

 Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

Stogner, Michael, EMNRD

From: Stogner, Michael, EMNRD **Sent:** Thu 3/16/2006 4:20 PM
To: Mull, Donna, EMNRD; Williams, Lana
Cc: Williams, Chris, EMNRD; Jim Bruce; Kautz, Paul, EMNRD; Williams, Chris, EMNRD
Subject: RE: NSL-5346(SD)
Attachments:  NSL-2PLS(SD).06.doc(29KB)

Donna:

Has there been a nomenclature change to the San Andres formation in the N/2 of Sec. 4-T22S-R37E that I'm not aware of?

In reviewing Apache Corporation's application and preparing the subject administrative order, I found that: (i) the NE/4 of Sec. 4 is within the Eunice-San Andres Pool (24150) boundary (see Division Nomenclature Order No. R-11818); and (ii) the NW/4 of Section 4 is within the Southwest Eunice-San Andres Pool (24180) boundary (see Division Nomenclature Order No. R-11728).

Instead of the Division correcting Division Administrative Order NSL-5446 (SD). Shouldn't Apache Corporation be amending their APD and C-102 for the Rinewalt Well No. (30-025-37750) showing the correct pool?

cc File: NSL-5446 (SD)

From: Mull, Donna, EMNRD
Sent: Wed 3/15/2006 8:07 AM
To: Williams, Lana
Cc: Stogner, Michael, EMNRD; Williams, Chris, EMNRD
Subject: NSL-5346(SD)

Lana, Apache needs to send Mike Stogner, OCD Santa Fe a correction on the NSL-5446(SD). Location of this well will not be in the Southwest Eunice-San Andres (24180). But will be in the Eunice San Andres (24150).

Thank you, Donna

March 9, 2006

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

Administrative Order NSL-5346 (SD)

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-606557403*) dated March 6, 2006 filed with the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on behalf of the operator Apache Corporation; and (ii) the Division's records in Santa Fe: all concerning their request for:

- (a) an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit in the Penrose Skelly (Grayburg) Pool (50350); and
- (b) an unorthodox oil well location in the Southwest Eunice-San Andres Pool (24180).

Apache Corporation proposes to drill its **Rinewalt Well No. 7** at a location 1090 feet from the North line and 1810 feet from the West line (Lot 3/Unit C) of Section 4, Township 22 South, Range 37 East, NMPPM, Lea County, New Mexico.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

Production from the Penrose Skelly (Grayburg) Pool is to be included within an existing standard 39.86-acre oil spacing and proration unit comprising Lot 3 (NE/4 NW/4 equivalent) of Section 4, which is currently dedicated to Apache Corporation's Rinewalt Well No. 5 (**API No. 30-025-34582**), located at a standard oil well location 510 feet from the North line and 1980 feet from the West line of Section 4.

The proposed Rinewalt Well No. 7 will be the initial San Andres oil well within this same 39.86-acre oil spacing and proration unit.

Apache Corporation
March 9, 2006
Page 2

Division Administrative Order NSL-5346 (SD)

It is the Division's understanding that such unorthodox location is necessitated for geologic and engineering reasons in that this location is approximately equidistance to other offsetting Penrose Skelly (Grayburg) oil production. The proposed infill oil well location will enable Apache Corporation to further develop and deplete the Grayburg reserves within the immediate area that might not otherwise be recovered.

It is further understood that Lot 3 and the S/2 NW/4 of Section 4 comprises a single fee lease (W. M. Rinewalt/Rinewalt lease).

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described unorthodox: (i) infill Penrose Skelly (Grayburg) oil well location; and (ii) San Andres oil well location, for Apache Corporation's proposed Rinewalt Well No. 7 is hereby approved.

Further, both the existing Rinewalt Well No. 5 and proposed Rinewalt Well No. 7 are to be simultaneously dedicated to the subject 39.86-acre unit within the Penrose Skelly (Grayburg) Pool.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs

Stogner, Michael, EMNRD

From: Mull, Donna, EMNRD **Sent:** Wed 3/15/2006 8:07 AM
To: Williams, Lana
Cc: Stogner, Michael, EMNRD; Williams, Chris, EMNRD
Subject: NSL-5346(SD)
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Lana, Apache needs to send Mike Stogner, OCD Santa Fe a correction on the NSL-5446(SD). Location of this well will not be in the Southwest Eunice-San Andres (24180). But will be in the Eunice San Andres (24150).

