



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



February 17, 2010

Apache Corporation
Attn: Ms. Michelle Hanson
6120 S. Yale, Suite 1500
Tulsa, OK 74136

Administrative Order NSL-6156

**Re: Eugene Wood Well No. 14
API No. 30-025
1399 feet FNL and 1432 feet FEL
Unit G, Section 22-22S-37E
Lea County, New Mexico**

Dear Ms Hanson:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-03249878**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 1, 2010,

(b) your supplemental application (**administrative application reference No. pTGW10-04755264**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on February 16, 2010, and

(c) the Division's records pertinent to these requests.

Apache Corporation [OGRID 873] (Apache) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SW/4 NE/4 of Section 22 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Blinebry Oil & Gas (Oil) Pool (6660), the Tubb Oil & Gas (Oil) Pool (60240), the Drinkard Pool (19190), the Wantz-Abo Pool (62700) and the Wantz-Granite Wash Pool (62730). Spacing in the Blinebry Oil & Gas Pool is governed by the Special Rules and Regulations for the Blinebry Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986. Spacing in the Tubb Oil & Gas Pool is governed by the Special Rules and Regulation for the Tubb Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986. Spacing in the Drinkard, Wantz-Abo and Wantz-Granite Wash pools is governed by statewide Rule 15.9.A. All of the



applicable rules provide 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 northern and eastern unit boundaries.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for engineering reasons, in order to maximize recovery of the reserves underlying this unit.

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 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs