

NSP-176W 0933553315

DATE IN 12-1-09	SUSPENSE	ENGINEER <i>B. Baker</i>	LOGGED IN 12-1-09	TYPE SD	APP NO. 176W 0933554768
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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



NSP 1936

APACHE

ADMINISTRATIVE APPLICATION CHECKLIST

Lea W.

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]

RECEIVED 003
 12/1/09 11:11 AM

*Walter Lynch #4,5
648*

- [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

DHC-1021

[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.

Michelle Hanson		Landman	11/25/09
Print or Type Name	Signature	Title	Date
		Michelle.hanson@apachecorp.com	
		e-mail Address	

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

29 Records Found

Displaying Screen 2 of 2

[14 4]

- | API Number | ULSTR | Footages | |
|---|--------------|---------------------|--------------------|
| <input type="radio"/> 3002537512 | C -1-22S-37E | 660 FNL & 1815 FWL | <i>CXL</i> |
| Well Name & Number: WALTER LYNCH No. 010 | | | |
| Operator: MARATHON OIL CO | | | |
| <input type="radio"/> 3002537555 | E -1-22S-37E | 1980 FNL & 810 FWL | <i>Brayburg TA</i> |
| Well Name & Number: WALTER LYNCH No. 011 | | | |
| Operator: APACHE CORP | | | |
| <input type="radio"/> 3002537556 | F -1-22S-37E | 1830 FNL & 1980 FWL | <i>Queen TA</i> |
| Well Name & Number: WALTER LYNCH No. 012 | | | |
| Operator: APACHE CORP | | | |
| <input type="radio"/> 3002539550 | D -1-22S-37E | 990 FNL & 990 FWL | |
| Well Name & Number: WALTER LYNCH No. 010 | | | |
| Operator: APACHE CORP | | | |

29 Records Found

Displaying Screen 2 of 2

[14 4]

[Continue](#)

[Go Back](#)

-6660
86440
72480

Applicant requests that all wells be granted 40 acre spacing in the Blinebry Oil and Gas Pool, whether for oil or gas. This will eliminate overlapping well units for oil and gas wells, and will facilitate further development of the Walter Lynch Lease. In addition, further GOR changes in the wells will not require a reclassification and well unit change. If granted, the following well units will be in effect for the Blinebry Oil and Gas Pool:

	Walter Lynch 4 <u>(NW¼NW¼)</u>	Walter Lynch 6 <u>(SE¼NW¼)</u>	Walter Lynch 8 <u>(SW¼NW¼)</u>
Blinebry	40 acres (oil)	40 acres (oil)	40 acres (gas)

Applicant further requests authorization to simultaneously dedicate Tubb Oil and Gas (Pro Gas) production from both Well No. 4 and Well No. 6 to a standard 160 acre gas well unit comprising the NW¼ of Section 1.

30-02537512

Applicant plans to drill and complete the Walter Lynch Well No. 10, located at an orthodox location, being 990' FNL and 1650' FWL of Section 1, in the Blinebry, Tubb, Drinkard, Abo and Granite Wash formations. As a result, Applicant seeks administrative approval to simultaneously dedicate Well No. 10 to the the 160 acre Tubb gas well unit.

A land plat with a listing of the operators of all quarter sections offsetting the NW¼ of Section 1 is marked **Exhibit B**. Notice was given to all operators by the letter attached as **Exhibit C**.

Interest ownership within the NW¼ of Section 1 is common, so no one in the quarter section has been notified of this application.

Please call me if you need any further information on this matter.

Sincerely,
APACHE CORPORATION



Michelle Hanson
Landman
(918) 491-4838 direct
(918) 491-4854 fax
Michelle.hanson@apachecorp.com

Well File Search - Select API Number to View

Please select the API Number you wish to view from the list below by clicking the radio button next to the API Number. Then click the "Continue" button to see the thumbnails for the API you selected. The search results are broken out by groups of 25 on each page. Switching pages can be done by clicking the "Next 25" or "Previous 25" links.

29 Records Found

Displaying Screen 1 of 2

[< >]

API Number	ULSTR	Footages
<input type="radio"/> 3002509936	P -1-22S-37E	660 FSL & 660 FEL
Well Name & Number: ALICE PADDOCK No. 003		
Operator: CHEVRON USA INC		
<input type="radio"/> 3002509937	N -1-22S-37E	669 FSL & 1986 FWL
Well Name & Number: ANNIE CHRISTMAS No. 001		
Operator: JOHN H HENDRIX CORP		
<input type="radio"/> 3002509938	O -1-22S-37E	660 FSL & 1980 FEL
Well Name & Number: ALICE PADDOCK No. 001		
Operator: CHEVRON USA INC		
<input type="radio"/> 3002509939	J -1-22S-37E	1980 FSL & 1980 FEL
Well Name & Number: ALICE PADDOCK No. 002		
Operator: CHEVRON USA INC		
<input type="radio"/> 3002509940	G -1-22S-37E	1980 FNL & 1980 FEL
Well Name & Number: ALICE PADDOCK No. 004		
Operator: CHEVRON USA INC		
<input type="radio"/> 3002509941	B -1-22S-37E	990 FNL & 2310 FEL
Well Name & Number: ALICE PADDOCK No. 005		
Operator: CHEVRON USA INC		
<input type="radio"/> 3002509942	K -1-22S-37E	1980 FSL & 1980 FWL
Well Name & Number: WALTER LYNCH No. 001		
Operator: JOHN H HENDRIX CORP		
<input type="radio"/> 3002509943	L -1-22S-37E	1980 FSL & 660 FWL
Well Name & Number: WALTER LYNCH No. 002		
Operator: JOHN H HENDRIX CORP		
<input type="radio"/> 3002509944	M -1-22S-37E	660 FSL & 660 FWL
Well Name & Number: WALTER LYNCH No. 003		
Operator: JOHN H HENDRIX CORP		
<input type="radio"/> 3002509945	L -1-22S-37E	2200 FSL & 440 FWL
Well Name & Number: LYNCH CHRISTMAS COM No. 004		
Operator: LEGACY RESERVES OPERATING, LP		
<input type="radio"/> 3002509946	F -1-22S-37E	1980 FNL & 1980 FWL
Well Name & Number: PRE-ONGARD WELL No. 022		
Operator: PRE-ONGARD WELL OPERATOR		
<input type="radio"/> 3002509947	E -1-22S-37E	1980 FNL & 660 FWL
Well Name & Number: PRE-ONGARD WELL No. 021		
Operator: PRE-ONGARD WELL OPERATOR		
<input type="radio"/> 3002509948	D -1-22S-37E	660 FNL & 660 FWL
Well Name & Number: PRE-ONGARD WELL No. 014		

Operator: PRE-ONGARD WELL OPERATOR

3002509949 D -1-22S-37E 660 FNL & 585 FWL
Well Name & Number: WALTER LYNCH No. 004
Operator: APACHE CORP

Table
36.310
419 *FOR 86,000*

3002509950 C -1-22S-37E 660 FNL & 1980 FWL
Well Name & Number: WALTER LYNCH No. 005
Operator: MARATHON OIL CO

Inactive

3002524815 O -1-22S-37E 660 FSL & 2230 FEL
Well Name & Number: ALICE PADDOCK No. 006
Operator: CHEVRON USA INC

3002525045 B -1-22S-37E 750 FNL & 1210 FEL
Well Name & Number: ALICE PADDOCK No. 007
Operator: CHEVRON USA INC

Now only

3002525131 F -1-22S-37E 2310 FNL & 1980 FWL
Well Name & Number: WALTER LYNCH No. 006
Operator: APACHE CORP

Blindery 24,000
Tub
Drumhead - also

3002525486 D -1-22S-37E 330 FNL & 660 FWL
Well Name & Number: WALTER LYNCH No. 007
Operator: APACHE CORP

Drumhead - also
Drumite Wash

3002525522 M -1-22S-37E 330 FSL & 330 FWL
Well Name & Number: LYNCH CHRISTMAS COM No. 005
Operator: LEGACY RESERVES OPERATING, LP

3002525644 E -1-22S-37E 1880 FNL & 760 FWL
Well Name & Number: WALTER LYNCH No. 008
Operator: APACHE CORP

Drumhead also
Blindery 32,000
Drumite Wash

3002526286 J -1-22S-37E 1980 FSL & 2250 FEL
Well Name & Number: ALICE PADDOCK No. 008
Operator: CHEVRON USA INC

3002527055 P -1-22S-37E 660 FSL & 330 FEL
Well Name & Number: ALICE PADDOCK No. 009
Operator: CHEVRON USA INC

3002529117 I -1-22S-37E 1980 FSL & 660 FEL
Well Name & Number: ALICE PADDOCK No. 010
Operator: CHEVRON USA INC

3002537495 D -1-22S-37E 660 FNL & 810 FWL
Well Name & Number: WALTER LYNCH No. 009
Operator: MARATHON OIL CO

CXL

29 Records Found

Displaying Screen 1 of 2

[> >>]

Continue

Go Back



6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136

Central Region Land Department
(918) 491-4900
(918) 491-4854 (FAX)

November 30, 2009

Mark E. Fesmire, P. E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Fesmire,

Apache Corporation respectfully requests administrative approval for simultaneous dedication in the Tubb Oil and Gas Pool and several non-standard 40 acre gas well units in the Blinebry Oil and Gas Pool. The following wells, located in the NW¼ of Section 1, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico (applicant's Walter Lynch Lease), are involved in this application:

- 30-025
- 09949 — Walter Lynch 4, located 660 feet FNL and 585 feet FWL D 09949
- 09950 — Walter Lynch 5, located 660 feet FNL and 1980 feet FWL – Currently Inactive C 09950
- ~~24815~~ — Walter Lynch 6, located 2310 feet FNL and 1980 feet FWL F ~~25131~~ 25131
- 25644 — Walter Lynch 8, located 1880 feet FNL and 760 feet FWL E 25644

25131 A. A plat of the Walter Lynch Lease, identifying the wells involved in this application, is attached as Exhibit A.

The above wells produce from the Blinebry and Tubb formations, among other formations. Under Division Order No. R-8170, as amended, spacing in both the Blinebry Oil and Gas Pool and Tubb Oil and Gas Pool is 160 acres for gas wells, and 40 acres for oil wells. The rules provide for non-standard gas well units of less than 160 acres. A gas well in each pool is defined as a well producing at a GOR of 50,000:1 or greater. Acreage dedicated to a gas well shall not be simultaneously dedicated to an oil well.

86440

60240

The wells involved in this application, the quarter-quarter sections in which the wells are located, their acreage dedications and current gas/oil status and their approximate YTD GOR's in the Blinebry and Tubb formations, are as follows:

	Walter Lynch 4 (NW¼NW¼)	Walter Lynch 6 (SE¼NW¼)	Walter Lynch 8 (SW¼NW¼)
Blinebry	40 acres (oil) 48,000	40 acres (oil) 30,000	160 acres (gas) 279,000

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, December 23, 2009 10:31 AM
To: 'Hanson, Michelle'
Subject: RE: Walter Lynch wells; NSP-SD Applications

Dear Ms. Hanson

Please file and NSL application with appropriate notices. In the meantime, I will write an order granting your request for NSPs in the Blinbery, and dismissing your application in the Tubb w/o prejudice. You can renew your SD application when you file the NSL applications. New notices on the renewed SD application will not be necessary.

Sincerely

David K. Brooks
Legal Examiner
505-476-3450

From: Hanson, Michelle [mailto:Michelle.Hanson@apachecorp.com]
Sent: Wednesday, December 23, 2009 8:02 AM
To: Brooks, David K., EMNRD
Subject: RE: Walter Lynch wells; NSP-SD Applications

Hi David,

I cannot find an NSL for either the #4 or #6 wells for the Tubb Gas Pool. However, it looks like the 160-acre gas unit was approved back in 1954 for the #4 well and in 2005 for the #6 well, as to the Tubb Gas Pool. Would I need to submit a true NSL application or can I submit a request letter requesting retro-active approval?

Michelle Hanson

Landman
Apache Corporation
6120 S. Yale Ave., Suite 1500
Tulsa, OK 74136
(918) 491-4838 office
(918) 491-4854 fax
michelle.hanson@apachecorp.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, December 22, 2009 3:37 PM
To: Hanson, Michelle
Subject: Walter Lynch wells; NSP-SD Applications

Dear Ms. Hanson

You have requested simultaneous dedication of the Walter Lynch ## 4, 6 and 10 in the Tubb Gas Pool to a 160-acre unit comprising the NW/4 1-22S-37E.

The #4 and #6 are at unorthodox locations for a 160-acre gas unit, because they are each less than 160 feet from unit boundaries.

Are there existing NSL orders approving these locations. If not, you will need to submit NSL applications for these wells.

Sincerely

David K. Brooks

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, December 23, 2009 10:49 AM
To: 'Hanson, Michelle'
Subject: RE: Walter Lynch wells; NSP-SD Applications

Thanks.

I will go ahead and issue the order as I suggested earlier this morning, and await receipt of the NSL application to deal with the Tubb.

David Brooks

From: Hanson, Michelle [mailto:Michelle.Hanson@apachecorp.com]
Sent: Wednesday, December 23, 2009 10:45 AM
To: Brooks, David K., EMNRD
Subject: Re: Walter Lynch wells; NSP-SD Applications

David,
I think we will need to do the NSLs because there are no orders, just an NMOCD approved dedication plat. I'm not sure why the previous operators weren't asked to submit an NSL at the time they submitted a new dedication plat, but I couldn't see any specific NSL approval for either well.

Sent via Blackberry

Michelle Hanson
Landman
Apache Corporation
6120 S. Yale, Suite 1500
Tulsa, OK 74136
918.491.4838
918.491.4854 Fax
Michelle.hanson@apachecorp.com

From: Brooks, David K., EMNRD <david.brooks@state.nm.us>
To: Hanson, Michelle
Sent: Wed Dec 23 11:40:48 2009
Subject: RE: Walter Lynch wells; NSP-SD Applications
Dear Ms. Hanson

I forgot to include in my last email a request for the order numbers for the unit approvals to which you refer in your email. Please advise me of the numbers so I can look at those orders. It is possible that language in those orders may change the course of action I indicated in my email earlier this morning.

Thanks

David K. Brooks

From: Hanson, Michelle [mailto:Michelle.Hanson@apachecorp.com]
Sent: Wednesday, December 23, 2009 8:02 AM
To: Brooks, David K., EMNRD
Subject: RE: Walter Lynch wells; NSP-SD Applications

Hi David,

I cannot find an NSL for either the #4 or #6 wells for the Tubb Gas Pool. However, it looks like the 160-acre gas unit was approved back in 1954 for the #4 well and in 2005 for the #6 well, as to the Tubb Gas Pool. Would I need to submit a true NSL application or can I submit a request letter requesting retro-active approval?

Michelle Hanson

Landman

Apache Corporation

6120 S. Yale Ave., Suite 1500

Tulsa, OK 74136

(918) 491-4838 office

(918) 491-4854 fax

michelle.hanson@apachecorp.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, December 22, 2009 3:37 PM
To: Hanson, Michelle
Subject: Walter Lynch wells; NSP-SD Applications

Dear Ms. Hanson

You have requested simultaneous dedication of the Walter Lynch ## 4, 6 and 10 in the Tubb Gas Pool to a 160-acre unit comprising the NW/4 1-22S-37E.

The #4 and #6 are at unorthodox locations for a 160-acre gas unit, because they are each less than 160 feet from unit boundaries.

Are there existing NSL orders approving these locations. If not, you will need to submit NSL applications for these wells.

Sincerely

David K. Brooks

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, December 23, 2009 10:41 AM
To: 'Hanson, Michelle'
Subject: RE: Walter Lynch wells; NSP-SD Applications

Dear Ms. Hanson

I forgot to include in my last email a request for the order numbers for the unit approvals to which you refer in your email. Please advise me of the numbers so I can look at those orders. It is possible that language in those orders may change the course of action I indicated in my email earlier this morning.

Thanks

David K. Brooks

From: Hanson, Michelle [mailto:Michelle.Hanson@apachecorp.com]
Sent: Wednesday, December 23, 2009 8:02 AM
To: Brooks, David K., EMNRD
Subject: RE: Walter Lynch wells; NSP-SD Applications

Hi David,

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Michelle Hanson

Landman

Apache Corporation

6120 S. Yale Ave., Suite 1500

Tulsa, OK 74136

(918) 491-4838 office

(918) 491-4854 fax

michelle.hanson@apachecorp.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Tuesday, December 22, 2009 3:37 PM
To: Hanson, Michelle
Subject: Walter Lynch wells; NSP-SD Applications

Dear Ms. Hanson

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Sincerely

David K. Brooks

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Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, December 22, 2009 2:37 PM
To: 'Hanson, Michelle'
Subject: Walter Lynch wells; NSP-SD Applications

Dear Ms. Hanson

You have requested simultaneous dedication of the Walter Lynch ## 4, 6 and 10 in the Tubb Gas Pool to a 160-acre unit comprising the NW/4 1-22S-37E.

The #4 and #6 are at unorthodox locations for a 160-acre gas unit, because they are each less than 160 feet from unit boundaries.

Are there existing NSL orders approving these locations. If not, you will need to submit NSL applications for these wells.

Sincerely

David K. Brooks



Brooks, David K., EMNRD

From: Hanson, Michelle [Michelle.Hanson@apachecorp.com]
Sent: Monday, December 14, 2009 12:46 PM
To: Brooks, David K., EMNRD
Subject: RE: Walter Lynch Lease; NSP/SD Application
Attachments: Walter Lynch_NSP & SD App_Offset Owners.docx

Hi David,

Please see revised list of Offset Operators. Apache is one of the operators in Section 2-22S-37E, however, ExxonMobil is the offset owner I should have listed because they are the operator of the Blinbry, Tubb and Drinkard formations. Exxon was notified of Apache's request for administrative approval, via letter dated Nov. 30th, 2009. As to the other tract in which Apache operates (SE/4SW/4 & S/2SE/4 Sec 36-21S-37E), Apache owns 100% working interest.

Let me know if you need anything else.

Thank you,

Michelle Hanson

Landman

Apache Corporation

6120 S. Yale Ave., Suite 1500

Tulsa, OK 74136

(918) 491-4838 office

(918) 491-4854 fax

michelle.hanson@apachecorp.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, December 14, 2009 12:50 PM
To: Hanson, Michelle
Subject: Walter Lynch Lease; NSP/SD Application

Dear Ms. Hanson

The plat that you sent me on Dec. 8 shows Apache as the operator of the SE/4 SW/4 and S/2 SE/4 of Section 36, adjoining the referenced unit to the north and northwest.

Although the textual portion of the plat does not identify the operator of Section 2 to the west, it would seem Apache also operates that acreage.

For the tracts that Apache operates, if there are other working interest owners, notice is required to any working interest owner who owns a larger interest in the offsetting tract than in the tract that is the subject of the application. Are there any such owners? If so, have they been notified?

Sincerely

David K. Brooks
Legal Examiner

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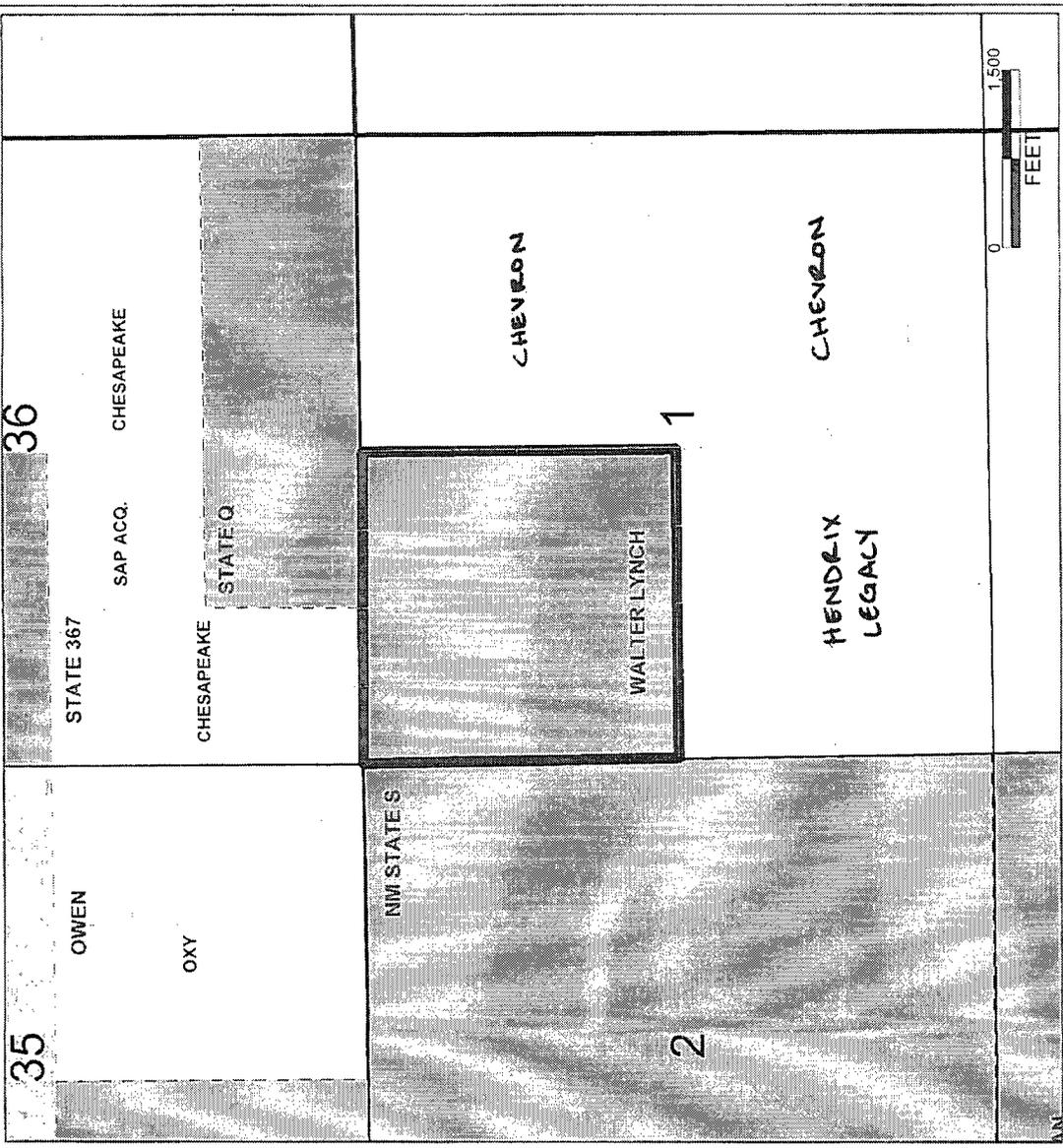
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T21S-R37E



T22S-R37E

Walter Lynch NSP & SD Application

Township 22 South, Range 37 East, Lea County, New Mexico

Tracts adjoining the NW/4 of Section 1

T21S-R37E

Section 35:
SE/4:

Oxy USA, Inc.

Section 36:
N/2SW/4,
SW/4SW/4
and N/2SE/4:
SE/4SW/4
and S/2SE/4:

Chesapeake Operating, Inc.

Apache Corporation

T22S-R37E

Section 1:
E/2:
SW/4:
W/2SW/4:

Chevron U.S.A., Inc.

John H. Hendrix Corporation

Legacy Reserves Operating, L.P.

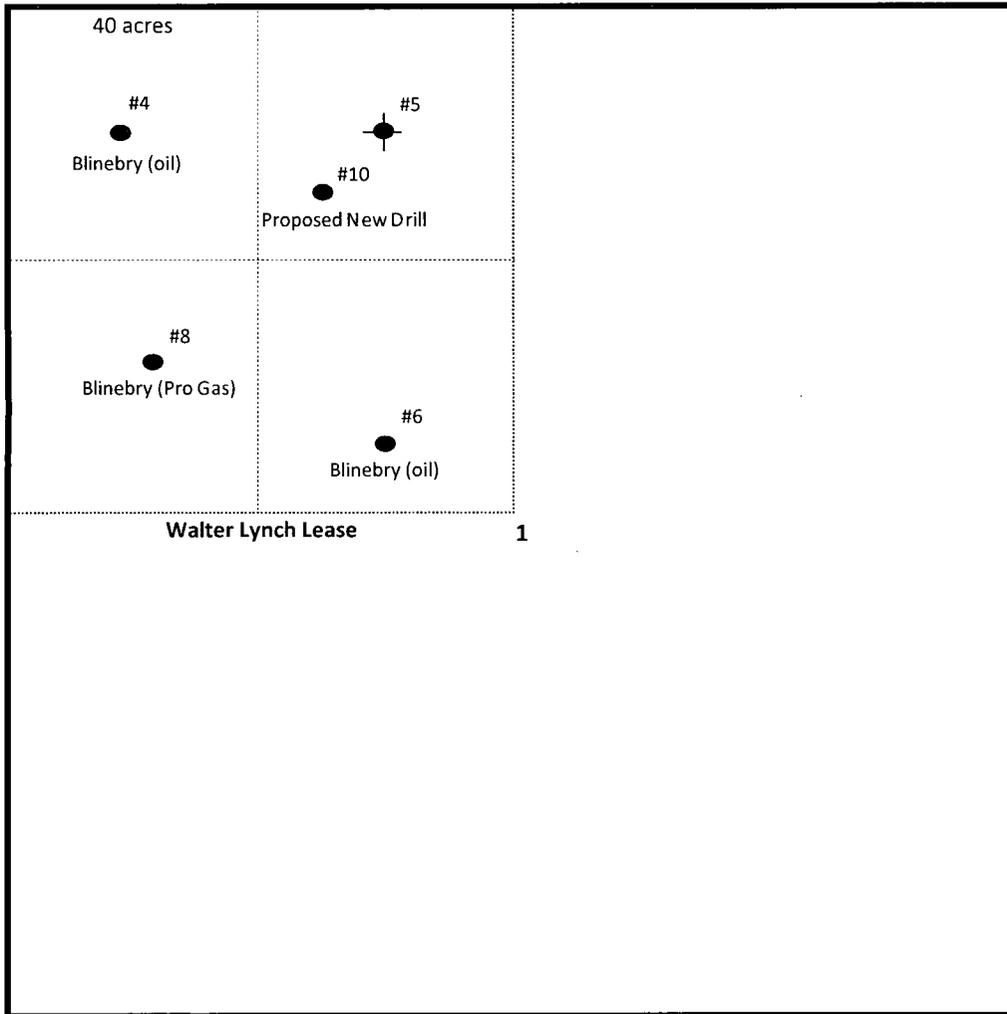


EXHIBIT A
Page 1 of 2



Walter Lynch Lease
 No. 4, 6 and 8
 Non-Standard Proration Unit
 Blinebry Oil & Gas Pool
 Section 1-T22S-R37E
 Lea County, New Mexico
 Scale: 1" = 1000'

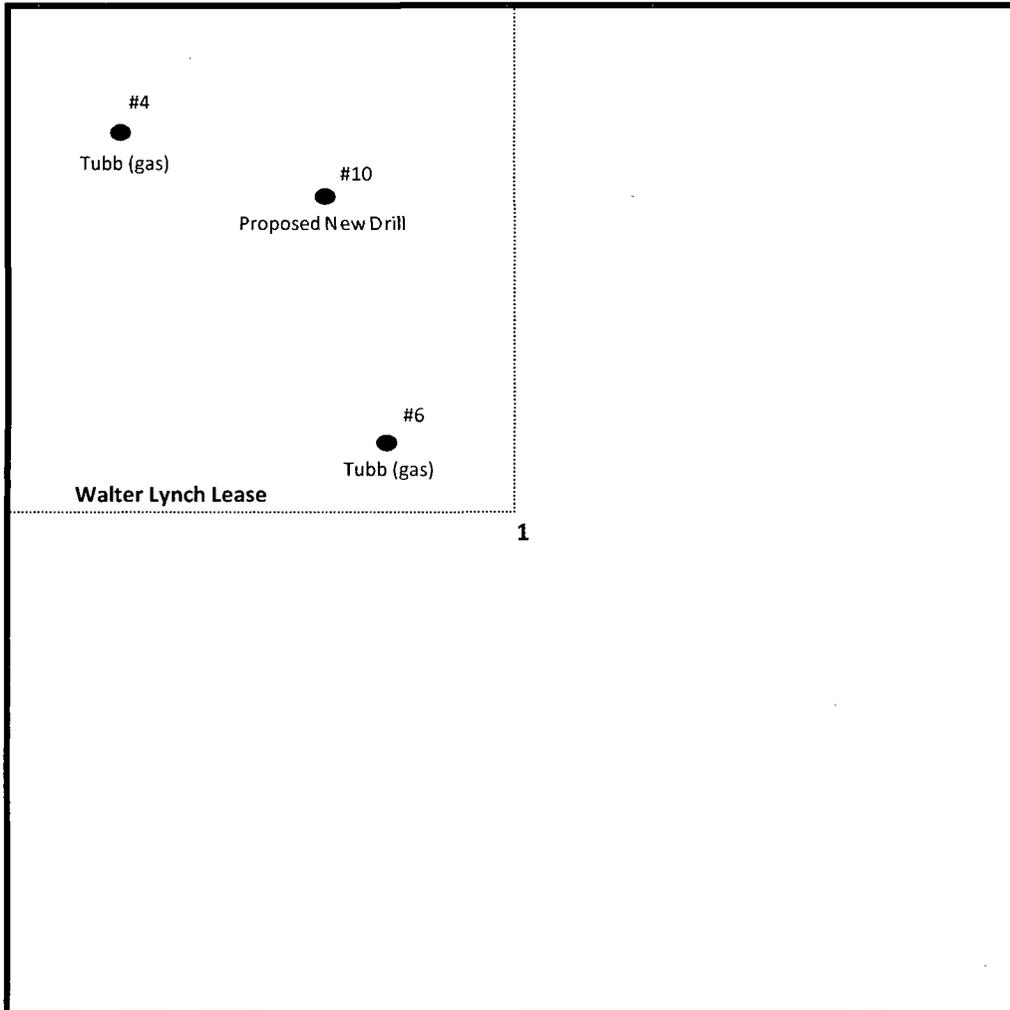


EXHIBIT A
Page 2 of 2

Walter Lynch Lease
No. 4, 6 and 10
Simultaneous Dedication
Tubb Oil & Gas Pool
Section 1-T22S-R37E
Lea County, New Mexico
Scale: 1" = 1000'

OFFSET OPERATORS

Chevron U.S.A., Inc.
Attn: NOJV Group
1400 Smith Street
Houston, TX 77002

ExxonMobil Coporation
P.O. Box 4610
Houston, TX 77210

ConocoPhillips Company
Attn: Land Department
600 N. Dairy Ashford
Houston, TX 77079

John H. Hendrix Corporation
110 N. Marienfield, Suite 400
Midland, TX 79701-4400

Chesapeake Operating, Inc.
P.O. Box 18496
Oklahoma City, Ok 73154-0496

Legacy Reserves Operating, L.P.
303 W. Wall Street, Suite 1400
Midland, TX 79701

Oxy USA, Inc.
Attn: Robbie Abraham
5 Greenway Plaza, Suite 1100
Houston, TX 77046-0521

Cameron Oil and Gas Company, Inc.
300 W 2nd St
Roswell, NM 88201

Jay Management Company, LLC
4801 Woodway Drive, Ste 100E
Houston, TX 77056

Zachary Oil Operating Company
6300 Ridglea Place, Ste 605
Fort Worth, TX 76116

Exhibit C



6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136

Central Region Land Department
(918) 491-4900
(918) 491-4854 (FAX)

November 30, 2009

OFFSET OPERATORS

RE: Administrative approval for
Non-Standard Gas Spacing Unit
and Simultaneous Dedication
Township 22 South, Range 37 East;
Section 1: NW¼ (Walter Lynch Lease)
Lea County, New Mexico

Offset Operators,

This is to inform you as an offset operator that Apache Corporation ("Apache") has applied for administrative approval for several non-standard 40 acre Blinbry oil and gas well units and simultaneous dedication of the Walter Lynch Well Nos. 4 and 6 in the Tubb Oil & Gas (Pro Gas) Pool.

Apache has requested non-standard 40 acre well units, whether for oil or gas, for the Blinbry Oil and Gas Pool in the Walter Lynch lease. Producing characteristics for several of the Walter Lynch lease wells have changed and said wells are now producing as oil wells. However, there is still one well on the Lease that is currently producing as a gas well. Changing the spacing for this Lease to 40 acres will eliminate overlapping well units for oil and gas wells.

Apache has further requested that the Tubb Oil and Gas production from the Walter Lynch Well No. 4 and Well No. 6 be simultaneously dedicated to a standard 160 acre gas well unit being the NW¼ of Section 1-T22S-R37E.

If you object to this application, you should file a written objection with the Oil Conservation Division's Santa Fe office within 20 days from the date of this letter. Otherwise, the application may be granted without further notice.

If you require additional information, please contact the undersigned at (918) 491-4838.

Sincerely,
APACHE CORPORATION

A handwritten signature in black ink that reads "Michelle Hanson".

Michelle Hanson
Landman
(918) 491-4854 fax
Michelle.hanson@apachecorp.com

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, December 14, 2009 11:50 AM
To: 'Hanson, Michelle'
Subject: Walter Lynch Lease; NSP/SD Application

Dear Ms. Hanson

The plat that you sent me on Dec. 8 shows Apache as the operator of the SE/4 SW/4 and S/2 SE/4 of Section 36, adjoining the referenced unit to the north and northwest.

Although the textual portion of the plat does not identify the operator of Section 2 to the west, it would seem Apache also operates that acreage.

For the tracts that Apache operates, if there are other working interest owners, notice is required to any working interest owner who owns a larger interest in the offsetting tract than in the tract that is the subject of the application. Are there any such owners? If so, have they been notified?

Sincerely

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Hanson, Michelle [Michelle.Hanson@apachecorp.com]
Sent: Tuesday, December 08, 2009 3:47 PM
To: Brooks, David K., EMNRD
Subject: FW: Walter Lynch; SD and NSP applications
Attachments: Walter Lynch_NSP & SD App_Plat.pdf

Oops. I apologize. I forgot the attachment.

Michelle Hanson
Landman
Apache Corporation
6120 S. Yale Ave., Suite 1500
Tulsa, OK 74136
(918) 491-4838 office
(918) 491-4854 fax
michelle.hanson@apachecorp.com

From: Hanson, Michelle
Sent: Tuesday, December 08, 2009 3:42 PM
To: 'Brooks, David K., EMNRD'
Subject: Walter Lynch; SD and NSP applications

Hi David,
Attached is a list and plat depicting the Offset Owners to Apache Corporation's Walter Lynch Lease in the NW/4 Sec 1-22S-37E.

Please let me know if you have any questions.

Thanks,

Michelle Hanson
Landman
Apache Corporation
6120 S. Yale Ave., Suite 1500
Tulsa, OK 74136
(918) 491-4838 office
(918) 491-4854 fax
michelle.hanson@apachecorp.com

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