Thank you, Donna

State of New Mexico
 Energy, Minerals and Natural Resources

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

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address APACHE CORP 6120 S. YALE TULSA, OK 74136		2. OGRID Number 873
		3. API Number 30-025-37750
4. Property Code 23110	5. Property Name RINEWALT	6. Well No. 007

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	4	22S	37E	3	1090	N	1810	W	LEA

8. Pool Information

EUNICE,SAN ANDRES	24150
PENROSE SKELLY,GRAYBURG	50350

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3456
14. Multiple Y	15. Proposed Depth	16. Formation San Andres	17. Contractor	18. Spud Date 5/15/2006
Depth to Ground water 116		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	11	8.625	24	400	290	
Prod	7.875	5.5	17	4375	950	

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCB guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Chris Williams	
	Title: District Supervisor	
	Approved Date: 3/15/2006	Expiration Date: 3/15/2007
	Conditions of Approval Attached	

Printed Name: Electronically filed by Lana Williams
 Title: Sr. Department Clerk
 Email Address: lana.williams@apachecorp.com
 Date: 3/14/2006 Phone: 918-491-4900

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax:(505) 393-0720

Energy, Minerals and Natural Resources

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37750	2. Pool Code 24150	3. Pool Name EUNICE,SAN ANDRES
4. Property Code 23110	5. Property Name RINEWALT	6. Well No. 007
7. OGRD No. 873	8. Operator Name APACHE CORP	9. Elevation 3456

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	4	22S	37E	3	1090	N	1810	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 39.86		13. Joint or Infill		14. Consolidation Code			15. Order No.		

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

	OPERATOR CERTIFICATION		
	<p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>E-Signed By: Lana Williams Title: Sr. Department Clerk Date: 3/14/2006</p>		
	SURVEYOR CERTIFICATION		
	<p><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></p> <p>Surveyed By: GARY EIDSON Date of Survey: 1/3/2006 Certificate Number: 12641</p>		

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-37750	2. Pool Code 50350	3. Pool Name PENROSE SKELLY,GRAYBURG
4. Property Code 23110	5. Property Name RINEWALT	6. Well No. 007
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3456

10. Surface Location

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	<p><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></p> <p>Surveyed By: GARY EIDSON Date of Survey: 1/3/2006 Certificate Number: 12641</p>

Permit Comments

Operator: APACHE CORP , 873

Well: RINEWALT #007

API: 30-025-37750

Created By	Comment	Comment Date
DMULL	NSL-5348(SD) approved 3/9/08, 1080/N & 1810AW, Grayburg & San Andres, 39.88 acres, shares with #5.	3/15/2008

Permit Conditions of Approval

Operator: APACHE CORP , 873

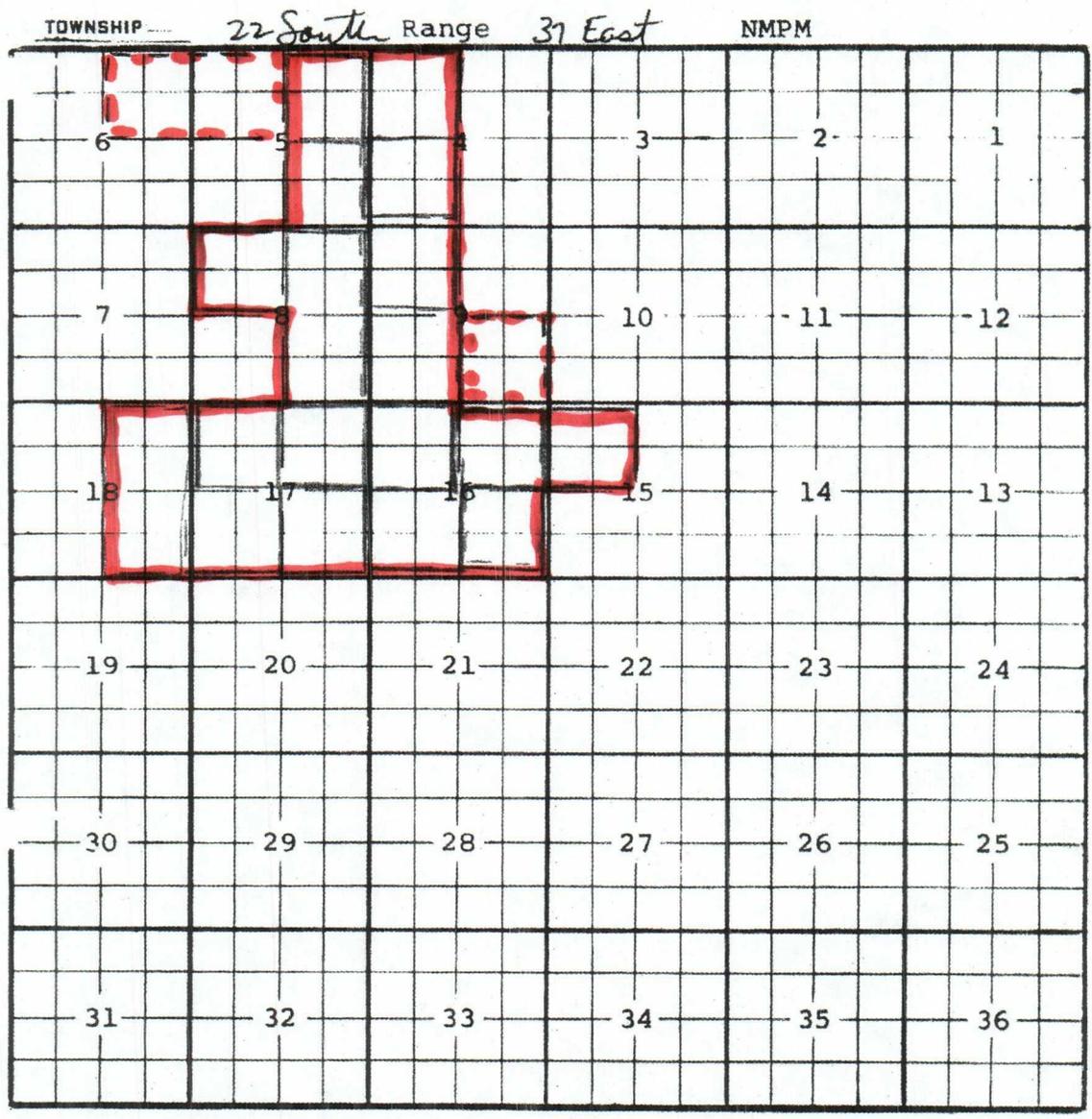
Well: RINEWALT #007

API: 30-025-37750

OCD Reviewer	Condition
DMULL	Will require DHC administrative order for downhole commingling before multiple zones can be produced by commingling in the wellbore.

(24180)

County LEA Pool SOUTHWEST EUNICE - SAN ANDRES



Description: NW/4 Sec. 17 (R-6466, 9-10-80)
Ext: NW/4 sec 17 (R-6724, 7-16-81) EXT: SE/4 sec 17 (R-8901, 4-1-89)
EXT: E/2 sec 18 (R-8772, 11-1-88) EXT: SE/4 sec 5, E/2 sec 8 (R-9447, 3-1-91)
Ext: NE/4 Sec. 5 (R-9646, 3-11-92) Ext: NW/4 sec. 16 (R-10588, 4-26-96)
Ext: NE/4 Sec. 16 (R-10795, 4-28-97) Ext: SE/4 Sec. 4 (R-10972, 4-13-98)
Ext: NW/4 Sec. 8 (R-11243, 9-15-99) Ext: NW/4 Sec. 15, SE/4 Sec. 16 (R-11304, 1-12-00)
Ext: SW/4 Sec. 16 (R-11533, 2-8-01) Ext: NW/4 Sec. 9 (R-11633, 8-10-01)
Rxt: NW/4 Sec. 4 (R-11728, 2-20-02) Ext: SE/4 Sec. 9 (R-12317, 3-25-05)