



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



March 12, 2010

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

Administrative Order NSL-6147-A

Re: H. Corrigan Well No. 22
API No. 30-025
1550 feet FNL and 1280 feet FEL
Unit H, Section 4-22S-37E
Lea County, New Mexico

Dear Ms. Hanson:

This Order replaces Administrative Order NSL-6147 in its entirety.

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-06957117**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 10, 2010, and

(b) the Division's records pertinent to this request, including the Division's records pertinent to Administrative Order NSL-6147.

Apache Corporation [OGRID 873] (Apache) has requested to drill the above-referenced well as a directional well to the Blinebry, Tubb, Drinkard and Abo formations, at a location that will be unorthodox under Division Rule 16.14.B. The proposed surface and bottom-hole locations of the well are as follows:

Surface Location: 1550 feet from the North line and 1280 feet from the East line
(Unit H) of Section 4, Township 22S, Range 37E, NMPM,
Lea County, New Mexico

Terminus 1285 feet from the North line and 1307 feet from the East line



(Unit A) of said section

The NE/4 NE/4 of Section 4 will be dedicated to the proposed well to form standard 40-acre oil spacing and proration units in the Blinebry Oil and Gas (Oil) Pool (6660), the Tubb Oil and Gas (Oil) Pool (60240), the Drinkard Pool (19190) and the Wantz-Abo Pool (62700). Spacing in the Blinebry and Tubb pools is governed by the Special Rules and Regulations for the Blinebry Oil and Gas Pool and the Special Rules and Regulations for the Tubb Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986. Spacing in the Drinkard Pool and the Wantz-Abo Pool is governed by statewide Rule 15.9. However, in all of these pools, the applicable rules provide for 40-acre oil units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because the bottom-hole location will be less than 330 feet from the southern and western 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 efficiently drain the reserves in these reservoirs underlying the NE/4 of Section 4, and that you are requesting the above location, in lieu of that provided in Order NSL-6147 because there is an existing, producing Blinebry gas well in Unit G of Section 4.

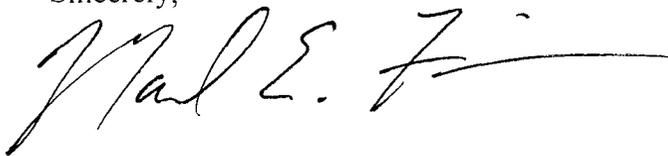
It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved PROVIDED, HOWEVER, that nothing in this Order shall authorize the simultaneous dedication of any unit or acreage to both a gas well and an oil well in the same formation.

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", with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs