

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Apache

H.C.B. Gas Com #9

ADMINISTRATIVE APPLICATION CHECKLIST *30-025-10014*

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]

(1941)

Lee.

[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 - *Notified by Letter 2/23/10*
- [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.

Michelle Hanson		Landman	2/23/2010
Print or Type Name	Signature	Title	Date
		<u>Michelle.hanson@apachecorp.com</u>	
		e-mail Address	



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

February 23, 2010

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

Dear Mr. Fesmire,

Apache Corporation ("Apache") respectfully requests administrative approval for a non-standard 40-acre gas well unit in the Blinebry Oil and Gas Pool for the H. Corrigan Blinebry Gas Com No. 9 well. The following well, located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 4, Township 22 South, Range 37 East, N.M.P.M., Lea County, New Mexico (applicant's H. Corrigan Lease), is the only well involved in this application:

H. Corrigan Blinebry Gas Com #9 (API No. 30-025-10014), located 1980 feet FNL and 1880 feet FEL (Unit Letter G)

Said well No. 9 produces from the Blinebry formation only. 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.

On October 17, 1985, Amerada Hess Corporation submitted a letter, addressed to the State of New Mexico Energy and Minerals Department, reclassifying this well to an oil well. However, in 1996 this well began producing as a gas well and currently the New Mexico Oil Conservation Division classifies this well as a gas well. Additionally, there are Blinebry wells currently producing as oil wells in the NE $\frac{1}{4}$ of same Section 4. To Apache's knowledge, there is not an existing non-standard Blinebry gas spacing unit for the No. 9 well in place at this time.

As a result, Apache requests that the H. Corrigan Blinebry Gas Com No. 9 well be granted a non-standard 40-acre gas spacing unit in the Blinebry Oil and Gas Pool. This will eliminate overlapping well units for oil and gas wells, and will facilitate further development of the H. Corrigan Lease. In addition, further GOR changes in the wells will not require a reclassification and well unit change.

A C-102 plat (attached) reflects the 40-acre Blinebry gas spacing unit to which the No. 9 well will be dedicated should this application be approved.

A land plat accompanied by a listing of the operators of all quarter sections offsetting the NE¼ of Section 4 is marked **Exhibit A**. Notice was given to all offset operators by letter attached as **Exhibit B**.

Apache owns 100% leasehold interest in the H. Corrigan Lease. Further, interest ownership within the entire NE¼ of Section 4, as to the Blinbry formation, is identical and therefore no other notification is necessary.

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

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink that reads "Michelle Hanson". The signature is written in a cursive, flowing style.

Michelle Hanson

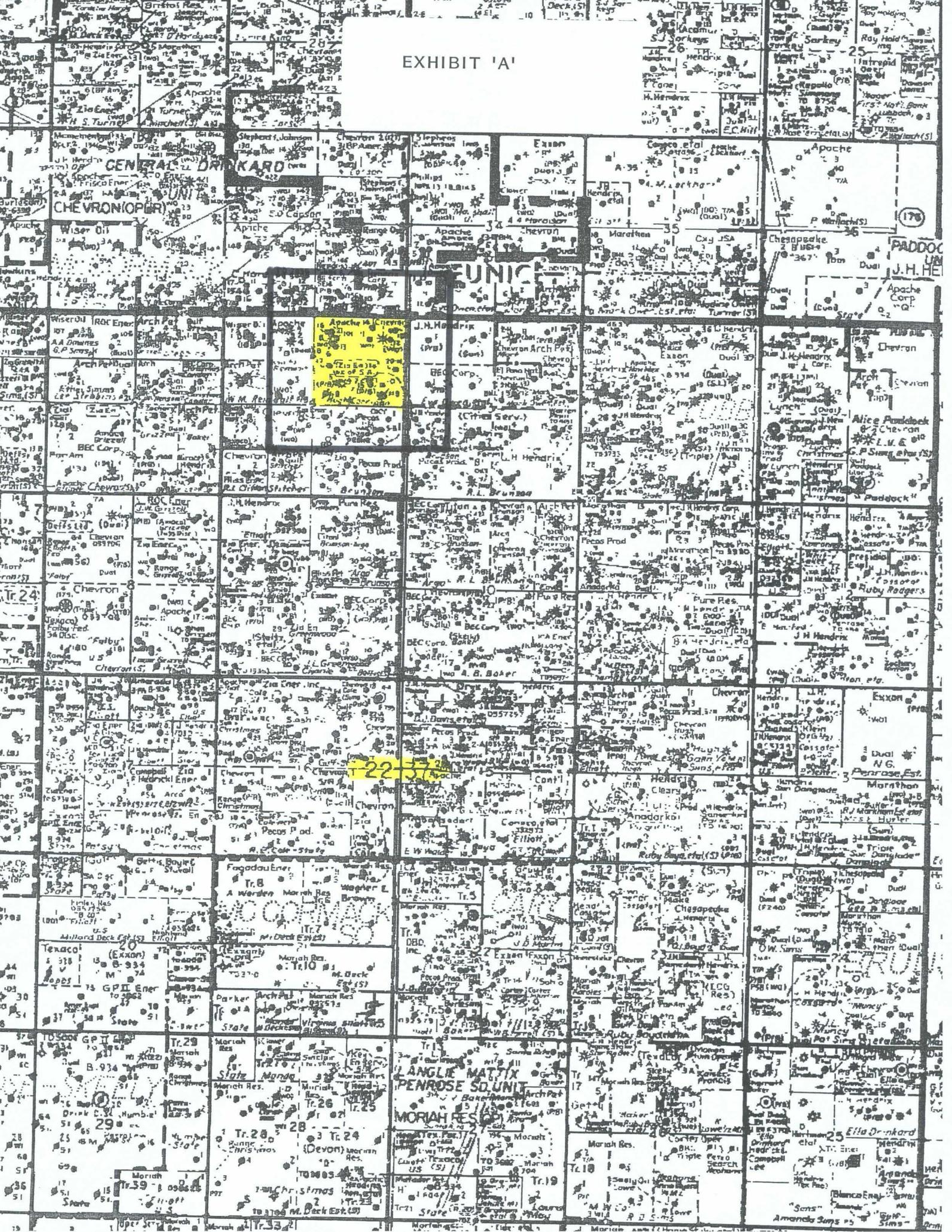
Landman

(918) 491-4838 direct

(918) 491-4854 fax

Michelle.hanson@apachecorp.com

EXHIBIT 'A'



GENERAL DRINKARD UNIT

CHEVRON OIL PROPERTY

UNION

(170)

PADDON UNIT

J.H. HE

Apache Corp

Chevron

Arch

Alice Paddock

Christina

Exxon

Marathon

Exxon

Wiser Oil

Apache

J.H. Hendrix

BECCORP

Marathon

Exxon

Wiser Oil

Apache

J.H. Hendrix

BECCORP

Marathon

Exxon

Exxon

OFFSET OPERATORS

Township 21 South, Range 37 East

Section 33:

SE/4SW/4: Apache Corporation (100%)

S/2SE/4: John H. Hendrix Corporation
110 N. Marienfield, Suite 400
Midland, TX 79701-4400

Section 34:

SW/4SW/4: Apache Corporation (100%)

Township 22 South, Range 37 East

Section 3:

NW/4NW/4: John H. Hendrix Corporation

SW/4NW/4: BEC Corporation
110 N Marienfeld St
Midland, TX 79701

NW/4SW/4: Chesapeake Operating, Inc
Attn: Hugh Brower
P.O. Box 18496
Oklahoma City, OK 73154

Section 4:

E/2 NW/4: Apache Corporation (100%)

NE/4SW/4: Chevron U.S.A., Inc.
Attn: NOJV Group
P.O. Box 2100
Houston, TX 77002

NW/4SE/4: Chesapeake Operating, Inc.

NE/4SE/4: Oxy USA, Inc.
Attn: Pat Sparks
P.O. Box 4294
Houston, TX 77210



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

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

February 23, 2010

OFFSET OPERATORS

RE: Administrative approval for
Non-Standard Gas Spacing Unit
Blinebry Oil & Gas (pro gas) Pool
Township 22 South, Range 37 East;
Section 4: NE¼ (H Corrigan Lease)
Lea County, New Mexico

Offset Operators,

Enclosed is a copy of Apache Corporation's application, filed with the New Mexico Oil Conservation Division, seeking approval of a non-standard 40-acre gas well unit in the Blinebry Oil and Gas Pool for Apache's H. Corrigan Blinebry Gas Com No. 9 well, located in the SW¼NE¼ of Section 4, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

If you object to the 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 cursive script that reads "Michelle Hanson".

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