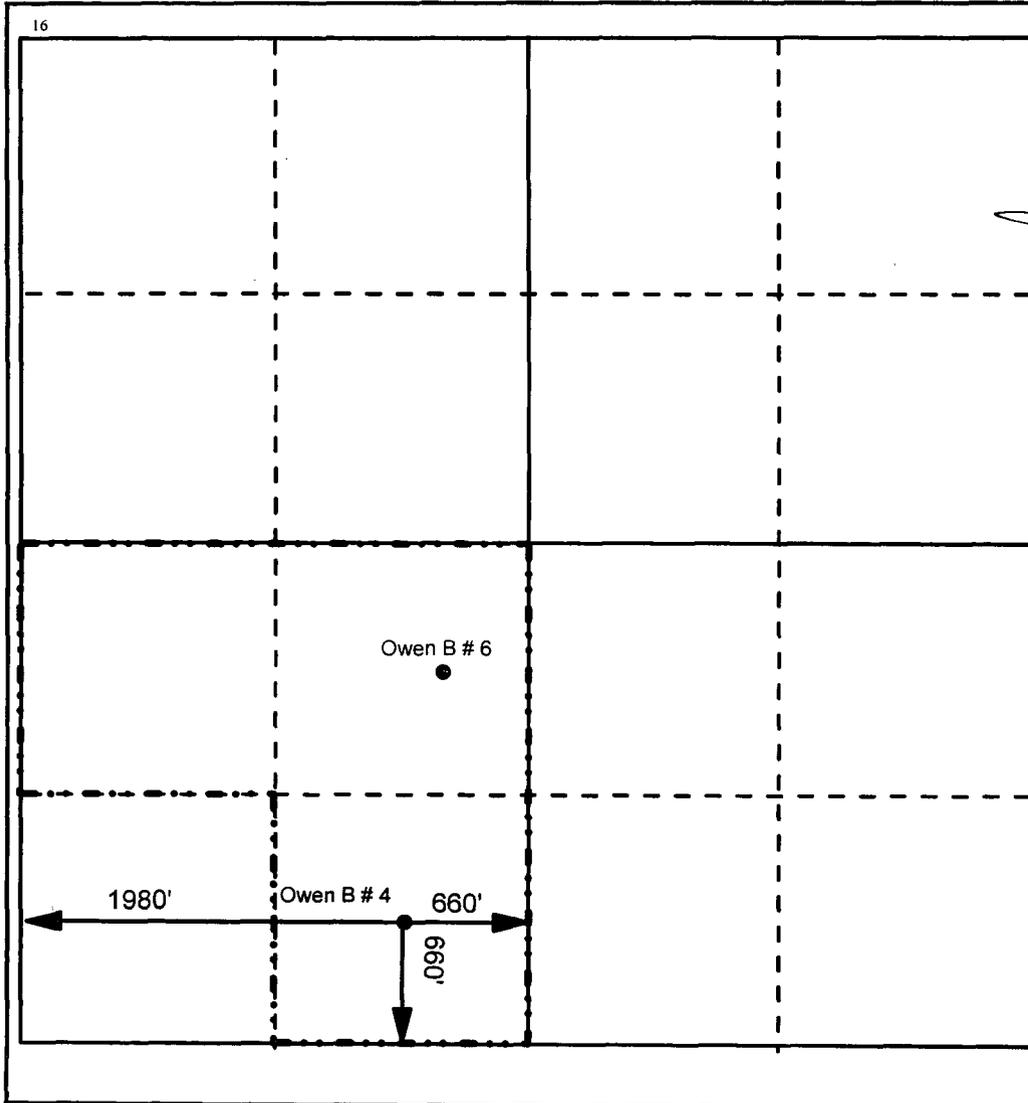
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	34	21S	37E		660	South	1980	West	Lea

11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 120	13 Joint or Infill	14 Consolidation Code	14 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

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

Signature
Debra J. Anderson

Printed Name
Debra J. Anderson

Title
Sr. Engineering Technician

Date
5/7/2001

18 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.

