



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



June 8, 2010

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

Administrative Order NSL-6147-B

Re: H. Corrigan Well No. 22
API No. 30-025-39715
1550 feet FNL and 1280 feet FEL
Unit H, Section 4-22S-37E
Lea County, New Mexico

Dear Ms. Hanson:

This Order supplements Administrative Order NSL-6147-A and authorizes completion of the subject well in an additional pool.

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-15328737**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on June 2, 2010, and

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

Apache Corporation [OGRID 873] (Apache) has requested to complete the above-referenced directional well in the Queen formation [Eumont; Yates-Seven Rivers-Queen (Oil) Pool], in addition to the Blinebry, Tubb, Drinkard and Abo formations heretofore authorized, at a location that will be unorthodox under Division Rule 16.14.B. The proposed surface, bottom-hole and Eumont completion 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



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Terminus 1285 feet from the North line and 1307 feet from the East line
(Unit A) of said section

Completion (Queen) 1552 feet from the North line and 1268 feet from the East line
(Unit H) of said section

The SE/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 Eumont; Yates-Seven Rivers-Queen Oil Pool (22800). Spacing for oil wells in this pool is governed by Rules 2(B) and 3(a)(1) of the Special Rules for the Eumont Gas Pool, as amended by Order R-8170-P, effective December 14, 2001, which provide for 40-acre units, with wells to be at least 330 feet from any quarter/quarter section line. This location is unorthodox because the bottom-hole location will be less than 330 feet from the northern 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 the reservoirs underlying the NE/4 of Section 4.

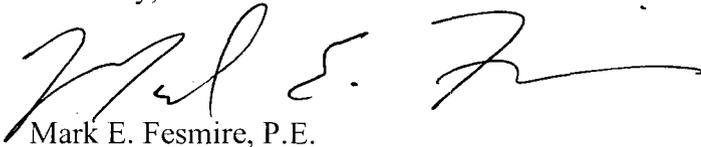
It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

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,



Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs