



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 7, 2010

Apache Corporation
Attn: Mr. David Catanach
6120 S. Yale Ave., Suite 1500
Tulsa, OK 74136

Administrative Order NSP-1938

**Re: AB Baker Well No. 7 (API No. 30-025-35134)
AB Baker Well No. 8 (API No. 30-025-35135)
AB Baker Well No. 11 (API No. 30-025-39604)
Units I and P, Section 10-22S-37E
Eddy County, New Mexico**

Dear Mr. Catanach:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW09-34547779**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on December 11, 2009, and

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

Apache Corporation [OGRID 873] (Apache) has requested approval of a non-standard 80-acre stand-up oil spacing and proration unit in the South Eunice San Andres Pool (24170) consisting of the E/2 of Section 10, Township 22 South, Range 37 East in Lea County, New Mexico. Spacing in this pool is governed by Rule 2 of the Special Rules and Regulations for the South Eunice-San Andres Pool, as most recently amended by Order No. R-12748-A, issued in Case No. 13911 on September 30, 2007, which provides for 80-acre units consisting of either the N/2 or the S/2 of a section. The proposed non-standard oil spacing unit (the proposed unit) consists of the E/2 of Section 10.

The proposed unit will be dedicated to the following wells, all of which are located at standard locations in the proposed unit:



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AB Baker Well No. 7 (API No. 30-025-35134) located 727 feet from the South line and 827 feet from the East line (Unit P) of Section 10

AB Baker Well No. 8 (API No. 30-025-35135) located 1881 feet from the South line and 869 feet from the East line (Unit I) of Section 10

AB Baker Well No. 11 (API No. 30-025-39604) located 470 feet from the South line and 990 feet from the East line (Unit P) of Section 10.

Your application has been duly filed under the provisions of Division Rules 104.D(2) and 1210.A(3).

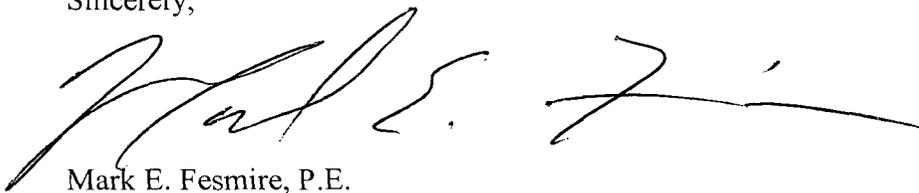
We understand that you are requesting this non-standard unit to protect correlative rights because the Division has previously created a non-standard oil spacing unit in this pool consisting of the W/2 of Section 10, thus precluding dedication of the above-described wells to any possible standard unit.

No tract in this half-quarter section is excluded from the proposed unit. It is our understanding that you have notified all operators of units adjoining the proposed unit of this application.

Pursuant to the authority granted me under the provisions of Division Rules 104.D(2)(b), the above-described non-standard 80-acre S/2 oil spacing and proration unit is hereby approved. This order shall be effective retroactively as of the date of first production from the South Eunice-San Andres Pool of any of the above-described wells.

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', written in a cursive style.

Mark E. Fesmire, P.E.

Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs