



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



May 13, 2011

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

Administrative Order NSL-6372

**Re: N B Tween State Well No. 17
API No. 30-015-38407
1070 feet FSL & 1650 feet FWL
Unit N, Section 25-17S-28E
Eddy County, New Mexico**

Dear Mr. Catanach:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-11246889**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on April 22, 2011, and

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

Apache Corporation (Apache) [OGRID 873] has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SE/4 SW/4 of Section 25 will be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the undesignated Artesia Glorieta-Yeso Pool (96830). This pool is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides 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 unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



It is our understanding that you are seeking this location due to surface obstructions that preclude drilling the well at a standard location.

It is also understood that you have given due notice of this application to all affected persons in offsetting units toward which this location will encroach.

Pursuant to the authority conferred by Division Rule 15.13.B [19.15.15.13 NMAC], 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 [19.15.15.9 NMAC].

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 "Jami Bailey". The signature is fluid and cursive, with a large initial "J" and "B".

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division - Artesia
New Mexico State Land Office