

KELLAHIN & KELLAHIN
Attorney at Law

W. Thomas Kellahin
New Mexico Board of Legal
Specialization Recognized Specialist
in the area of Natural resources-
oil and gas law

P.O. Box 2265
Santa Fe, New Mexico 87504
117 North Guadalupe
Santa Fe, New Mexico 87501

Telephone 505-982-4285
Facsimile 505-982-2047
tkellahin@aol.com

January 2, 2003

HAND DELIVERED

Mr. Michael E. Stogner
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87501

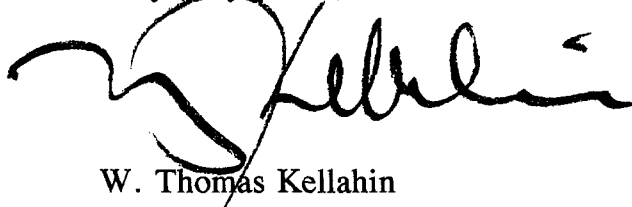
03 JAN - 2 PM 2:09
OIL CONSERVATION DIV

RE: Lockhart A-17 Well No. 8
1480 feet FSL & 330 feet FWL
Unit L, NW/4SW/4 Section 17, T21S, R37E
Administrative Application of
Apache Corporation for approval
of an unorthodox oil well location,
Penrose Skelly Grayburg Pool,
Lea County, New Mexico

Dear Mr. Stogner:

Please find enclosed our administrative application for approval of
an unorthodox oil well location for Apache Corporation's Lockhart A-17
Well No. 8.

Very truly yours,



W. Thomas Kellahin

fx: Apache Corporation
Attn: Mario Moreno

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE ADMINISTRATIVE
APPLICATION OF APACHE CORPORATION
FOR APPROVAL OF AN UNORTHODOX OIL WELL
LOCATION, LEA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now Apache Corporation, by and through its attorneys, Kellahin and Kellahin, and in accordance with Division General Rule 104.F, applies to the New Mexico Oil Conservation Division for administrative approval of an unorthodox oil well location for its Lockhart A-17 Well No. 8 ("Well No. 8") to be drilled and completed for production from the Grayburg formation at an unorthodox well location 1480 feet FSL and 330 feet FWL of Section 17, T21S, R37E, Eddy County, New Mexico, and simultaneously dedicated with the Lockhart A Well No. 1 to a standard 40-acre proration and spacing unit consisting of the Unit L of this section for production from the Penrose Skelly Grayburg Pool, and in support states:

(1) Apache Corporation ("Apache") is the current operator for the NW/4SW/4 (Unit I) of Section 17, T21S, R37E that includes the Lockhart A-Well No. 1 See Exhibit 1 (Form C-102).

(2) Section 17 is within the current boundary of the Penrose Skelly Grayburg Pool which is subject to Division Rule 104.

(3) Apache's proposed location encroaches towards the SW/4SW/4 which contains Campbell & Hedrick operated Lockhart AM Well No. 3 which currently produces 1 barrel of oil per day from the Grayburg. See Exhibit 2 (location plat) and Exhibit 3 (production map)

**Administrative Application of
Apache Corporation
Page 2**

(4) This proposed unorthodox well location is based upon a combination of geologic and drainage reasons:

(a) Grayburg Production:

All 4 Grayburg Wells produced from the Upper Grayburg.

The proposed unorthodox well location is approximately equidistant between the older producers which should minimize depletion risk in the Upper Grayburg. (See Exhibit 3-A)

Petroleum engineering calculations demonstrate the potential to recovery approximately 91,000 barrels of additional oil that will not be recovery from the existing wells. (See Exhibit 3-B)

(c) Grayburg Formation:

The Grayburg is separated into the Upper and Lower Grayburg (See Exhibit 4)

(b) Upper Grayburg Geology:

Based upon thickness, the proposed unorthodox well location represents one of the best remaining location among the 4 existing wells. (See Exhibit 5).

The risk of depletion from existing wells in the Upper Grayburg is less at the proposed unorthodox well location in the NW/4SW/4 spacing unit due to production from roughly equal net pay in the offsetting wells. (See Exhibit 3-A and 5).

(e) Lower Grayburg Geology:

Apache's activity in offsetting section has demonstrate that commercial reserves are also present in the Lower Grayburg. Sufficient Lower Grayburg porosity can be encountered in the NW/4SW/4 of Section 17 to support drilling a well at the proposed unorthodox location which cannot be obtained at any standard location in the spacing unit. (See Exhibit 6).

NOTICE

(5) Notice has been send to the adjoining interest owners towards whom the location encroaches. (See Exhibits 7)

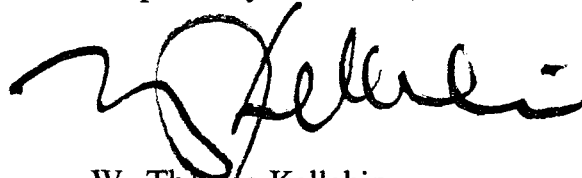
CORRELATIVE RIGHTS

(6) The working interest owners are different: Apache for NW/4SW/4 and Campbell & Hedrick for the SW/4SW/4.

(7) The royalty and overriding royalty owners are the same.

(8) The Operators are different: Apache for NW/4SW/4 and Campbell & Hedrick for the SW/4SW/4.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin
Kellahin and Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
(505) 982-4285
Attorneys for Applicant

DISTRICT I

P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name LOCKHART A-17	Well Number 8
OGRID No.	Operator Name APACHE CORPORATION	Elevation 3491'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	17	21-S	37-E		1480	SOUTH	330	WEST	LEA

Bottom Hole Location If Different From Surface

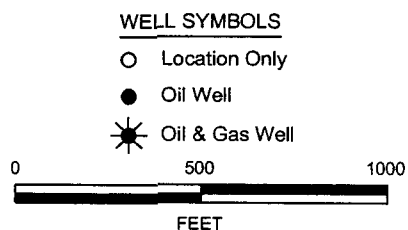
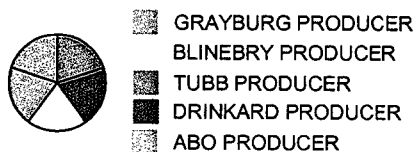
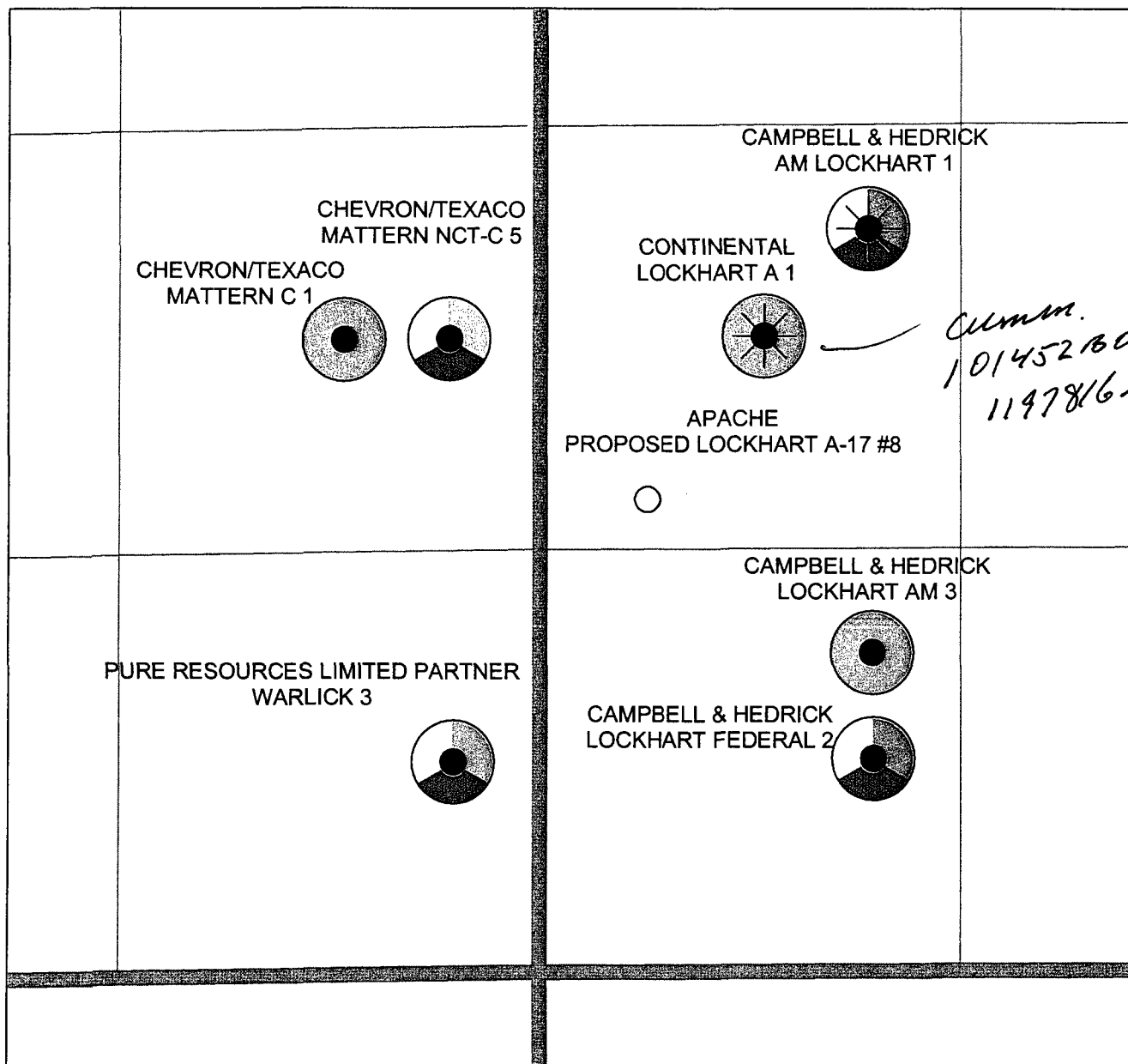
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.

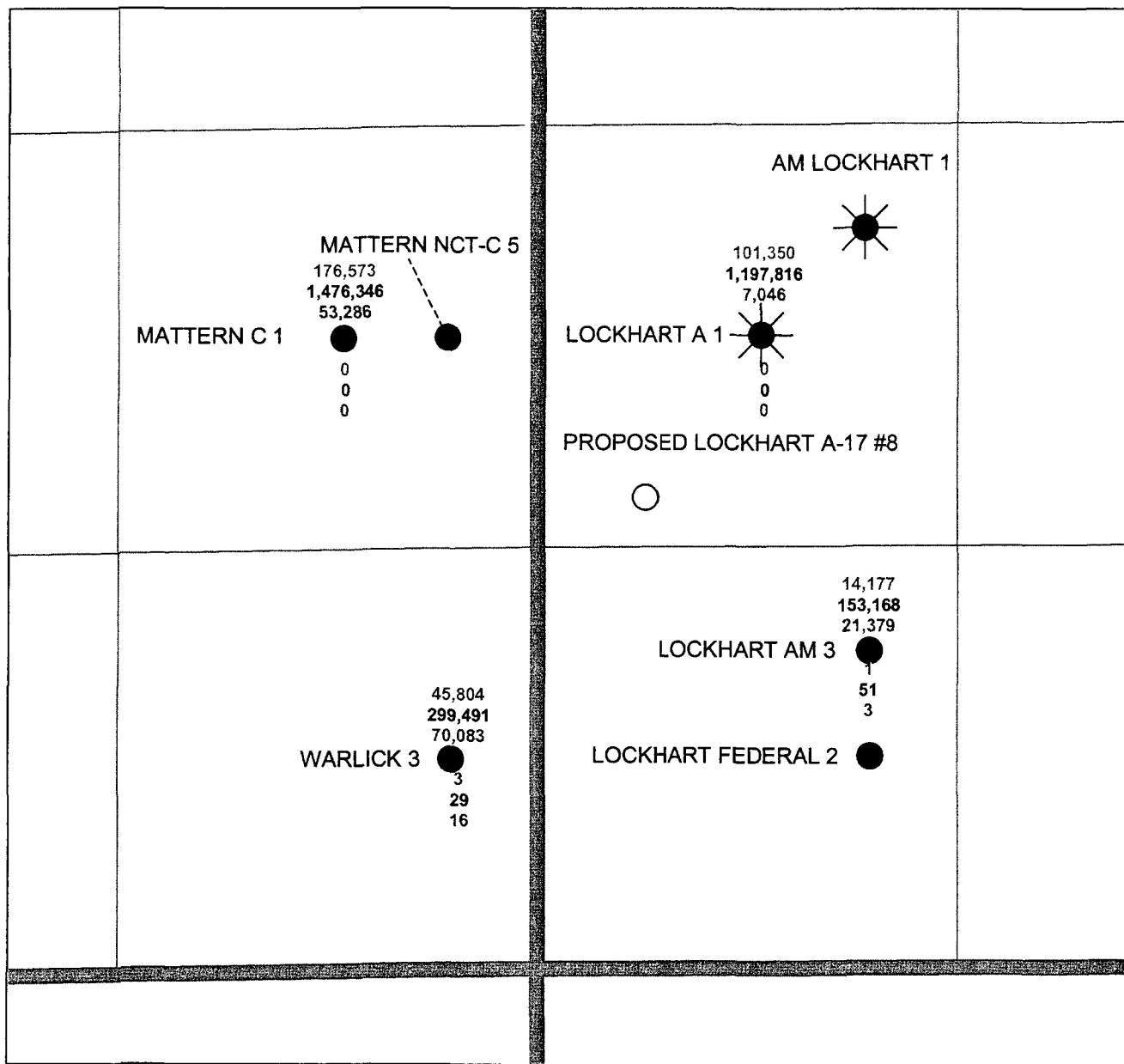
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<u>DETAIL</u> 3489.7' 3488.5' 3493.6' 3492.8' 1480' 330' 160' SEE DETAIL	GEOGRAPHIC COORDINATES SPC NME NAD 1927 Y = 538629.3 X = 851934.1 LAT. - 32°28'32.27"N LONG. - 103°11'31.72"W	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Title _____ Date _____
	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. NOVEMBER 27, 2002 Date Surveyed _____ LA Signature & Seal _____ Professional Surveyor 02.11.0920 Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641		

EXHIBIT



	TWO WARREN PLACE, SUITE 1500 8120 SOUTH YALE TULSA, OKLAHOMA 74138-4224
	LOCKHART A-17 #8 SEC. 17-T21S-R37E LEA COUNTY, NEW MEXICO
EXHIBIT 2 WELL INFORMATION	
DATE: 12-16-02 DWG: LOCKHART A-17 8 (CURTIS/OCD-NM)	



POSTED WELL DATA

CUM OIL
CUM GAS
CUM WATER

DAILY OIL
DAILY GAS
DAILY WATER

WELL SYMBOLS

- Location Only
- Oil Well
- ⊛ Oil & Gas Well



TWO WARREN PLACE, SUITE 1500
8120 SOUTH YALE
TULSA, OKLAHOMA 74138-4224

LOCKHART A-17 #8

SEC. 17-T218-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 3-A
GRAYBURG PRODUCTION

DATE: 12-16-02 DWG: LOCKHART A-17 8 PROD (CURTIS\OCD-NM)



TULSA EXPLORATION DEPARTMENT
INTER-OFFICE MEMO

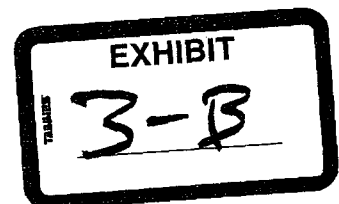
DATE: January 2, 2003
TO: Tom Kellahin
FROM: Bob Curtis
SUBJECT: Reserve Calculations for NSLs

Estimated Ultimate Recoveries:

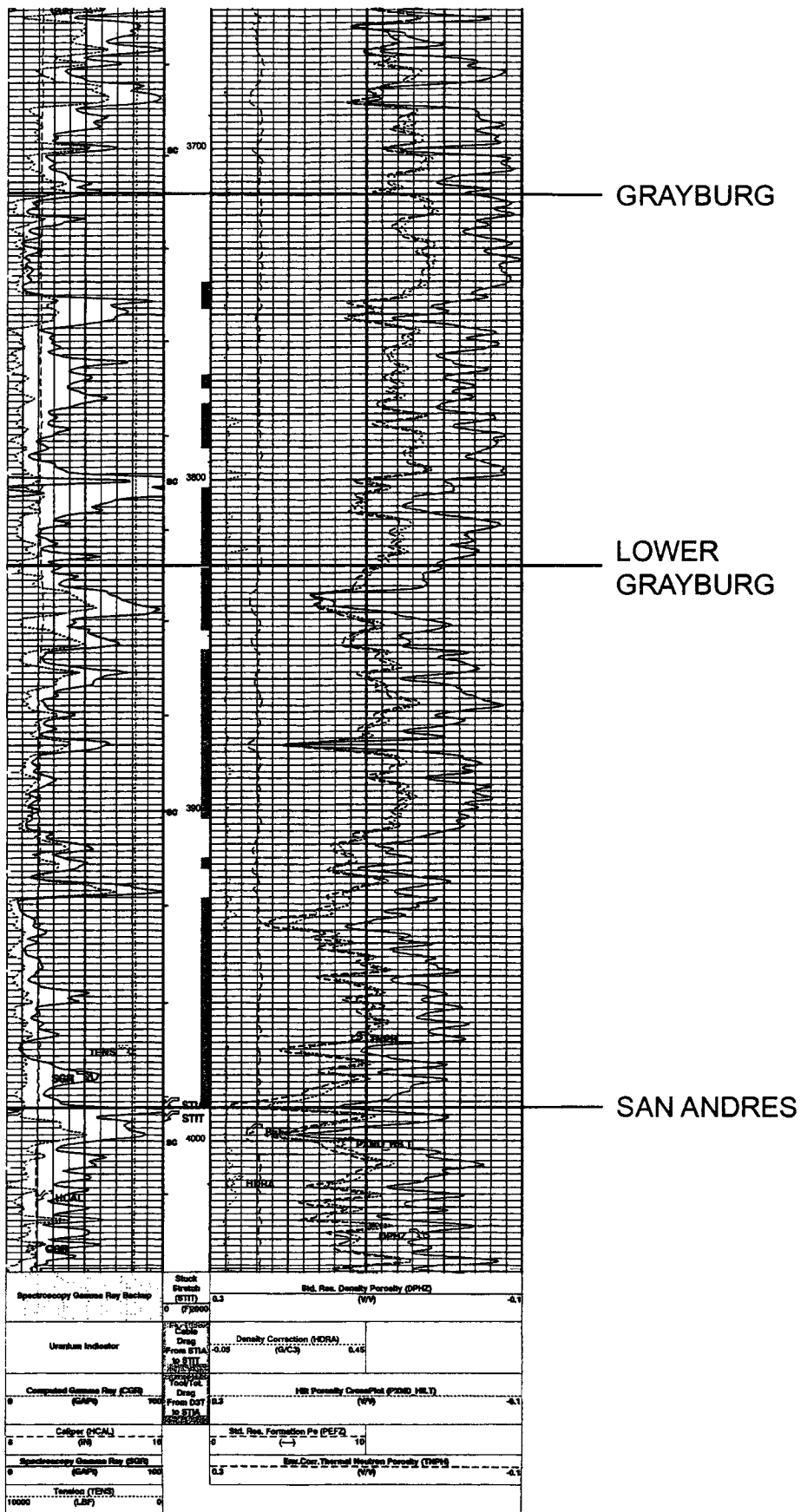
Lockhart A-17 #7:	70 MBO and 280 MMCFG
Lockhart A-17 #8:	91 MBO and 280 MMCFG
State C Tract 12 #13:	81 MBO and 320 MMCFG
DC Hardy #6:	61 MBO and 330 MMCFG

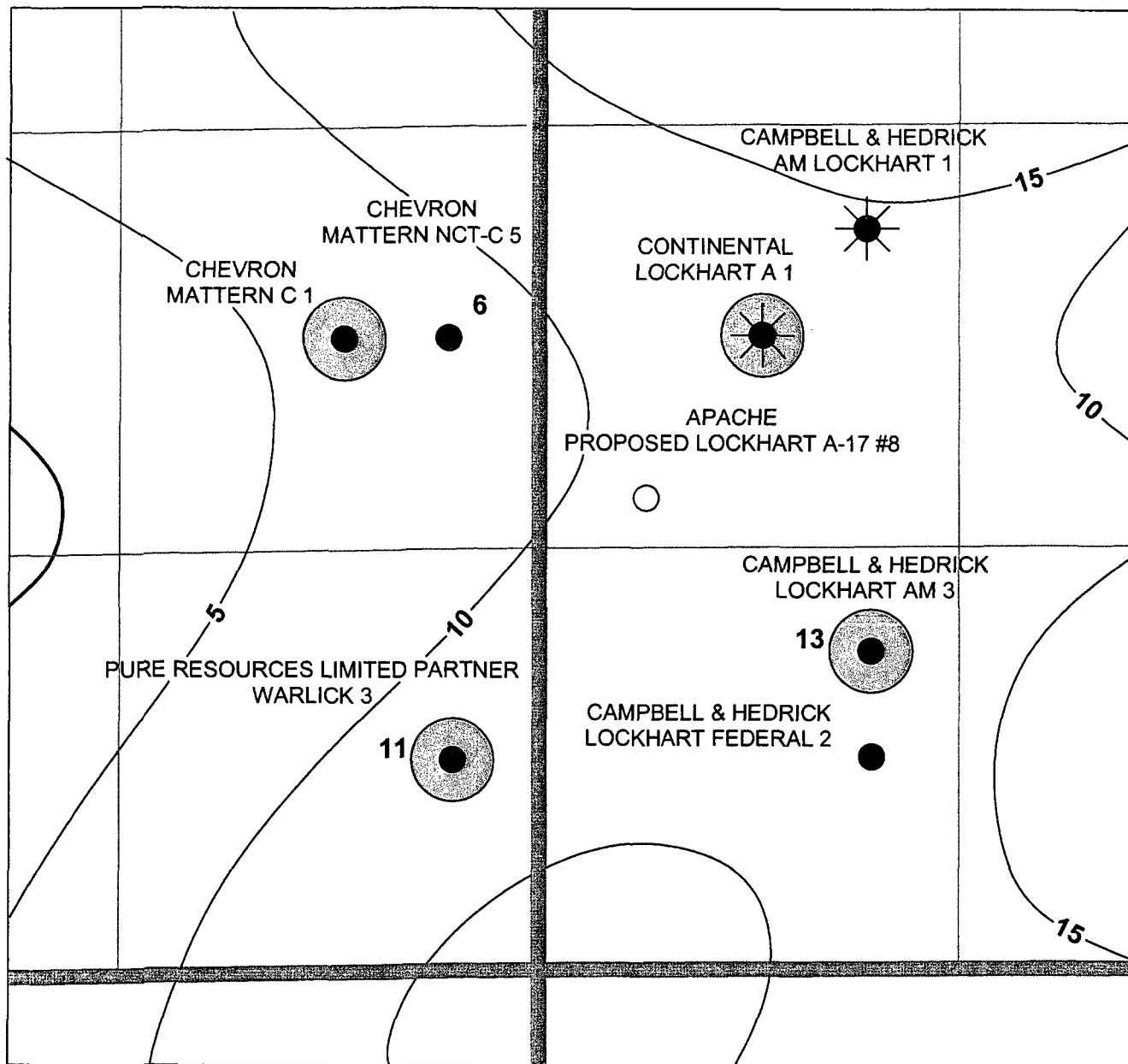
Reserves were determined volumetrically. Apache calculated the average porosity throughout the 'field', individually in both the Upper and Lower Grayburg, and then mapped it. Apache also estimated the current oil saturation throughout the 'field', individually in both the Upper and Lower Grayburg using a transform of the current water cut, and then mapped it. Feet of porosity (h) from the net pay maps, average porosity (PhiA), and oil saturation (So) grids were then multiplied in the computer to arrive at a hydrocarbon pore volume (HCPV) isopach map across the 'field'. HCPV for each reservoir at each location were estimated from the mathematically derived maps. Drainage area was assumed to be 29 acres, formation volume factor was assumed to be 1.38, and recovery factor was assumed to be 15% for each reservoir at each location. Estimated reserves in each reservoir were then reduced based upon distance to and estimated reserves, by reservoir, of productive offsets. Reserves predicted in each well are the sum of the Upper and Lower Grayburg estimates.

The locations requested are those with the greatest estimated ultimate recoveries. Moving away from the proposed location of any well will result in lower predicted reserves.



APACHE CORP.
 STATE "C" TRACT 12 11
 Sec. 16 T21S R37E
 LEA COUNTY, NEW MEXICO



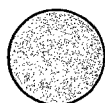


POSTED WELL DATA

UPPER GRAYBURG PAY

WELL SYMBOLS

- Location Only
- Oil Well
- ★ Oil & Gas Well



U. GRAYBURG PRODUCER



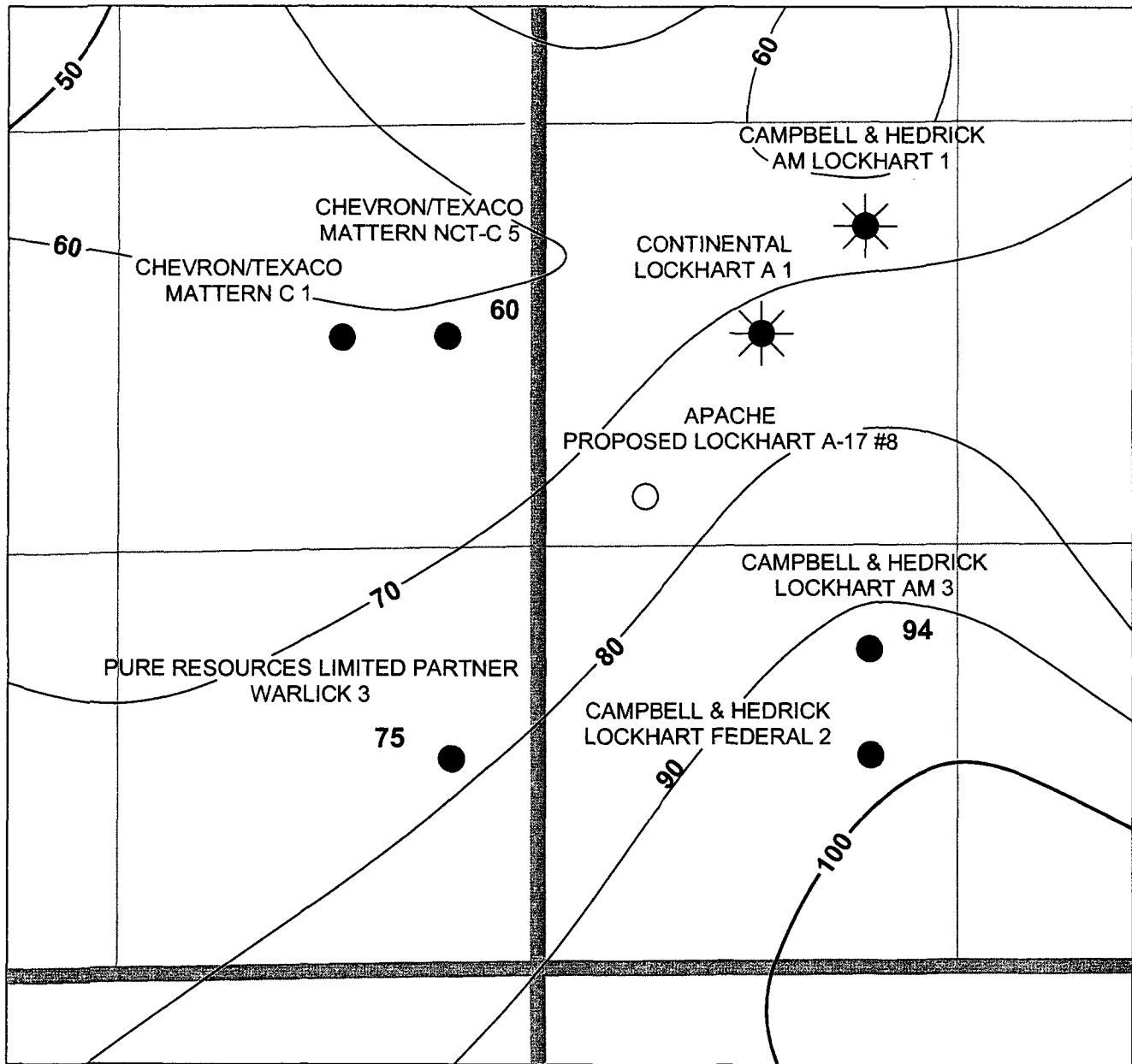
TWO WARREN PLACE, SUITE 1500
8120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

LOCKHART A-17 #8

SEC. 17-T21S-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 5
UPPER GRAYBURG PAY
CUTOFF: 6% DOLOMITE

DATE: 12-16-02 DWG: LOCKHART A-17 8 U GBRG (CURTIS/OC-D-NM)



POSTED WELL DATA

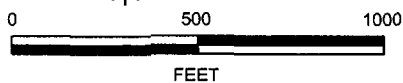
LOWER GRAYBURG PAY

WELL SYMBOLS

- Location Only
- Oil Well
- ✱ Oil & Gas Well



■ L. GRAYBURG PRODUCER



TWO WARREN PLACE, SUITE 1500
8120 SOUTH YALE
TULSA, OKLAHOMA 74138-4224

LOCKHART A-17 #8

SEC. 17-T21S-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 6
LOWER GRAYBURG PAY
CUTOFF: 6% DOLOMITE

DATE: 12-16-02 DWG: LOCKHART A-17 8 L GBRG (CURTIS/ODC-NM)

NOTIFICATION LIST

Application of Apache Corporation for Administrative
Approval of an unorthodox well location:

Lockhart A-17 # 8 Well
1480' FSL & 330' FWL
Section 17, Township 21 South, Range 37 East, NMPM
Lea County, New Mexico

**OFFSET OPERATORS, WORKING INTEREST OWNERS
AND/OR ROYALTY OWNERS**

- | | | | |
|------------------------------------|----|------------------------------|----|
| 1. Apache Corporation | WI | 7. Melinda A. Elliott | OR |
| Two Warren Place, Suite 1500 | | 2523 Washington Way | |
| 6120 South Yale Avenue | | Alameda, CA 94501-5326 | |
| Tulsa, Oklahoma 74136 | | | |
| | | | |
| 2. Chevron/Texaco | WI | 8. BP America Production Co. | WI |
| 15 Smith Road | | 501 Westlake Park Blvd | |
| Midland, Texas | | WL1- Room 6.199 | |
| Attn: Ms Denise Beckham | | Houston, Texas 77079 | |
| | | Attn: Mr. Lee Scarborough | |
| | | | |
| 3. Minerals Management Service | RI | 9. Campbell & Hedrick | WI |
| P O Box 5810 TA | | P O Box 401 | |
| Denver, CO 80217-5810 | | Midland, Texas 79702 | |
| | | | |
| 4. Jefferey Mills Elliott | OR | | |
| 3407 Smoketree Commons Dr | | | |
| Pleasanton, CA 94566-7963 | | | |
| | | | |
| 5. Arthur M. Lockhart Family Trust | OR | | |
| 6231 E. 6 th Street | | | |
| Long Beach, CA 90803-2117 | | | |
| | | | |
| 6. Peter Elliott & Janet Elliott | OR | | |
| 250 Colgate Ave | | | |
| Kensington, CA 94708-1122 | | | |



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/07/03 08:57:10
OGOMES -TQGJ
PAGE NO: 1

Sec : 17 Twp : 21S Rng : 37E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Fee owned	Fee owned	Fee owned	Federal owned
A A	A	A A	A
E 40.00	F 40.00	G 40.00	H 40.00
Fee owned	Fee owned	Fee owned	Federal owned
A A A	A	A	A

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

01/07/03 08:57:14
OGOMES -TQGJ
PAGE NO: 2

Sec : 17 Twp : 21S Rng : 37E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Fee owned	Fee owned	Federal owned
A A	A A	A	A
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Fee owned	Fee owned	Fee owned
A A	P A	P A	P A A

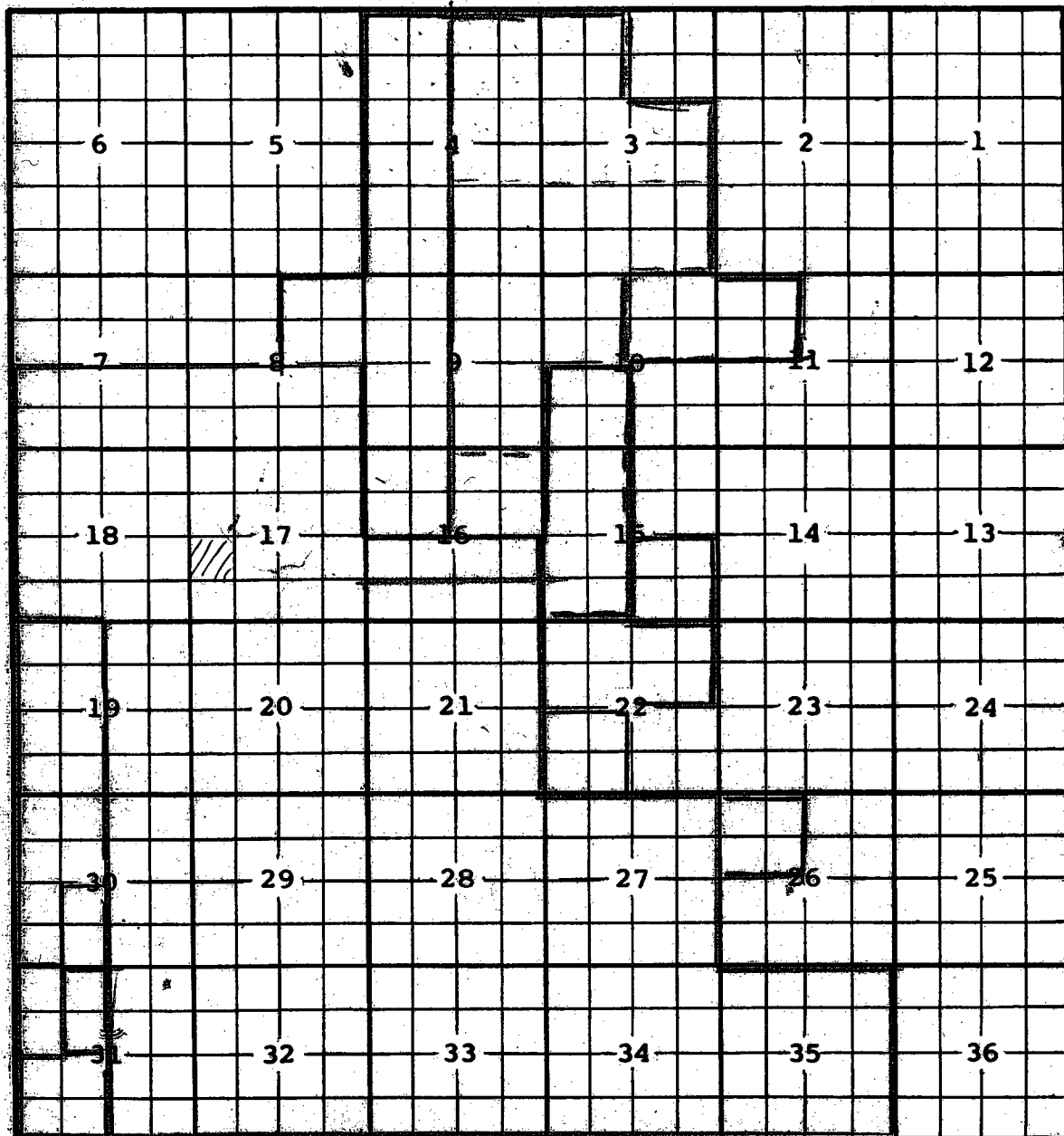
PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

COUNTY Lea POOL Penrose-Skelly

POOL Penrose - Skelly

TOWNSHIP 21 South

RANGE 37 East

NMPM

Description: $\frac{S}{2}$ Sec. 7; $\frac{S}{2}$ Sec. 8; $\frac{S}{2}$ Sec. 16; All Sec. 17 & 18; $\frac{E}{2}$ Sec. 19;

All Sec. 20, 21, 27, 28 & 29; $\frac{E}{2}$ Sec. 30; $\frac{E}{2}$ Sec. 31; All Sec. 32 thru 35; Vertical limits contracted to Grayburg formation only (R-767-A, 4-1-56)

Ext. $\frac{W}{4}$ Sec. 4; $\frac{NE}{4}$ Sec. 8; $\frac{W}{4}$ Sec. 9; $\frac{NW}{4}$ Sec. 16 (R-947, 12-30-57) - $\frac{E}{4}$ $\frac{NW}{4}$ Sec. 31 (R-1017, 6-28-57)
- $\frac{E}{2}$ $\frac{SW}{4}$ Sec. 30 (R-1105, 12-30-57) - $\frac{W}{4}$ Sec. 19; $\frac{NW}{4}$ & $\frac{W}{2}$ $\frac{SW}{4}$ Sec. 30 (R-1129, 2-20-58)
 $\frac{SW}{4}$ Sec. 31 (R-1143, 3-25-58) - $\frac{W}{4}$ $\frac{NW}{4}$ Sec. 31 (R-1312, 1-15-59)

Ext: ^{SW} 1/4 Sec. 22 (R-7396, 12-8-83) Ext: ^{SW} 1/4 Sec. 10, ^W 1/2 Sec. 15, ^{NW} 1/4 Sec. 26 (R-10091, 3-28-94) Ext: ^N 1/2 Sec. 22 (R-10776, 2-28-92)

Ext. Lots 3, 4, 5, 6, 9, 10, 11, 12, 13, 14, 15, 16 and $\frac{1}{2}$ Sec. 3, Lots 1, 2, 7, 8, 9, 10, 15, 16 and $\frac{3}{4}$ Sec. 4, $\frac{1}{2}$ Sec. 9, NW $\frac{1}{4}$ Sec. 10, $\frac{3}{4}$ Sec. 15, NE $\frac{1}{4}$ Sec. 16 (R-11633, S-10-01) Ext. NE $\frac{1}{4}$ Sec. 10, NW $\frac{1}{4}$ Sec. 11 (R-11728, S-20-02)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
P.O. Box 1980
Hobbs, NM 88241

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Conoco Inc

3. Address and Telephone No.

10 DESTA DR. STE. 100W, MIDLAND, TX. 79705-4500 (915) 686-5424

4. Location of Well (Footage, Sec., T. R. M. or Survey Description)

1980' FSL & 660' FWL, Sec. 17, T21S, R37E, L

5. Lease Designation and Serial No.

LC 032096A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Lockhart A-17 #1

9. API Well No.

30-025-06636

10. Field and Pool, or Exploratory Area

Penrose Skelly Gr/Eumont Y7R Q

11. County or Parish, State

Lea, NM

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Repon
☐ Final Abandonment Notice

TYPE OF ACTION

- ☒ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

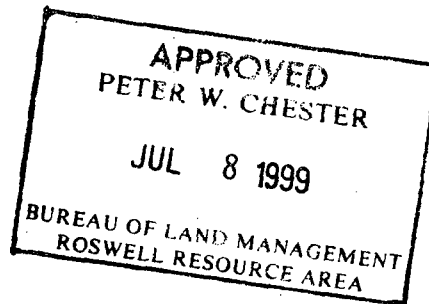
- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracuring
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Reponses to multiple completion well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was producing in two zones: Penrose Skelly Grayburg - oil completion
Eumont Yates 7 Rivers Queen (Pro Gas) - gas completion

The well was plugged and abandoned 04/07/98, per the attached procedures. This wellbore was turned over to Apache in a trade effective 04/01/99 with a P&A status.



14. I hereby certify that the foregoing is true and correct

Reesa R. Wilkes

Signed

Reesa Wilkes

Title Sr. Staff Regulatory Assistant

Date 06/23/99

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval if any:

BLM(6), NMOCD(1), SHEAR, PONCA, COST ASST, FILE ROOM

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

B MW

9569.01

1074
1075**POOL COMPANY TEXAS Ltd.**

5208 Lovington Highway (88240)
P.O. Box 2545
Hobbs, New Mexico 88241

An affiliate of
Pool Energy Services Co.

Tel: 505/392-6681
Fax: 505/392-3100

CONOCO, INC.

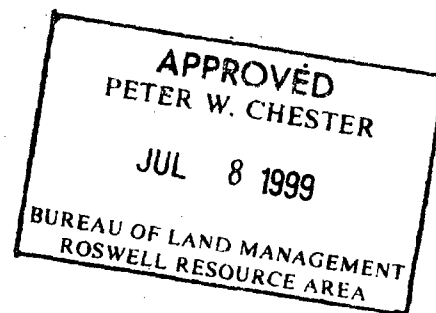
LOCKHART A-17 NO. 1

*no files - well involved in sale**30-025-
00000*

- 4/2/98 Move in, hold safety meeting, rig up, shut down due to high wind.
- 4/3/98 Pull and lay down tubing, run 2 3/8 workstring, tag cast iron bridge plug at 3475', circulate mud, spot 10 sacks cement from 3475' - 3380', pull tubing 1500', spot 25 sacks from 1500' - 1360', pull tubing, shut down.
- 4/6/98 Perforate well at 300', circulate 100 sacks down 5 1/2 to 300' up 7 5/8 to surface, shut down.
- 4/7/98 Cut off wellhead, put in marker, move off.

Class "C" Cement
Mud - 25lb. Salt Gel per bbl.

OK by Steve Cathey - BLM



Nmocc

Form 9-381a
(Feb. 1951)

X			

(SUBMIT IN TRIPLICATE)
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Budget Bureau No. 42-R358.4.
Approval expires 12-31-60.

Land Office Las Cruces
Lease No. IC 032096 a
Unit NGFU

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....		SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			
<u>Notice of Intention to Acidize</u> X			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Leachart A-17

September 23, 1958

Well No. 1 is located 1980 ft. from S line and 660 ft. from W line of sec. 17

SW/4 Sec. 17
(Sec. and Sec. No.)

21 S
(Twp.)

37 E
(Range)

NMFM
(Meridian)

Penrose Shelly
(Field)

Lee
(County or Subdivision)

New Mexico
(State or Territory)

The elevation of the derrick floor above sea level is 3496 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

This well was completed in the Grayburg formation on July 18, 1937, at a total depth of 3796'. In May 1940, the well was deepened from 3796 to 3816' and shot with 194 quarts S.H.G.

It is proposed to run BA Log and treat the existing open hole interval 3796-3816' w/10,000 Gals. of Solufree to increase oil production in this well.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Continental Oil Company

Address Box 60

San Jose, New Mexico

By _____

Title District Superintendent

3368.

NEW MEXICO SCHOOL MINES
STATE BUREAU OF MINES AND MINERAL RESOURCES
SOCORRO, NEW MEXICO
NEW MEXICO WELL LOG DIVISION

COUNTY Lea
FIELD Hardy
COMPANY Continental Oil Company
LEASE Lockhart A-17 No. 1 Well
LOCATION (1/4) C NW SW
SEC. 17 T. 21S R. 37E
1980 feet from south line and
660 feet from west line of Section
COMMENCED 6-10-37
COMPLETED 7-18-37
ABANDONED
REMARKS: IP: 73 BOPD, 240,000 Gas,
thru 3/4" oh, after acid.

CASING RECORD		ELEVATION	FEET
Diam., in.	Bottom	3496	
10-3/4"	196'	Open	bbls. Oil
7-5/8"	1410'	Open	cu. ft. Gas
5 1/2"	3596'	Tbg.	bbls. Oil
2" tubg	3792'	Tbg.	cu. ft. Gas

INITIAL DAILY PRODUCTION:

FORMATION	BOTTOM, FEET	FORMATION	BOTTOM, FEET
Caliche	70		
Sand and shells	168		
Red rock	250		
Sand	388		
Red rock and shells	1300		
Red rock	1380		
Anhydrite and salt shells	1420		
Salt and anhydrite	2440		
Anhydrite	2630		
Anhydrite	2650		
Anhydrite and gyp	2691		
Anhydrite	2734		
Lime and anhydrite	2904		
Lime	3071		
Sandy lime	3125		
Lime	3243		
Sandy lime	3286		
Lime	3450		
Lime and anhydrite streaks	3649		
Lime	3733		
Lime	T. D. 3796		

1937															
HARDY OIL PRODUCTION															
LEASE	WELL UNIT	S.T. & R.	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEP.	OCT.	NOV	DEC	ACCUM. TOTAL
AMERADA PET. CORP.															
Hare	1-M	33-21-37											730	771	1531
BARNSDALL OIL CO.															
Hardy	1-H	29-21-37	1308	1122	1111	1107	720	1201	783	827	1220	777	722	1062	23865
CLOWER															
Turner	1-M	29-21-37		1745	2183	2591	2670	2550	3371	2542	3020	2077	2086	2015	26850
"	2-A	"				1350	2670	1981	2542	2418	2025	1753	2087	2165	18091
CONTINENTAL OIL CO.															
Hawk	1-R	5-21-37									1019	1626	1635	1500	5780
Lockhart A	1-L	17-21-37								1027	822	1027	618	726	4220
Wantz	1-M	21-21-37		644	640	641	185	792	632	862	430	643	649	617	6735
GETTY OIL CO.															
Hardy	1-P	20-21-37	756	474	861	855	923	459	430	925	466	443	501	481	9009
"	2-O	"	407		430	383		465		481	446		402	388	3402
GULF OIL CORP.															
Carson	1-K	28-21-37					2243	750	1702	1207	1248	1113	1082	846	10191
Hardy	1-N	20-21-36						399	380	402	410	310	320	321	2542
King	1-E	28-21-37	1290	1878	1743	1450	1830	1524	1090	1049	1043	678	1008	1012	27301
"	2-D	"						958	1130	1038	948	858	938	937	6807
"	3-F	"							781	1083	969	805	962	976	5576
Mattern B	1-I	30-21-37				1390	2737	2839	2544	2584	2119	2132	2055	2067	20467
" C	1-I	18-21-37										320	1390	1767	3477
McCormick	1-A	32-21-37	2108	1827	1862	1863	1918	2000	1728	2158	1810	1771	1678	1763	36200
"	2-B	"							599	1548	2076	2143	1611	1749	9726

HARDY SUBSURFACE COMPLETION DATA
1937

COMPANY LEASE	WELL NO.	S.T. & R.	DATE COMP.	INITIAL PROD.	TOTAL DEPTH	ELEV.	INTERMEDIATE CSG.			PAY CSG.			TUBING	
							SIZE	DEPTH	CEMENT	SIZE	DEPTH	CEMENT	SIZE	DEPTH
AMERADA PET. CORP.														
Hare	1	33-21-37	11/ 8/37	281	3760	3474				6-5/8	3594	400	2½	3760
CLOWER														
Turner	1	29-21-37	1/25/37	240	3780	3470	8-5/8	1196	150	7	3496	200	2	3770
"	2	"	4/ 6/37	96	3752	3470	8¼	1193	50	7	3595	200	2	3751
CONTINENTAL OIL CO.														
Hawk	1	5-21-37	8/28/37	119	3760	3495	7-5/8	1382	425	5½	3543	425	2	3748
Lockhart	1	17-21-37	7/14/37	112	3796	3496	7-5/8	1422	425	5½	3597	425	2	3782
Wantz	1	21-21-37	1/28/37	324	3815	3499	7-5/8	1307	425	5½	3642	425	2½	3809
GULF OIL CORP.														
Carson	1	28-21-37	4/15/37	104	3780	3452	7-5/8	1204	600	5½	3608	150	2	3766
Hardy	1	20-21-37	4/23/37	25	3810	3492	9-5/8	1242	280	7	3650	200	2	3806
King	2	28-21-37	4/30/37	70	3800	3472	9-5/8	1232	600	7	3675	200	2	3796
"	3	"	6/29/37	58	3788	3458	7-5/8	1225	600	5½	3598	150	2	3786
Mattern B	1	30-21-37	4/ 4/37	214	3813	3483	7-5/8	1252	250	5½	3652	150	2	3801
" C	1	18-21-37	9/27/37	110	3800	3496	8-5/8	1261	800	5½	3460	150	2	3790
McCormick	2	32-21-37	7/ 6/37	135	3780	3463	7-5/8	1235	600	5½	3589	300	2	3771
HERSHBACH DRILG. CO.														
Alexander	1	5-21-37	11/13/37	120	3760	3496				5½	3527	500	2	3747
MAGNOLIA PET. CO.														
Carson	3	28-21-37	1/13/37	124	3775	3467	9-5/8	1374	300	7	3625	200	2½	3773
"	4	"	7/30/37	146	3773	3453	9-5/8	1350	500	7	3627	175	2	3740
Hardy	1	29-21-37	10/ 2/37	120	3776	3483	9-5/8	1344	310	7	3625	175	2	3772
OHIO OIL CO.														
Turner	2	29-21-37	9/ 9/37	20	3800	3475	8-5/8	1292	150	7	2713	300	2	3790