Date Surveyed

Signature and Seal of Professional Surveyor

Certificate Number

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 1994
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P O Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505

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

AMENDED REPORT

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-34321		2 Pool Code 72480		3 Pool Name Blinebry Oil and Gas (Pro Gas)	
4 Property Code 22879		5 Property Name Owen 'B'			6 Well Number 6
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3429

10 Surface Location

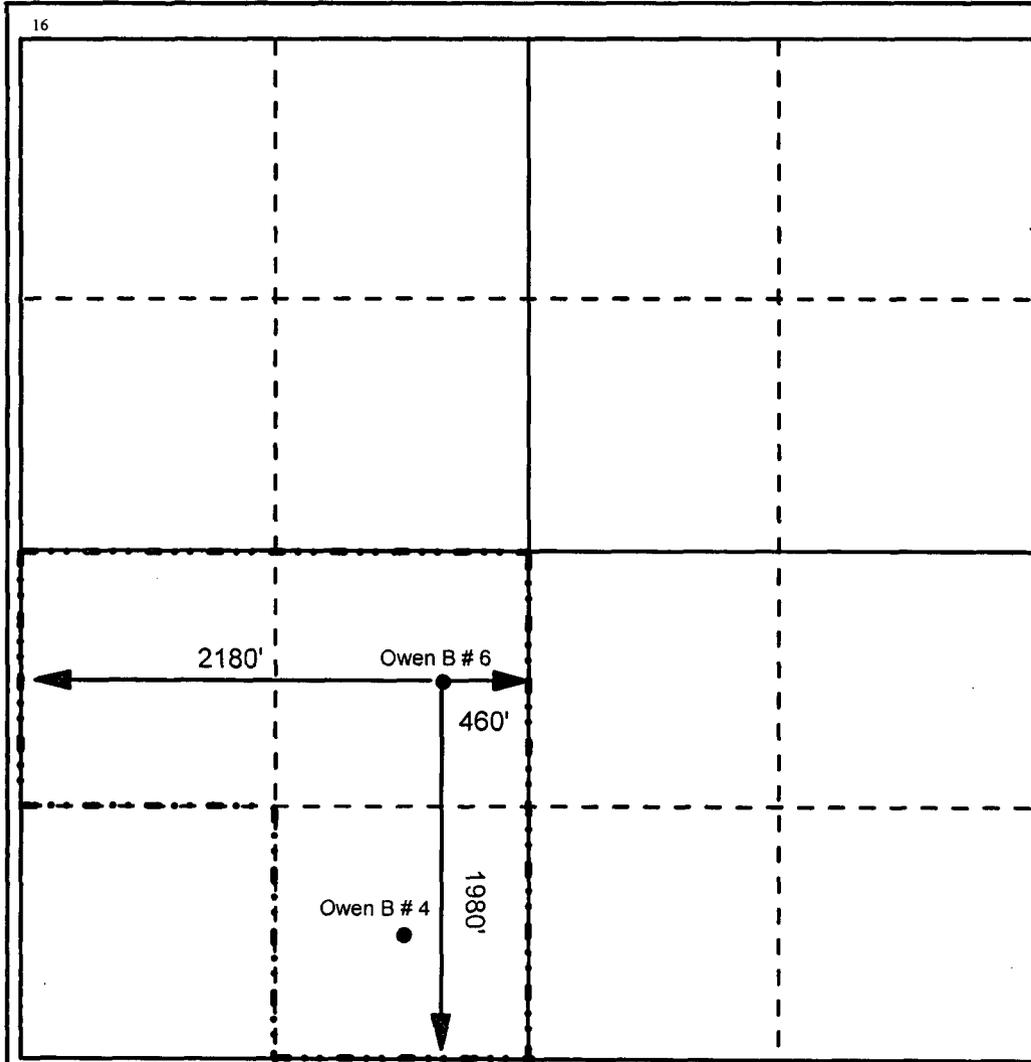
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	34	21S	37E		1980	South	2180	West	Lea

11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 120	13 Joint or Infill	14 Consolidation Code	14 Order No.
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Printed Name

Debra J. Anderson

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Sr. Engineering Technician

Date

5/7/2001

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1625 N. French Drive, Hobbs, NM 88240

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Energy, Minerals and Natural Resources Department

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P O Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

2040 S. Pacheco
Santa Fe, New Mexico 87505

AMENDED REPORT

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-		2 Pool Code 72480		3 Pool Name Blinebry Oil and Gas (Pro Gas)	
4 Property Code 22879		5 Property Name Owen 'B'			6 Well Number 10
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3444

10 Surface Location

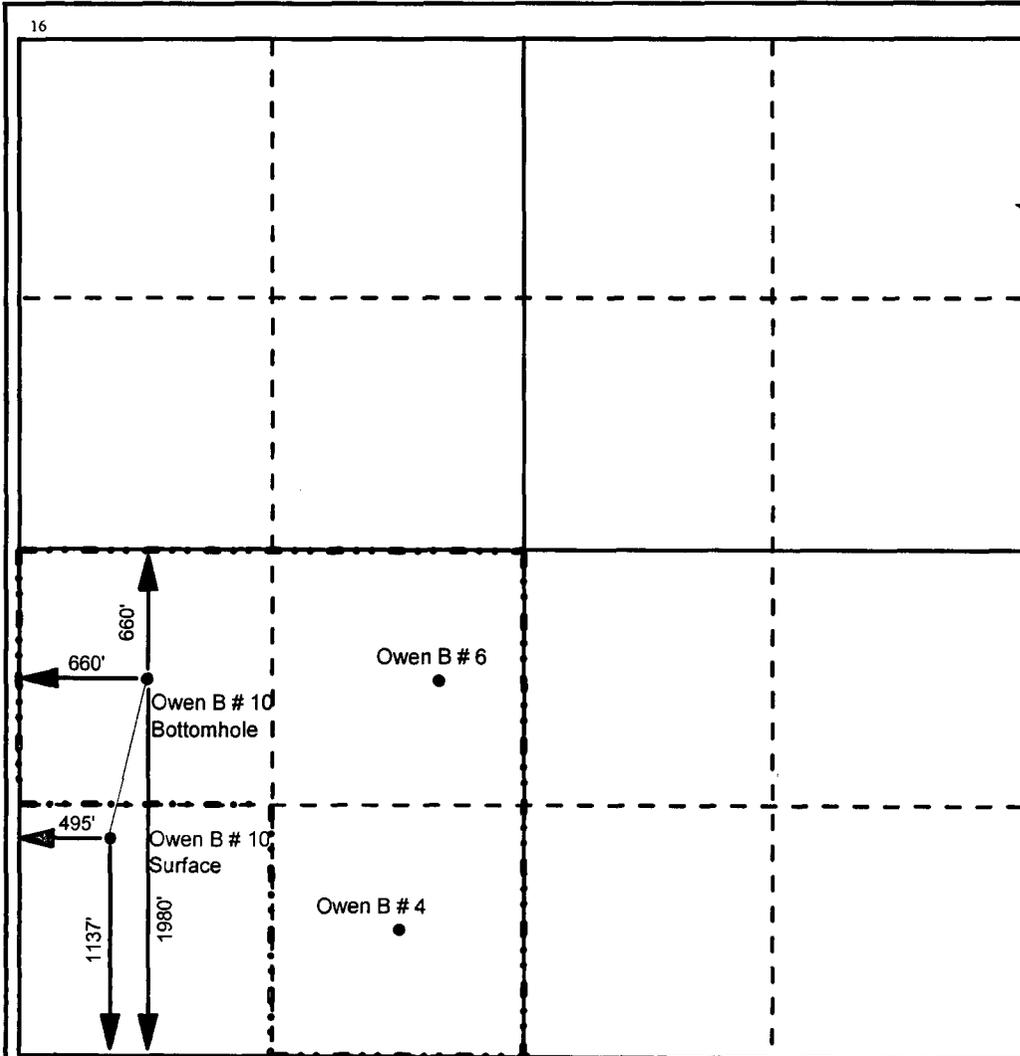
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	34	21S	37E		1137	South	495	West	Lea

11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	34	21S	37E		1980	South	660	West	Lea

12 Dedicated Acres 120	13 Joint or Infill	14 Consolidation Code	14 Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



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

Signature

Printed Name

Debra J. Anderson

Title

Sr. Engineering Technician

Date

5/7/2001

18 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.

Date Surveyed

Signature and Seal of Professional Surveyor

Certificate Number

2000 POST OAK BOULEVARD / SUITE 100 / HOUSTON, TEXAS 77056-4400



WWW.APACHECORP.COM
(713) 296-6000

May 8, 2001

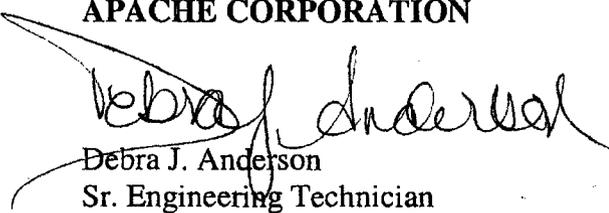
Offset Operator

**Re: Application to Amend NSP-1823 (L) (SD)
Proposed Owen "B" Well No. 10
Blinebry Oil & Gas (Pro Gas) Pool (72480)
Lea County, New Mexico**

Attached please find a copy of an application to amend an existing non-standard gas proration unit that Apache Corporation has filed with the New Mexico Oil Conservation Division. If you have an objection to this application, you must notify the OCD in writing within 20 days from the date of this letter.

Sincerely,

APACHE CORPORATION



Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**OFFSET OPERATORS
OWEN "B" LESE
SECTION 34 / T-21S / R-37E
LEA COUNTY, NEWMEXICO**

Chevron USA Inc.
P O Box 1150
Midland, Texas 79702
Certified Receipt # Z-116-149-450

John H Hendrix Corporation
Box 3040
Midland, Texas 79702-3040
Certified Receipt # Z-116-149-452

ExxonMobil
P O Box 4697
Houston, Texas 77210-4697
Certified Receipt # Z-116-149-451

Titan Resources
500 W. Texas, Suite 500
Midland, Texas 79701
Certified Receipt # Z-116-149-453



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 10, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Apache Corporation
2000 Post Oak Boulevard - Suite 100
Houston, Texas 77056-4400
Attention: **Debra J. Anderson**
Debra.Anderson@Apachecorp.com

Telefax No. (713) 296-7156

Administrative Order NSP-1823-A (L) (SD)

Dear Ms. Anderson:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 20, 2001 (*application reference No. pKRV0-132546671*); and (ii) the records of the Division in Santa Fe, including the files on Division Administrative Orders NSP-1823 (L) (SD) and SD-01-03: all concerning Apache Corporation's request to reduce the acreage of the existing 120-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Gas Pool (72480) comprising the N/2 SW/4 and SE/4 SW/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1823 (L) (SD), dated July 6, 2000, as amended by a corrected order dated May 22, 2001, by omitting the 40 acres comprising the NW/4 SW/4 (Unit L) of Section 34 from this GPU.

This application has been duly filed under the provisions of: (i) Division Rules 104.F and 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

The aforementioned Division Administrative Order NSP-1823 (L) (SD) and Division Administrative Order SD-01-03, dated June 27, 2001, authorized the simultaneous dedication of this 120-acre GPU to Apache Corporation's: (i) Owen "B" Well No. 4 (API No. 30-025-06999), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 34; (ii) Owen "B" Well No. 6 (API No. 30-025-34321), located at an unorthodox gas well location [also approved by Division Administrative Order NSP-1823 (L) (SD)] 1980 feet from the South line and 2180 feet from the West line (Unit K) of Section 34; and (iii) Owen "B" Well No. 10 (API No. 30-025-35638) at a surface location 1137 feet from the South line and 495 feet from the West line (Unit M) of Section 34 and bottomhole location within the Blinebry formation at an unauthorized (see Division Administrative Order SD-01-03) unorthodox bottomhole gas well location that is 2222 feet from the South line and 706 feet from the West line (Unit L) of Section 34.

Administrative Order NSP-1823-A(L)(SD)

Apache Corporation

December 10, 2001

Page 2

It is our understanding that such reduction of acreage is necessary due to the classification of the Owen "B" Well No. 10 as a Blinebry oil completion, which bottomhole location is fortunately considered to be standard [see Rule 2 (b) 2 of the special Blinebry pool rules] for the resulting 40-acre oil spacing and proration unit comprising the NW/4 SW/4 (Unit L) of Section 34.

By the authority granted me under the provisions of Division Rules 104.F (2) and 104.D (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Blinebry Oil and Gas Pool, the following-described 80-acre non-standard stand-up gas spacing and proration unit and resulting unorthodox gas well location for the Owen "B" Well No. 6 are hereby approved:

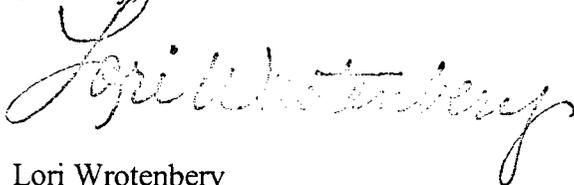
LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 34: E/2 SW/4.

This newly established 80-acre non-standard gas spacing and proration unit is to be simultaneously dedicated to the above-described Owen "B" Wells No. 4 and 6, with allowable assigned thereto in accordance with Rule 5 of the special Blinebry Oil and Gas Pool rules based upon the unit size of 80 acres.

Further, this order shall serve to supersede both Division Administrative Orders NSP-1823 (L) (SD), as amended, and SD-01-03.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-1823 (L) (SD)
SD-01-03