

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Apache Corp
 J. R. Phillips #10
 5914-A

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.

Name of Applicant	Signature	Title	Date
e-mail Address			

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

September 16, 2008

Hand delivered

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Apache Corporation
Request to amend Administrative Order NSL-5914

Dear Mr. Brooks:

The above order (attached as Exhibit A) approved an unorthodox location for the J.R. Phillips Well No. 11, at a location 1310 feet FNL and 1310 FEL of Section 1, Township 20 South, Range 36 East, N.M.P.M. There are two changes:

1. Due to my dyslexia, the well's name is actually the Well No. 10.
2. Also, the original location placed the well in a residential yard. As a result, the well's location has been moved to 1110 feet FNL and 1240 FEL of Section 1. See Exhibit B.

Apache Corporation requests that the order be amended appropriately. Notice was not required for the original application, so notice of this request is unnecessary.

Also, could the Santa Fe office please contact Paul Kautz or Donna Mull in the Hobbs office when the amendment is made, so that the well's APD can be processed? Thank you.

Very truly yours,


James Bruce

Attorney for Apache Corporation

RECEIVED

2008 SEP 16 PM 2 50



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



September 4, 2008

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-5914

**Re: Apache Corporation
J.R. Phillips Well No. 11
API No. 30-025-
1310 feet FNL and 1310 feet FEL
Unit A, Section 1-20S-36E, NMPM
Lea County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pKVR08-22457432**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Apache Corporation (Apache), on August 11, 2008, and

(b) the Division's records pertinent to this request.

Apache has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The NE/4 NE/4 of Section 1 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Monument-Paddock Pool (47080), the Monument-Blinebry Pool (46990) and the Monument-Abo Pool (46970). These pools are governed by statewide Rule 104.B(1), 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 the southern and western unit boundaries.

Your application on behalf of Apache has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

EXHIBIT

A

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

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



September 4, 2008
Page 2

It is our understanding that you are seeking this location because Apache's geologic interpretation indicates that the well can tap into stranded reserves located on the margins of existing spacing units that cannot be effectively drained by wells located at standard locations.

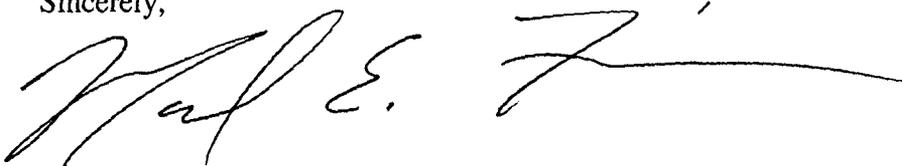
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

This approval is subject to Apache's being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

~~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 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs

DISTRICT I
1626 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OK
9/2/08

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name J.R. PHILLIPS	Well Number 10
OGRID No.	Operator Name APACHE CORPORATION	Elevation 3576'

Surface Location

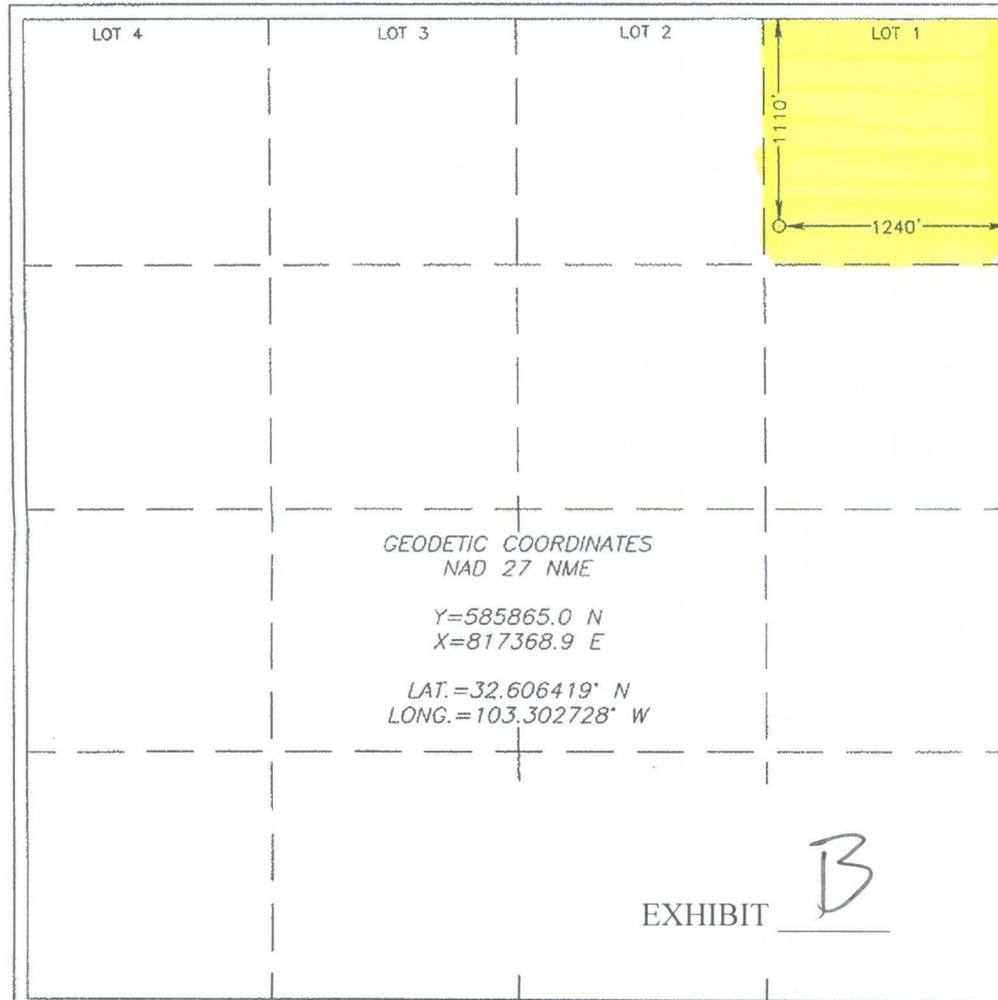
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	20-S	36-E		1110	NORTH	1240	EAST	LEA

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



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

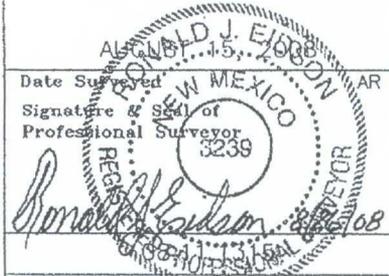
Signature _____ Date _____

Printed Name _____

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.

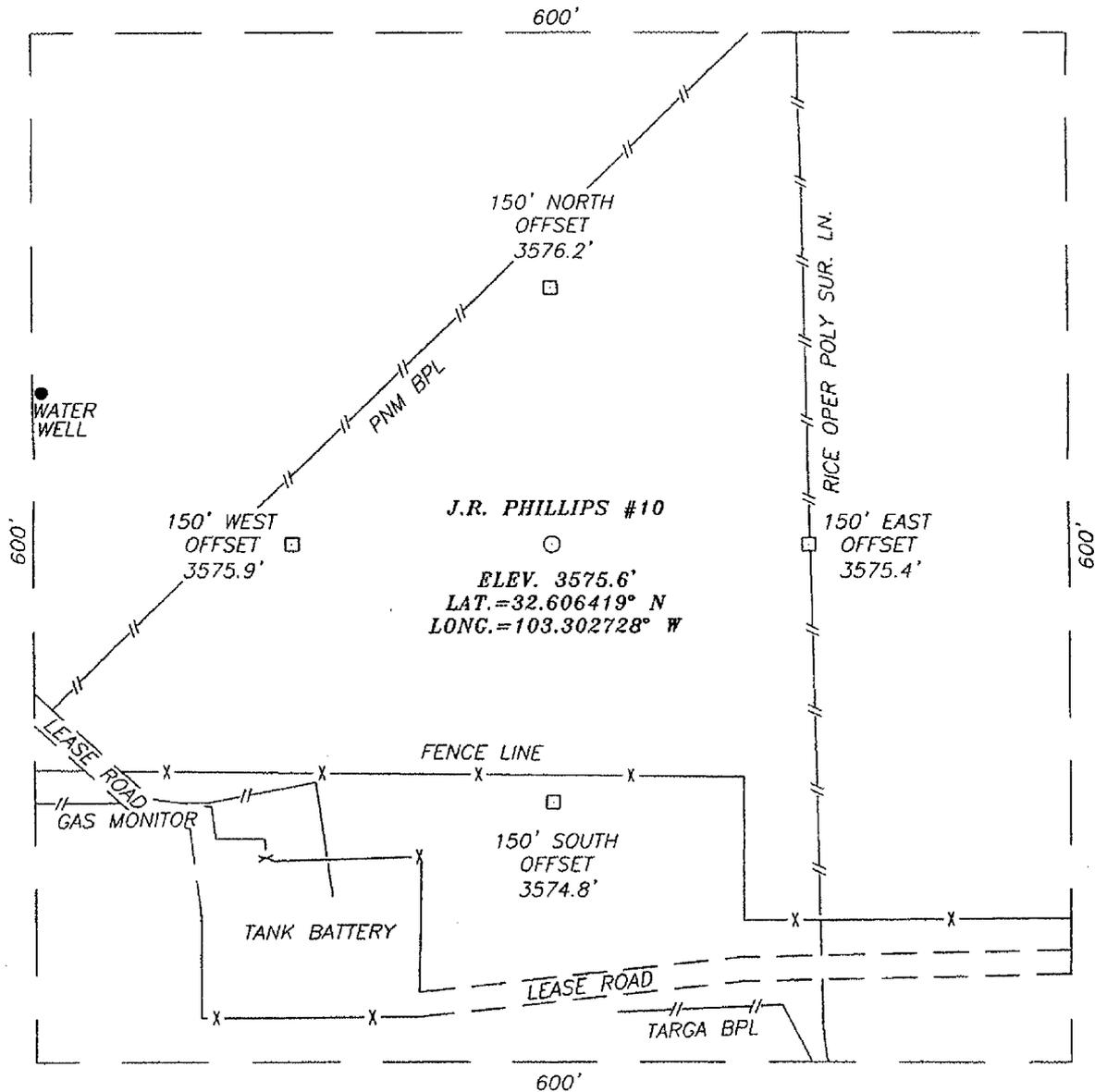
Date Surveyed _____ AR
Signature & Seal of Professional Surveyor 3239



Certificate No. GARY EIDSON 12641
RONALD J. EIDSON 3239

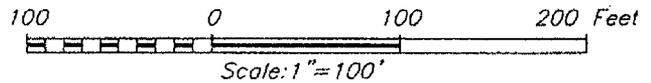
EXHIBIT **B**

SECTION 1, TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF CO. RD. H41 (MADDOX RD.) AND ST. HWY. #322 TO "Y" INTERSECTION. GO SOUTH ON CO. RD. H41 APPROX. 0.55 MILES. TURN RIGHT AND GO SOUTHWEST APPROX. 350 FEET TO WELL. BEND RIGHT AND GO WEST APPROX. 250 FEET TO A "T". TURN LEFT AT "T" AND GO SOUTH APPROX. 0.1 MILE. BEND RIGHT AND GO WEST APPROX. 0.15 MILES TO J.R. PHILLIPS TANK BATTERY. THIS LOCATION IS NORTH OF TANK BATTERY APPROX. 130 FEET.



APACHE CORPORATION

J.R. PHILLIPS #10 WELL
 LOCATED 1110 FEET FROM THE NORTH LINE
 AND 1240 FEET FROM THE EAST LINE OF SECTION 1,
 TOWNSHIP 20 SOUTH, RANGE 36 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

Survey Date: 8/15/08	Sheet 1 of 1 Sheets	
W.O. Number: 08.11.1315	Dr By: AR	Rev 1:N/A
Date: 8/25/08	Disk:	08111315 Scale: 1"=100'

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117