WFT

ANNUAL REPORT

OF THE

NEW MEXICO OIL & GAS ENGINEERING
COMMITTEE

HOBBS, NEW MEXICO



VOLUME I-B

Southeast New Mexico



1986

WELL	S	T	R	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC 1986	PROD	MP	ACCU
2H3121S37E	OIL			43	39	55	49	62	35	46	43	44	47	22	22	507P		107801
	GAS			310	260	211	24	29	235	31	23	29	230	15	17	225		
	WAT			26	21	21	30									355		
3A3121S37E	OIL			LAST	PROD.	PRIOR TO 6/73												93434
4P3021S37E	OIL			108	98	75	83	93	52	68	63	51	95	86	94	919P		106632
	GAS			108	98	75	83	93	52	68	63	51	95	86	94	919P		
	WAT			31	26	21	30									355		
503021S37E	OIL			44	43	56	50	62	34	45	45	30	48	45	35	548P		81436
	GAS			155	140	123	135	128	142	162	163	160	165	150	128	2787		
	WAT			62	56	63	60	68	60	62	63	79	92	89	97	968P		104704
10C3121S37E	OIL			44	43	56	50	62	34	45	45	30	48	45	35	548P		
	GAS			3038	2744	1959	214	238	2317	283	2292	2121	2237	2095	2612	22150		
	WAT			124	117	78	78	32	37	37	42	45	46	45	37	377P		69960
11N3021S37E	OIL			1023	891	545	58	63	560	115	651	608	639	598	837	6588		
	GAS			62	56	62	60	60	60	62	62	60	60	60	60	722		
12E3121S37E	OIL			LAST	PROD.	PRIOR TO 6/73												6552
LEASE TOTAL	OIL			306	290	431	393	497	275	361	339	381	424	377	408	4482		772575
	GAS			5991	5327	3863	426	533	5423	610	4335	4007	4273	3798	4599	43185		
	WAT			620	536	512	478	499	540	533	527	551	583	554	660	6593		
H T MATTERN NCT C	OIL			77	107	77	83	74	76	79	86	69	47	87	69	931P		172086
111821S37E	OIL			475	493	564	14	13	535	15	1598	1555	1566	1233	1182	9243		
	GAS			93	84	93	90	93	90	93	93	90	93	90	93	1095		
M T MCCOMACK	OIL			22	20	22	20	32	30	33	33	31	63	57	53	383P		131825
1A3221S37E	OIL			478	532	622	90	485	510	531	511	489	307	302	4818			
	GAS			62	62	62	62	62	62	62	62	62	62	62	62	583		
2B3221S37E	OIL			LAST	PROD.	DATE 11/85												102806
3P3221S37E	OIL			43	39	44	40	57	63	61	65	61	64	57	54	648P		82241
	GAS			1410	151	1851	89	93	124	143	149	138	151	118	1259	14252		
	WAT			43	40	45	39	56	60	60	62	60	63	57	52	647P		71870
403221S37E	OIL			554	616	754	117	124	813	900	972	902	862	683	730	7789		
	GAS			62	56	62	60	60	60	62	62	60	60	60	60	1756		
5G3221S37E	OIL			LAST	PROD.	PRIOR TO 6/73												75644
6J3221S37E	OIL			43	40	44	40	46	33	60	65	61	64	38	27	561P		64153
	GAS			4053	448	548	30	25	229	480	519	481	505	419	453	4485		
	WAT			881	980	1200	40	57	63	60	66	61	64	57	53	649P		52352
8M3221S37E	OIL			124	156	186	180	186	180	157	155	150	150	150	150	9402		
	GAS			62	56	62	60	60	60	62	62	60	60	60	60	1756		
11A3221S37E	OIL			478	532	622	90	485	510	531	511	489	307	302	4818			
	GAS			62	62	62	62	62	62	62	62	62	62	62	62	583		
LEASE TOTAL	OIL			195	178	200	179	216	254	271	295	275	266	266	239	14400		584930
	GAS			3726	4092	5005	506	428	3627	4343	4677	4330	10885	3254	3449	47388		
	WAT			341	382	434	506	428	442	406	403	390	14851	426	434	19443		
MARK OWEN	OIL			66	67	65	52	50	52	70	65	63	71	70	83	774P		115215
1J3421S37E	OIL			29	29	29	23	26	28	28	28	29	29	30	29	337		
	GAS			171	168	186	174	156	150	155	150	150	155	150	155	1920		
SOUTH PENROSE UNIT	OIL			INJECTION WELL														
13C 522537E	OIL			119H	422537E	OIL												52853
119H 422537E	OIL			156E	822537E	OIL												137030
156E 822537E	OIL			16810	822537E	OIL												27181
16810 822537E	OIL			180M	822537E	OIL												27181
180M 822537E	OIL			181N	822537E	OIL												1952
181N 822537E	OIL			4H2521S36E	OIL													34952
4H2521S36E	OIL			45	52	60	74	46	37	46	55	76	49	45	51	636F		57182
	GAS			1277	1231	1114	341	484	1744	1358	1335	1511	1634	1436	1331	13796		
	WAT			512	459	411	390	1208	1392	1380	1320	700	403	390	403	8968		
5G2521S36E	OIL			652	648	918	74	46	37	46	55	76	49	45	51	2218		66641
	GAS			2605	2324	3346	341	484	1744	1358	1335	1511	1634	1436	1331	8275		
LEASE TOTAL	OIL			1929	1879	2032	341	484	1744	1358	1335	1511	1634	1436	1331	16014		123823
	GAS			3117	2783	3757	390	1208	1392	1380	1320	700	403	390	403	17243		
	WAT																	
W H RENEWALT	OIL			LAST	PROD.	DATE 02/74												94502
LEE STEBBINS NCT A	OIL			61	52	78	76	49	53	59	56	41	38	66	55	684P		117170
1F 522537E	OIL			249	250	270	274	217	321	343	265	244	268	302	325	3974		
	GAS			349	250	465	450	403	300	310	310	300	300	300	300	3974		
2E 522537E	OIL			61	52	78	76	49	53	59	56	41	38	66	55	684P		58602
LEE STEBBINS NCT B	OIL			310	250	465	450	403	300	310	310	300	300	300	300	3974		175772
2B 522537E	OIL			61	51	42	38	70	55	59	55	41	56	67	65	660P		79249
	GAS			249	250	270	274	217	321	343	265	244	268	302	325	3974		
	WAT			403	325	313	300	310	387	403	286	244	390	301	305	3450		
E A STICHER	OIL			LAST	PROD.	PRIOR TO 6/73												93984
IN 422537E	OIL			1926	1814	1837	1897	1939	1782	1912	1986	2067	6156	2196	2074	27586		3824407
COMPANY TOTAL	OIL			28134	27976	28296	4333	4892	29378	12942	30499	31440	40149	33395	31560	309300		
	GAS			6896	6009	7721	4333	4892	5020	5828	5958	4926	19021	4641	5924	81169		
CITIES SERVICE OIL AND GAS CORP.	OIL			189	159	183	155	161	110	177	145	150	161	151	164	1905P		80588
BRUNSON 9J 322537E	OIL			395	356	380	434	415	311	492	442	405	419	357	388	4854		
	GAS			47	40	46	39	40	28	44	36	38	40	50	55	503		
100 322537E	OIL			334	476	510	588	568	500	460	593	546	567	494	534	6558		60480
11P 322537E	OIL			166	139	160	136	141	96	154	126	131	141	133	144	1667P		92370
	GAS			562	507	541	620	59	527	697	626	576	598	452	489	6789		
	WAT			40	40	46	39	40	27	44	36	37	40	48	48	468		
12I 322537E	OIL			118	99	114	97	101	69	110	90	94	101	95	103	1191P		64869
	GAS			273	246	263	302	289	258	340	305	282	291	254	275	3378		
	WAT			47	40	46	39	40	28	44	36	38	40	48	48	468		
COMPANY TOTAL	OIL			568	476	548	466	483	330	529	433	450	484	455	493	5715		298307
	GAS			1767	1585	1694	1944	1851	1656	2189	1966	1809	1875	1557	1686	21579		
	WAT			141	120	138	117	120	83	132	108	113	120	142	155	1489		
CONOCO INC.	OIL			135	131	86	225	172	117	117	193	184	191	162	206	1919F		89433
ELL1010 201522S37E	OIL			74	62	79	74	74	80	74	99	146	122	106	124	1115		126759
201522S37E	OIL			1600	1552	1892	4950	3784	2574	2959	4879	4324	3841	4884	41768			
LEASE TOTAL	OIL			74	62	79	74	74	80									

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

01/07/03 08:57:26
OGOMES -TQGJ

API Well No : 30 25 6636 Eff Date : 04-07-1998 WC Status : P
Pool Idn : 50350 PENROSE SKELLY;GRAYBURG
OGRID Idn : 5073 CONOCO INC
Prop Idn : 3038 LOCKHART A 17

Well No : 001
GL Elevation: 3486

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: L	17	21S	37E	FTG 1980 F S FTG	660 F W	A
Lot Identifier:							
Dedicated Acre:							
Lease Type	: F						
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O)							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

01/07/03 08:58:59
OGOMES -TQGJ

API Well No : 30 25 27123 Eff Date : 08-01-1982 WC Status : A
Pool Idn : 50350 PENROSE SKELLY;GRAYBURG
OGRID Idn : 3630 CAMPBELL & HEDRICK
Prop Idn : 2425 A M LOCKHART

Well No : 003
GL Elevation: 3491

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	---	---	---	---	---
B.H. Locn	: M	17	21S	37E	FTG 990 F S	FTG 990 F W	A
Lot Identifier:							
Dedicated Acre:							40.00
Lease Type	: F						
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O)							

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 01/07/03 08:59:04
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQGJ
Page No : 1

API Well No : 30 25 27123 Eff Date : 04-30-1991
Pool Idn : 50350 PENROSE SKELLY;GRAYBURG
Prop Idn : 2425 A M LOCKHART Well No : 003
Spacing Unit : 24411 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : 17 21S 37E Acreage : 40.00 Revised C102? (Y/N) :
Dedicated Land:

S Base U/L Sec Twp Rng Acreage L/W Ownership Lot Idn

M 17 21S 37E 40.00 N FD

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 01/07/03 08:59:14
OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQGJ
Page No: 1

OGRID Identifier : 3630 CAMPBELL & HEDRICK
Pool Identifier : 50350 PENROSE SKELLY;GRAYBURG
API Well No : 30 25 27123 Report Period - From : 01 2000 To : 12 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 27123	A M LOCKHART	01 00 31	296 67	P
30 25 27123	A M LOCKHART	02 00 29	277 57	P
30 25 27123	A M LOCKHART	03 00 31	354 30	P
30 25 27123	A M LOCKHART	04 00 30	379 41	P
30 25 27123	A M LOCKHART	05 00 31	384 68	P
30 25 27123	A M LOCKHART	06 00 30	411 47	P
30 25 27123	A M LOCKHART	08 00 31	415 55 22	P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/07/03 08:59:18
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQGJ
 Page No: 2

OGRID Identifier : 3630 CAMPBELL & HEDRICK
 Pool Identifier : 50350 PENROSE SKELLY;GRAYBURG
 API Well No : 30 25 27123 Report Period - From : 01 2000 To : 12 2002

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 27123 A M	LOCKHART	09 00 30	408 45 18	P
30 25 27123 A M	LOCKHART	10 00 31	412 43 17	P
30 25 27123 A M	LOCKHART	11 00 30	362 41 16	P
30 25 27123 A M	LOCKHART	12 00 31	298 56 22	P
30 25 27123 A M	LOCKHART	01 01 27	420 94 38	P
30 25 27123 A M	LOCKHART	02 01 28	390 70 28	P
30 25 27123 A M	LOCKHART	03 01 31	425 91 36	P

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/07/03 08:59:20
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQGJ
 Page No: 3

OGRID Identifier : 3630 CAMPBELL & HEDRICK
 Pool Identifier : 50350 PENROSE SKELLY;GRAYBURG
 API Well No : 30 25 27123 Report Period - From : 01 2000 To : 12 2002

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 27123	A M LOCKHART	04 01 30	431 79 32	P
30 25 27123	A M LOCKHART	05 01 31	435 51 20	P
30 25 27123	A M LOCKHART	06 01 31	435 50 20	P
30 25 27123	A M LOCKHART	07 01 31	446 32 13	P
30 25 27123	A M LOCKHART	08 01 31	435 47 19	P
30 25 27123	A M LOCKHART	09 01 30	1713 40 86	P
30 25 27123	A M LOCKHART	10 01 31	1677 45 96	P

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/07/03 08:59:22
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQGJ
 Page No: 4

OGRID Identifier : 3630 CAMPBELL & HEDRICK
 Pool Identifier : 50350 PENROSE SKELLY;GRAYBURG
 API Well No : 30 25 27123 Report Period - From : 01 2000 To : 12 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 27123 A M	LOCKHART	11 01 30	1597 41 88	P
30 25 27123 A M	LOCKHART	12 01 31	1628 49 105	P
30 25 27123 A M	LOCKHART	01 02 31	1551 45 96	P
30 25 27123 A M	LOCKHART	02 02 28	1590 28 60	P
30 25 27123 A M	LOCKHART	03 02 31	1404 42 90	P
30 25 27123 A M	LOCKHART	04 02 30	1477 44 94	P
30 25 27123 A M	LOCKHART	05 02 31	1515 36 77	P

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/07/03 08:59:23
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQGJ
 Page No: 5

OGRID Identifier : 3630 CAMPBELL & HEDRICK
 Pool Identifier : 50350 PENROSE SKELLY;GRAYBURG
 API Well No : 30 25 27123 Report Period - From : 01 2000 To : 12 2002

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 27123	A M LOCKHART	06 02 30	1740 39 84	P
30 25 27123	A M LOCKHART	07 02 31	1860 47 101	P
30 25 27123	A M LOCKHART	08 02 31	1755 42 90	P
30 25 27123	A M LOCKHART	09 02 30	1652 44 94	P
30 25 27123	A M LOCKHART	10 02 31	1784 52 149	P

Reporting Period Total (Gas, Oil) : 30356 1658 1611

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

Stogner, Michael

From: Stogner, Michael
Sent: Tuesday, January 07, 2003 9:18 AM
To: 'Tkellahin@aol.com'
Subject: Apache Corp.'s Lockhart A-17 #8

Re: pKRV0-300352303

Mr. Kellahin

To supplement this application would you please provide me with a detailed break out of the mineral interests (WI, ORRI, and RI) between the NW/4 SW/4 (Unit L) and the SW/4 SW/4 (Unit M) of Sec. 17-T21S-R37E.
Thanks.

1/7/2003

CAMPBELL & HEDRICK
P. O. BOX 401 MIDLAND, TEXAS 79702
Phone 915-684-4393 Fax 915-682-7570

Registered Mail
Return Receipt

January 8, 2003

Mr. Michael E. Stogner
Oil Conservation Division
1220 South Saint Frances Street
Santa Fe, New Mexico 87505

Re: Apache Corporation Request for
Administrative Approval for an
unorthodox oil well location
Lockhart A-17 Well No. 8

Dear Mr. Stogner:

This application erroneously states location to be in Eddy County and NOT in Lea County (line 6 of paragraph 1).

Campbell & Hedrick own working interest and rights to operate wells beginning at a depth of 4000' below the surface on this tract to be drilled. If Apache drills here as deep as they have in other nearby wells and completes similarly, they would be encroaching upon our leasehold. Any approval should stipulate that no interval at 4000' or deeper should be drilled nor the well completed in such manner as to drain oil or gas from below 4000'.

Most wells Apache has drilled in nearby sections were drilled below 4100'.

Sincerely,



O. F. Hedrick, Operator
Campbell & Hedrick

