

S/D
USL

N/R 11/26/01



FAX TRANSMITTAL

2000 Post Oak Blvd., Suite 100, Houston, Texas 77056

713-296-6000 / Fax: 713-296-7156

TO: Michael E. Stogner – NM/Oil Conservation Division

FROM: Debra Anderson

DATE: November 5, 2001

RE: State LMT No. 11

NO. OF PAGES: 4 (Includes Cover)

COMMENTS: As per our conversation this morning, attached please find a letter requesting administrative approval to add the State LMT No. 11 to the existing 320-acre non-standard proration with simultaneous dedication order NSP-1517. Also attached are two C-102's submitted to Hobbs when the drilling department applied for the drilling permit. I will overnight the originals today. Please let me know if you need anything else. Thank you for your assistance.

2000 POST OAK BOULEVARD / SUITE 100 / HOUSTON, TEXAS 77056-4400



WWW.APACHECORP.COM
(713) 298-8000

November 5, 2001

Attn: Michael E. Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: State LMT Lease – Administrative Order NSP-1517 (L) (SD)
Well No. 11
Jalmat Gas Pool
Sec. 36, Township 23 South, Range 36 East
Lea County, New Mexico**

Mr. Stogner,

As per our conversation today, Apache respectfully requests administrative approval to include the State LMT No. 11 well, recently drilled and completed in the Jalmat Gas pool, in the existing 320-acre non-standard gas proration unit consisting of the N/2 of Section 36 approved under administrative order NSP-1517 (L) (SD). State LMT No. 11 is located at a standard gas well location 1150' FNL & 1750' FEL (Unit B) of Section 36. Attached please find copies of the original C-102s submitted to the Hobbs District office with our application to drill the referenced well.

If you have any questions or need additional information, please contact me at 713-296-6338 or Debra.Anderson@apachecorp.com. Thank you.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "Debra J. Anderson".

Debra J. Anderson
Sr. Engineering Technician

Attachment

cc: Hobbs District Office – NM/OCD

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 80, Artesia, NM 88211-0710

DISTRICT III
1000 Elva Brown Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2000, SANTA FE, N.M. 87504-2000

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35366		Pool Code 79240	Pool Name Jalmat;Tan-Yates-7 Rivers (Pro Gas)
Property Code 26484	Property Name STATE LMT		Well Number 11
OGRID No. 873	Operator Name APACHE CORPORATION		Elevation 3321

Surface Location

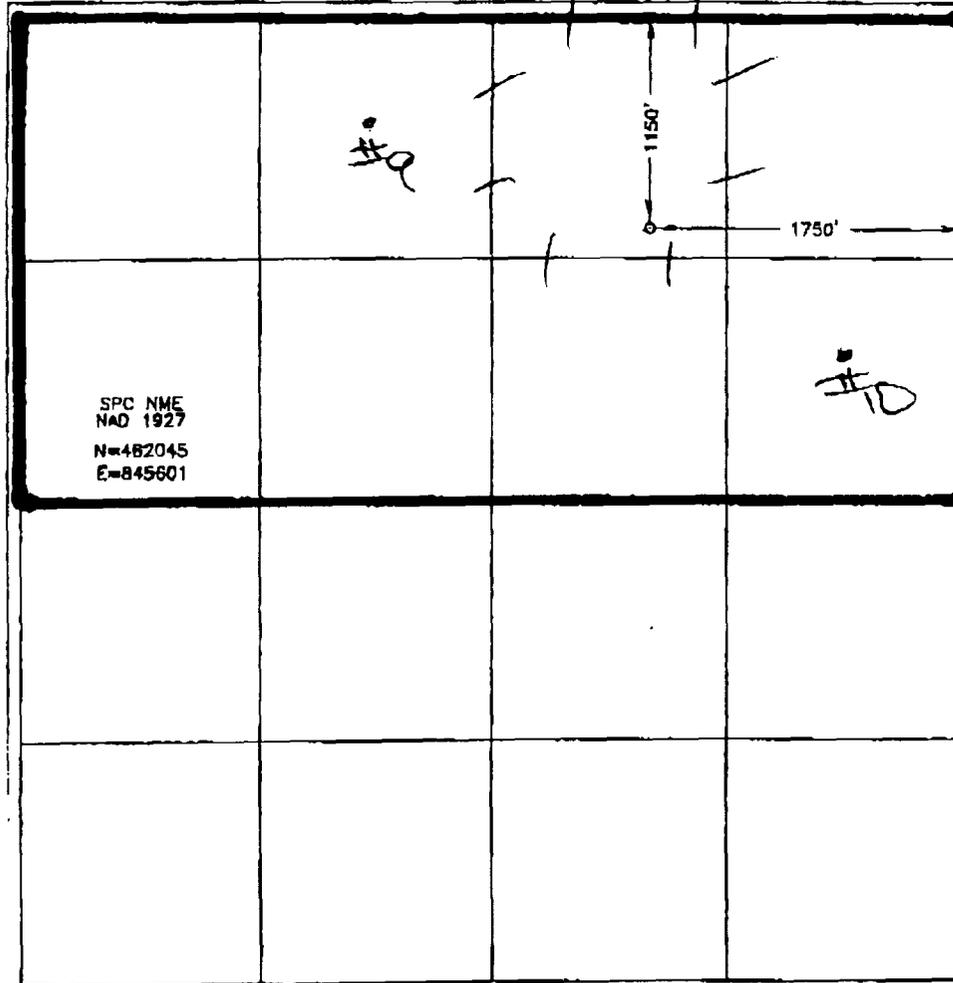
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	23-S	36-E		1150	NORTH	1750	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	Y		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



SPC NME
NAD 1927
N=482045
E=845601

OPERATOR CERTIFICATION

I hereby certify the the information contained hereth is true and complete to the best of my knowledge and belief.

Everett Ozits
Signature
Everett Ozits
Printed Name
Eng. Tech
Title
01/15/01
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 29, 2000

Date Surveyed
Signature & Seal
Professional Surveyor

Ronald E. Erickson
00-11-1631

Certificate No. RONALD E. ERICKSON 3230
GARY ERICKSON 12041

DISTRICT I
P.O. Box 1000, Hobbs, NM 88241-1000

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
Submit to Appropriate District Office
State Lease - 4 Copies
Per Lease - 3 Copies

DISTRICT II
P.O. Drawer 100, Artesia, NM 88211-0100

DISTRICT III
1000 Elva Branch Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. Box 2000, Santa Fe, N.M. 87504-2000

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APT Number 30-025	Pool Code 79240	Pool Name Jalmat;Tan-Yates-7 Rvrs (Pro Gas)
Property Code 26484	Property Name STATE LMT	Well Number 11
OGRD No. 873	Operator Name APACHE CORPORATION	Elevation 3321

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
B	36	23-S	36-E		1150	NORTH	1750	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
------------------------	-----------------	--------------------	-----------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Everett Ouzts
Signature

Everett Ouzts
Printed Name

Eng. Tech
Title

01/15/01
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

DECEMBER 29, 2000
Date Surveyed

AWB
Signature & Seal of Professional Surveyor

00-11-1631

Certificate No. DONALD J. EDGSON 2238
GARY KIDSON 12641

November 5, 2001

Attn: Michael E. Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: State LMT Lease – Administrative Order NSP-1517 (L) (SD)
Well No. 11
Jalmat Gas Pool
Sec. 36, Township 23 South, Range 36 East
Lea County, New Mexico**

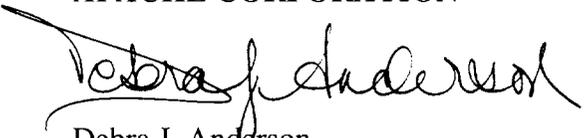
Mr. Stogner,

As per our conversation today, Apache respectfully requests administrative approval to include the State LMT No. 11 well, recently drilled and completed in the Jalmat Gas pool, in the existing 320-acre non-standard gas proration unit consisting of the N/2 of Section 36 approved under administrative order NSP-1517 (L) (SD). State LMT No. 11 is located at a standard gas well location 1150' FNL & 1750' FEL (Unit B) of Section 36. Attached please find copies of the original C-102s submitted to the Hobbs District office with our application to drill the referenced well.

If you have any questions or need additional information, please contact me at 713-296-6338 or Debra.Anderson@apachecorp.com. Thank you.

Sincerely,

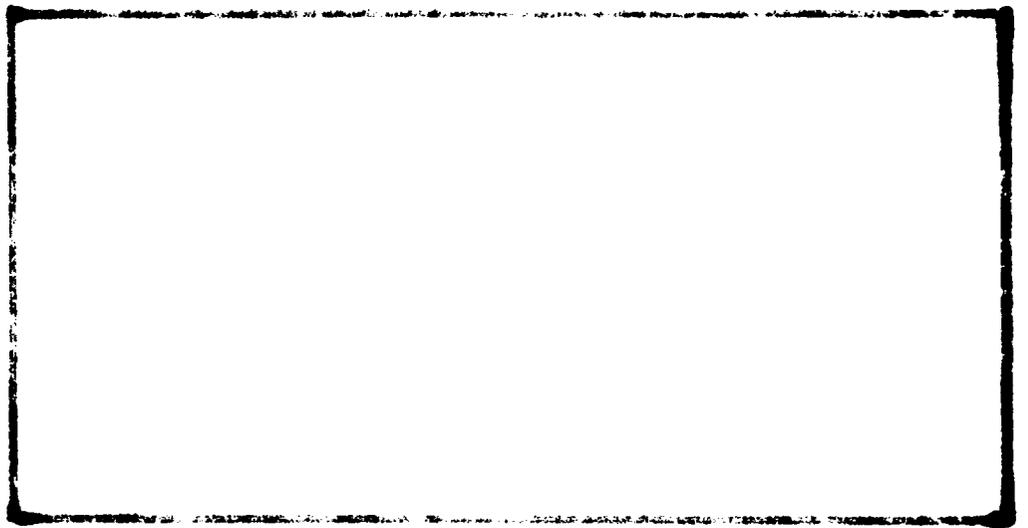
APACHE CORPORATION



Debra J. Anderson
Sr. Engineering Technician

Attachment

cc: Hobbs District Office – NM/OCD



DISTRICT I
P.O. Box 1880, Hobbs, NM 88241-1880

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1984
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Erasos Ed., Artesia, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088

Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025	Pool Code 79240	Pool Name Jalmat;Tan-Yates-7 Rvrs (Pro Gas)
Property Code 26484	Property Name STATE LMT	Well Number 11
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3321

Surface Location

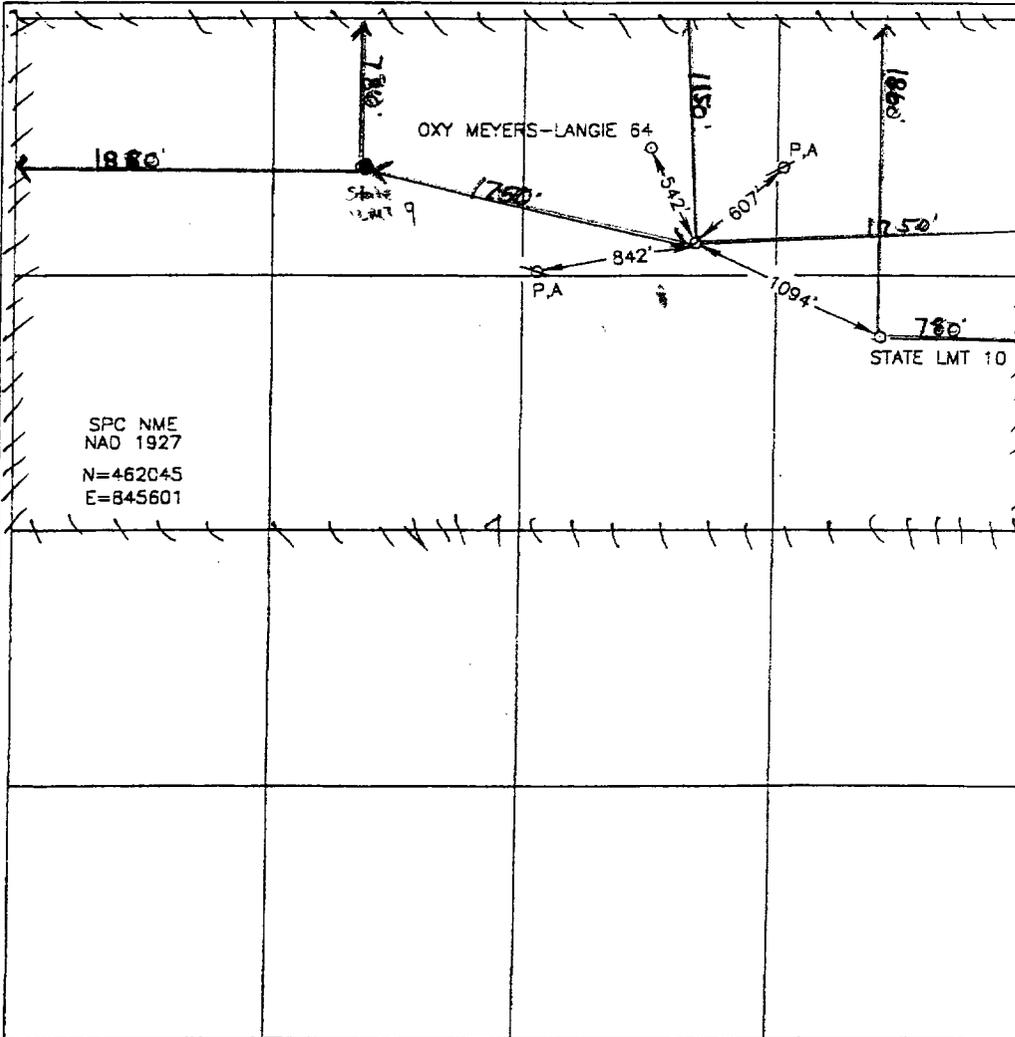
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	23-S	36-E		1150	NORTH	1750	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Everett Ouzts
Signature

Everett Ouzts
Printed Name

Eng. Tech
Title

01/15/01
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

DECEMBER 29, 2000
Date Surveyed

AWB
Signature & Seal of Professional Surveyor

00-11-1631

Certificate No. RONALD J. EIDSON 3259
GARY EIDSON 12641



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 26, 1980

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Amerada Hess Corporation
P. O. Drawer "D"
Monument, New Mexico 88265

Attention: Mr. E. B. Fisher

Administrative Order NSP-1193

Gentlemen:

Reference is made to your application for a 160-acre non-standard proration unit consisting of the following acreage in the Jalmat Gas Pool:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 36: NE/4

It is my understanding that this unit is to be dedicated to your State LM "T" Well No. 10 located 1860 feet from the North line and 780 feet from the East line of said Section 36.

That Order No. R-5701 is hereby placed in abeyance.

By authority granted me under the provisions of Rule 5C 3 of Order No. R-1670, the above non-standard proration unit is hereby approved.

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs
Oil & Gas Division - State Land Office - Santa Fe



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

May 26, 1980

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

Amerada Hess Corporation
P. O. Drawer "D"
Monument, New Mexico 88265

Attention: Mr. E. B. Fisher

Administrative Order NSP-1194

Gentlemen:

Reference is made to your application for a 160-acre non-standard proration unit consisting of the following acreage in the Jalmat Field:

LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM
Section 36: NW/4

It is my understanding that this unit is to be dedicated to your State LM "T" Well No. 9 located 780 feet from the North line and 1860 feet from the West line of said Section 36,

That Order No. R-5701 is hereby placed in abeyance.

By authority granted me under the provisions of Rule 5C 3 of Order No. R-1670, the above non-standard proration unit is hereby approved.

Sincerely,

JOE D. RAMEY,
Director

JDR/RLS/dr

cc: Oil Conservation Division - Hobbs
Oil & Gas Engineering Committee - Hobbs
Oil & Gas Division - State Land Office - Santa Fe



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 2, 1987

Amerada Hess Corporation
P.O. Drawer "D"
Monument, New Mexico 88265

Attention: Denise Ward

Administrative Order NSP-1517 (L) (SD)

Dear Ms. Ward:

Reference is made to your application for a 320-acre non-standard gas proration unit consisting of the following acreage in the Jalmat Gas Pool:

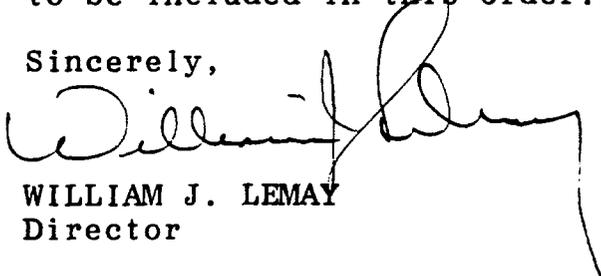
LEA COUNTY, NEW MEXICO
TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

Section 36: N/2

It is my understanding that this unit is to be simultaneously dedicated to your State LM "T" Well No. 9 located at a standard gas well location 780 feet from the North line and 1860 feet from the West line (Unit C) of said Section 36 and to your State LM "T" Well No. 10 located at an unorthodox gas well location for said unit 1860 feet from the North line and 780 feet from the East line (Unit H) of said Section 36.

By authority granted me under the provisions of the rules and regulations governing the Jalmat Gas Pool as promulgated by Division Order No. R-8170 as amended, the above non-standard gas proration unit is hereby approved along with the other provision requested by the applicant to be included in this order.

Sincerely,



WILLIAM J. LEMAY
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs

REMARKS: Administrative Order NSP-1193 and NSP-1194 both dated May 26, 1980 which orders authorized 160-acre non-standard gas proration units for both wells are hereby stayed until further notice.

Submit 3 Copies to Appropriate District Office

State of New Mexico Energy, Minerals and Natural Resources

FORM C-103 Revised March 25, 1999

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240
DISTRICT II 811 South First, Artesia, NM 88210
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV 1220 South St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Drive Santa Fe, NM 87505

WELL API NO. 30-025-35366
5. Indicate Type of Lease [X] STATE [] FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name State LMT
8. Well No. 11
9. Pool name or Wildcat Jalmat; Tan - Yates - 7 Rivers (Pro Gas)
10. Elevation (Show whether DF, RKB, RT, GR, etc.) 3321' GR

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: [] OIL WELL [X] GAS WELL [] OTHER
2. Name of Operator Apache Corporation
3. Address of Operator 2000 Post Oak Blvd., Ste. 100, Houston, Texas 77056-4400
4. Well Location Unit Letter B : 1150 Feet From The North Line and 1750 Feet From The East Line Section 36 Township 23S Range 36E NMPM Lea County

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO: [] Perform Remedial Work [] Plug and Abandon [] Temporarily Abandon [] Change Plans [] Pull or Alter Casing [] Other
SUBSEQUENT REPORT OF: [] Remedial Work [] Altering Casing [X] Commence Drilling Operations [] Plug and Abandonment [] Casing Test and Cement Job [X] Other Surface & Production Casing

12. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
5/22/2001 MIRU Big Dog Rig # 5. Spud well @ 7:00 pm
5/23/2001 Drilled 12-1/4" hole to 1166'. Ran 26 jts 8-5/8" 24# J-55 ST&C casing. Cemented w/ 325 sx 35/65 POZ "C" & 135 sx Class "C". Circulated 85 sx to pit
5/28/2001 Drilled 7-7/8" hole to 3500'. Ran 80 jts 5-1/2" 17# J-55 LT&C casing. Cemented w/ 450 sx 35/65 POZ "C" & 300 sx Class "C". Circulated 58 sx to pit. Top of float collar @ 3408'. Top of float shoe @ 3498'
5/29/2001 Released rig @ 2:30 am

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Debra J. Anderson TITLE Sr. Engineering Technician DATE 6/4/2001
TYPE OR PRINT NAME Debra J. Anderson TELEPHONE NO. 713-296-6338
APPROVED BY [Signature] TITLE DATE 6/26/2001
CONDITIONS OF APPROVAL IF ANY:

District I
 P.O. Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-101
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1 Operator Name and Address Apache Corporation attn: Dennis Bickford; 3rd floor 2000 Post Oak Blvd. Ste. 100 Houston, Texas 77056-4400		2 OGRID Number 873
4 Property Code 26484		3 API Number 30-025-35366
5 Property Name State LMT		6 Well No. 11

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
B	36	23-S	36-E		1150	North	1750	East	Lea

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
9 Proposed Pool 1					10 Proposed Pool 2				
JALMAT; TAN-YATES-7 RVRS (PRO GAS) (79240)									

11 Work Type Code N	12 Well Type Code G	13 Cable/Rotary R	14 Lease Type Code S	15 Ground Level Elevation 3321' KB
16 Multiple	17 Proposed Depth 3500	18 formation Jalmat (Yates/7 Rivers)		19 Contractor ASAP
20 Spud Date				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1100'	450 sxs	Circulate to Surf
7 7/8"	5 1/2"	17#	3500'	500 sxs	Circulate to Surf

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill 12 1/4" hole to 1100' or 50' into Anhydrite Formation, run & set 1100' of 8 5/8" and cement,

Lead: Class "C" + 2% calcium chloride + 0.25 lb/sx cello flake + 0.005% gps FP-6L + 6% bentonite.

Tail: Class "C" + 2% calcium chloride + 0.005 gps FP-6L.

Drill 7 7/8" hole to 3500', run & set 3500' of 5 1/2" casing and cement.

Lead: 35:65 POZ: Class "C" + 5% sodium chloride + 0.25 lb/sx cello flake + 0.005 gps FP-6L + 8% bentonite.

Tail: 50:50 POZ: Class "H" + 5% sodium + .25 lb/sx cello flake + 1% FL-25 + 0.005 gps FP-6L + bentonite.

Blow Out Prevention: See attached copy

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: <i>Everett Ouzts</i>	OIL CONSERVATION DIVISION	
Printed Name: Everett Ouzts	Approved by: <i>Chris Williams</i>	Title: DISTRICT SUPERVISOR
Title: Engineering Technician	Approval Date: 11/22/2001	Expiration Date:
Date: 01/15/2001	Phone: 915-631-3733	Conditions on Approval:

Permit Expires 1 Year From Approval
 Date Unless Drilling Underway

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brasos Rd., Artec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-35366		Pool Code 79240	Pool Name Jalmat;Tan-Yates-7 Rivers (Pro Gas)
Property Code 26484	Property Name STATE LMT		Well Number 11
OGRID No. 873	Operator Name APACHE CORPORATION		Elevation 3321

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	23-S	36-E		1150	NORTH	1750	EAST	LEA

Bottom Hole Location If Different From Surface

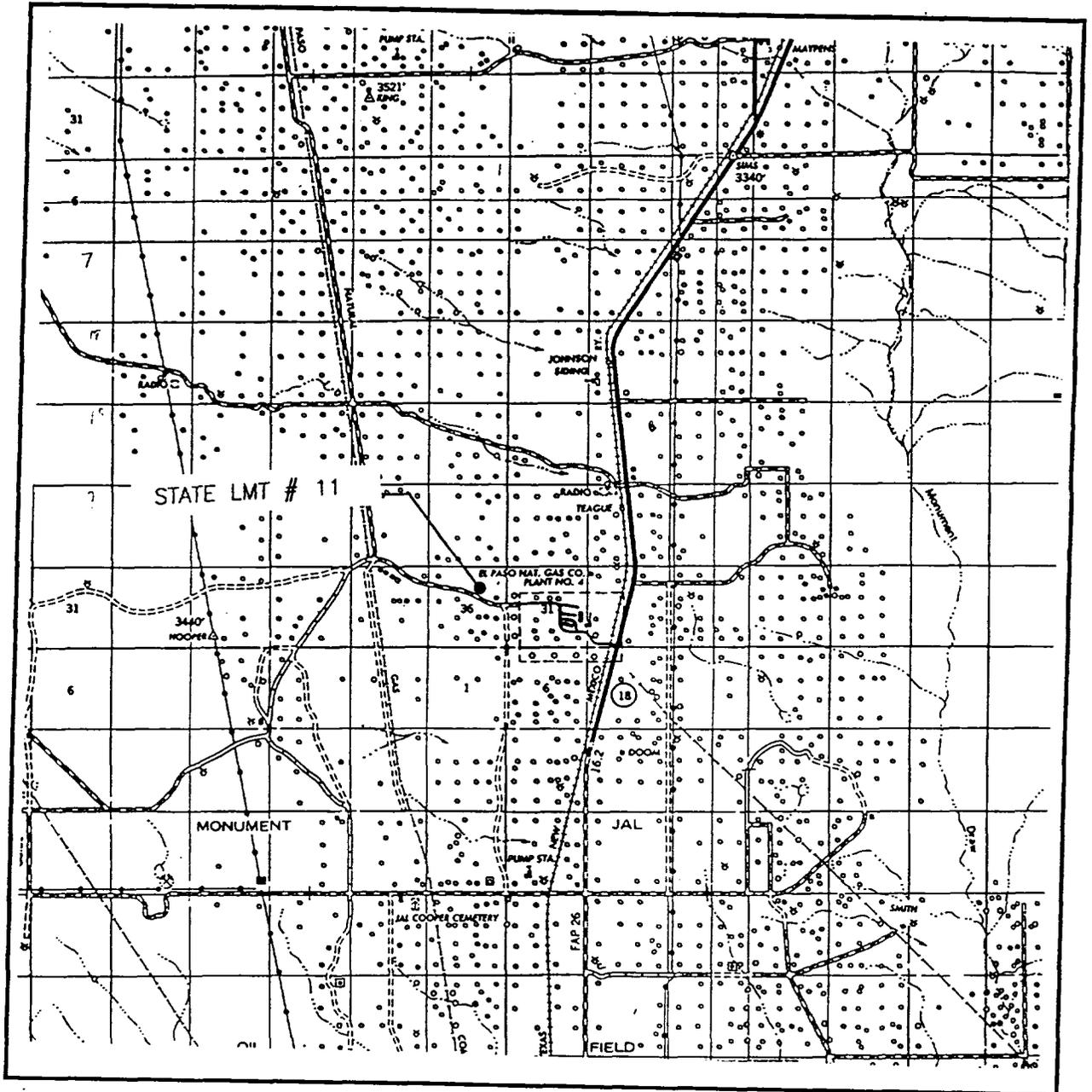
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320	Y		

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

SPC NME NAD 1927 N=462045 E=845601			OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Everett Ouzts</u> Printed Name: <u>Everett Ouzts</u> Title: <u>Eng. Tech</u> Date: <u>01/15/01</u>
			SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. DECEMBER 29, 2000 Date Surveyed: _____ AWB Signature & Seal of Professional Surveyor: <u>Ronald J. Kidson</u> 00-11-1631
			Certificate No. RONALD J. KIDSON 3239 GARY KIDSON 12841

VICINITY MAP

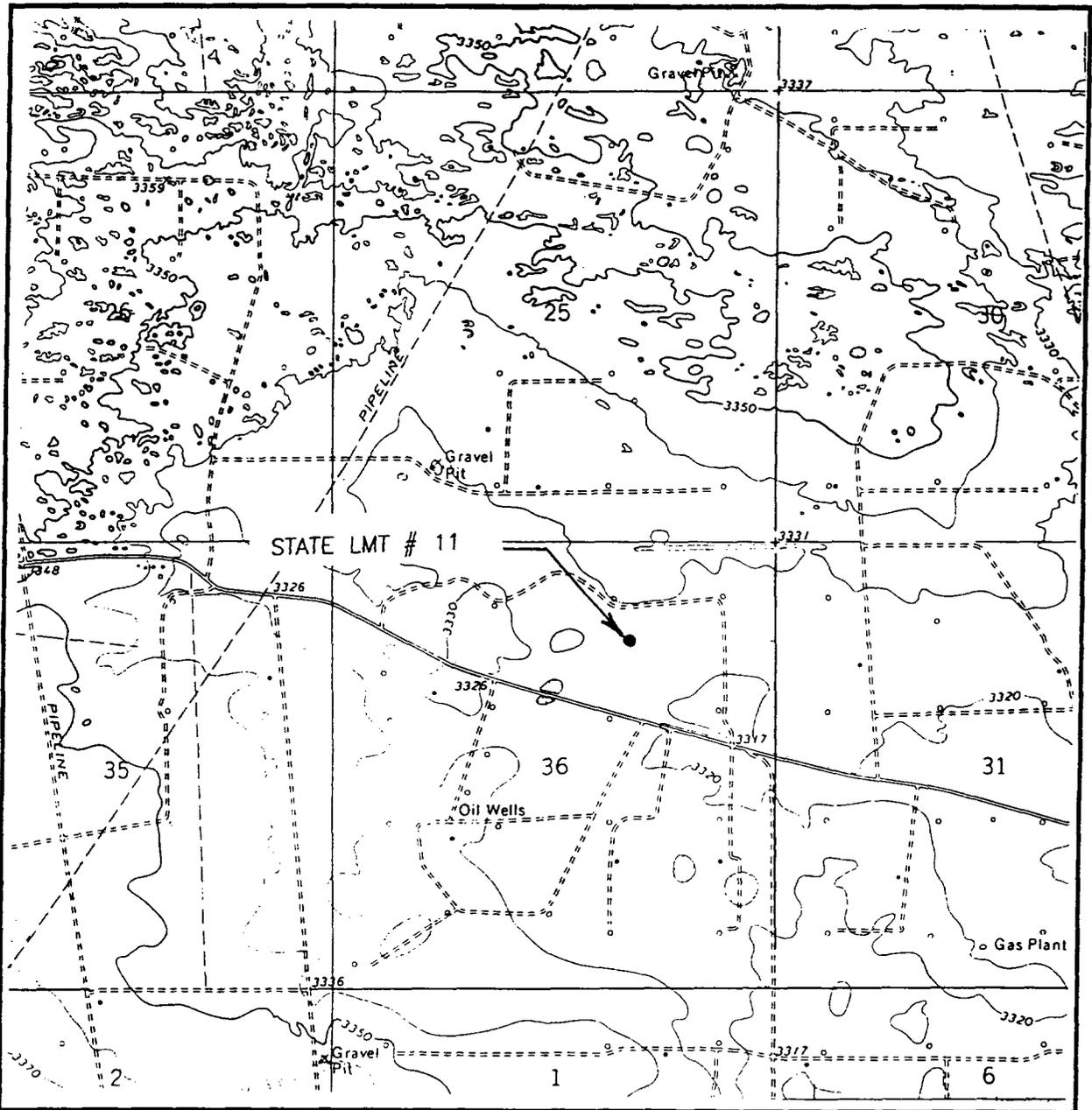


SCALE: 1" = 2 MILES

SEC. 36 TWP. 23-S RGE. 36-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 1150'FNL & 1750'FEL
 ELEVATION 3321
 OPERATOR APACHE CORPORATION
 LEASE STATE LMT

JOHN WEST SURVEYING
 HOBBS, NEW MEXICO
 (505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
RATTLESNAKE CANYON

SEC. 36 TWP. 23-S RGE. 36-E

SURVEY _____ N.M.P.M.

COUNTY _____ LEA

DESCRIPTION 1150'FNL & 1750'FEL

ELEVATION 3321

OPERATOR APACHE CORPORATION

LEASE _____ STATE LMT

U.S.G.S. TOPOGRAPHIC MAP
RATTLESNAKE CANYON

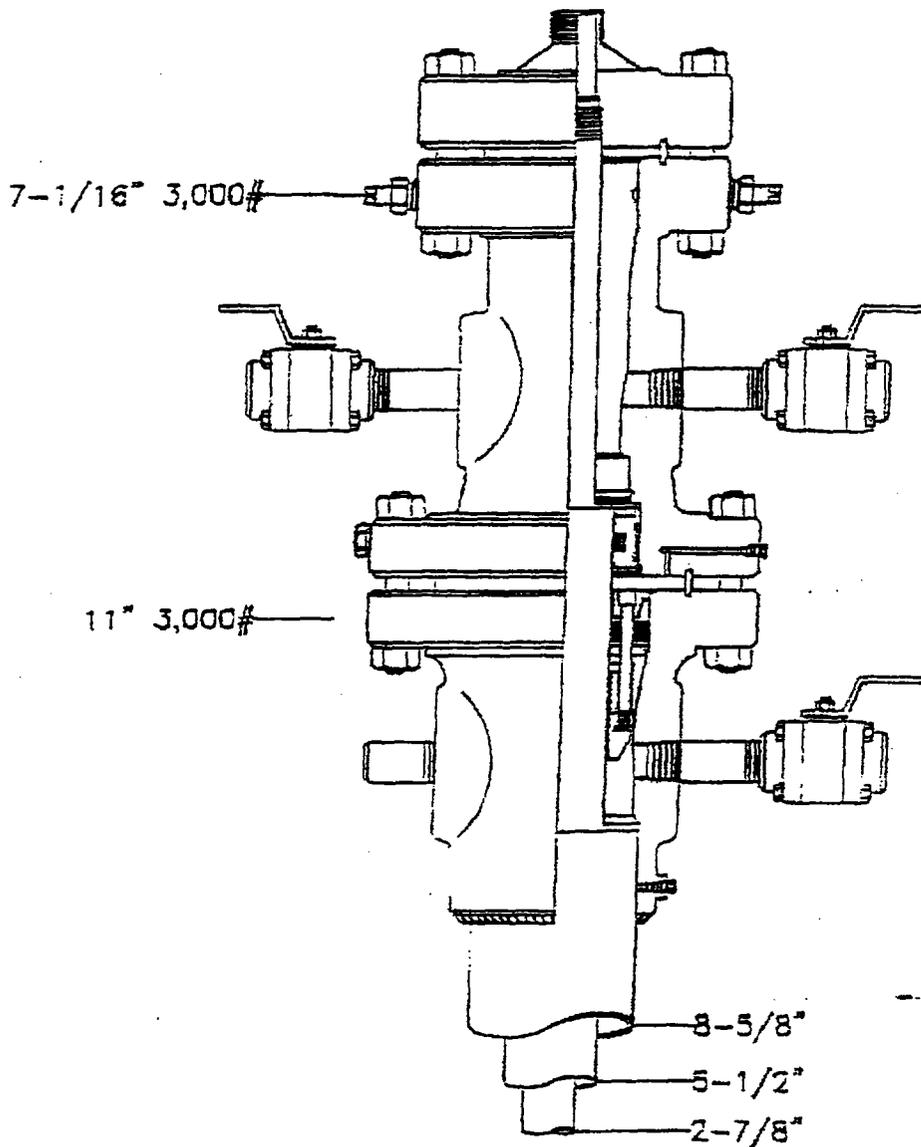
JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

Alvache Corporation

State LMT #11

LEA COUNTY, NEW MEXICO

DATE	APPROVED BY	DATE
4/28/78		



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/21/01 14:03:
OGOMES -TQ
PAGE NO:

Sec : 36 Twp : 23S Rng : 36E Section Type : NORMAL

D 40.00 CS B01431 0024 PRIZE OPERATING C U 12/18/38 A	C 40.00 CS B01431 0024 PRIZE OPERATING C U 12/18/38 A A	B 40.00 CS B01431 0024 PRIZE OPERATING C U 12/18/38 A A	A 40.00 CS B01431 0024 PRIZE OPERATING U 12/18/3 A
E 40.00 CS B01431 0024 PRIZE OPERATING C U 12/18/38 A	F 40.00 CS B01431 0024 PRIZE OPERATING C U 12/18/38	G 40.00 CS B01431 0024 PRIZE OPERATING C U 12/18/38 A	H 40.00 CS B01431 0024 PRIZE OPERATING U 12/18/3 A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

11/21/01 14:03:
OGOMES -TQ
PAGE NO:

Sec : 36 Twp : 23S Rng : 36E Section Type : NORMAL

L 40.00 CS B01484 0013 OXY USA WTP LIMIT 12/19/42 A A	K 40.00 CS B01167 0068 LOWE PARTNERS LP C U 09/15/42 A	J 40.00 CS B07776 0001 TEXACO EXPLORATIO C U 09/10/48 A	I 40.00 CS B00243 0001 CHEVRON U S A I C U 11/22/3 A
M 40.00 CS B01484 0013 OXY USA WTP LIMIT 12/19/42 A	N 40.00 CS B01167 0068 LOWE PARTNERS LP C U 09/15/42 A A	O 40.00 CS B07776 0001 TEXACO EXPLORATIO C U 09/10/48 A A	P 40.00 CS B00243 0001 CHEVRON U S A I C U 11/22/3 A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD : ONGARD 11/21/01 14:04:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQ

OGRID Idn : 873 API Well No: 30 25 35366 APD Status(A/C/P): A
Opr Name, Addr: APACHE CORP Aprvl/Cncl Date : 01-26-20
ONE POST OAK CENTRAL
2000 POST OAK BLVD STE 100
HOUSTON, TX 77056-4400

Prop Idn: 26484 STATE LM T Well No: 11

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn : B	36	23S	36E			FTG 1150 F N	FTG 1750 F E
OCD U/L : B		API	County :	25			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) :
Lease typ(F/S/P/N/J/U/I): S Ground Level Elevation : 3321

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 3500 Prpsd Frmtn : YATES-SEVEN RIVERS

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

11/21/01 14:05:
OGOMES -TQ

API Well No : 30 25 26617 Eff Date : 07-01-2000 WC Status : A
Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
OGRID Idn : 873 APACHE CORP
Prop Idn : 26484 STATE LM T

Well No : 010
GL Elevation: 3319

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	---	---	---	---	---
B.H. Locn	: H	36	23S	36E	FTG 1860 F N FTG	780 F E	A

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 11/21/01 14:05:
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQ
 Page No :

API Well No : 30 25 26617 Eff Date : 04-30-1991
 Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
 Prop Idn : 26484 STATE LM T Well No : 01
 Spacing Unit : 38102 OCD Order : Simultaneous Dedication:
 Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreeage	L/W	Ownership	Lot	Idn
	A	36	23S	36E	40.00	N	ST			
	B	36	23S	36E	40.00	N	ST			
	C	36	23S	36E	40.00	N	ST			
	D	36	23S	36E	40.00	N	ST			
	E	36	23S	36E	40.00	N	ST			
	F	36	23S	36E	40.00	N	ST			
	G	36	23S	36E	40.00	N	ST			
	H	36	23S	36E	40.00	N	ST			

E0005: Enter data to modify or PF keys to scroll
 PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

11/21/01 14:05:
OGOMES -TQ
Page No:

OGRID Identifier : 873 APACHE CORP
Pool Identifier : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
API Well No : 30 25 26617 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Gas	Volumes Oil	Water	We St
30 25 26617	STATE LM T	07 00	31	607			P
30 25 26617	STATE LM T	08 00	31	523			P
30 25 26617	STATE LM T	09 00	30	389			P
30 25 26617	STATE LM T	10 00	31	273			P
30 25 26617	STATE LM T	11 00	30	184			P
30 25 26617	STATE LM T	12 00	31	133			P
30 25 26617	STATE LM T	01 01	31	77			P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

11/21/01 14:05:
OGOMES -TQ
Page No:

OGRID Identifier : 873 APACHE CORP
Pool Identifier : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
API Well No : 30 25 26617 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prod. MM/YY	Days Prod	Production Gas	Production Oil	Production Water	Well St
30 25 26617	STATE LM T	02 01	28	75			P
30 25 26617	STATE LM T	03 01	31	61			P
30 25 26617	STATE LM T	04 01	30	86			P
30 25 26617	STATE LM T	05 01	31	75			P
30 25 26617	STATE LM T	06 01	30	328			P
30 25 26617	STATE LM T	07 01	31	724			P
30 25 26617	STATE LM T	08 01	31	318			P

Reporting Period Total (Gas, Oil) : 4093

E0049: User may continue scrolling.

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

11/21/01 14:05:
OGOMES -TQ
Page No:

OGRID Identifier : 873 APACHE CORP
Pool Identifier : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
API Well No : 30 25 26617 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prodn. Days		Production Volumes			We
		MM/YY	Prod	Gas	Oil	Water St	
30 25 26617	STATE LM T	09 01	30	240			P

Reporting Period Total (Gas, Oil) : 4093

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

11/21/01 14:03:
OGOMES -TQ

API Well No : 30 25 26616 Eff Date : 07-01-2000 WC Status : A
Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
OGRID Idn : 873 APACHE CORP
Prop Idn : 26484 STATE LM T

Well No : 009
GL Elevation: 99999

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: C	36	23S	36E	FTG 780 F N	FTG 1860 F W	A

Lot Identifier:

Dedicated Acre: 320.00

Lease Type : S

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 11/21/01 14:04:
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQ
 Page No :

API Well No : 30 25 26616 Eff Date : 04-30-1991
 Pool Idn : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
 Prop Idn : 26484 STATE LM T Well No : 00
 Spacing Unit : 38102 OCD Order : Simultaneous Dedication:
 Sect/Twp/Rng : Acreage : 320.00 Revised C102? (Y/N) :
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot Idn
	A	36	23S	36E	40.00	N	ST		
	B	36	23S	36E	40.00	N	ST		
	C	36	23S	36E	40.00	N	ST		
	D	36	23S	36E	40.00	N	ST		
	E	36	23S	36E	40.00	N	ST		
	F	36	23S	36E	40.00	N	ST		
	G	36	23S	36E	40.00	N	ST		
	H	36	23S	36E	40.00	N	ST		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

11/21/01 14:04:
OGOMES -TQ
Page No:

OGRID Identifier : 873 APACHE CORP
Pool Identifier : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
API Well No : 30 25 26616 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Volumes Gas	Oil	Water	We St
30 25 26616	STATE LM T	07 00	31	1100		31	P
30 25 26616	STATE LM T	08 00	31	1163		31	P
30 25 26616	STATE LM T	09 00	27	1149			P
30 25 26616	STATE LM T	10 00	31	1341			P
30 25 26616	STATE LM T	11 00	30	1272			P
30 25 26616	STATE LM T	12 00	31	1142			P
30 25 26616	STATE LM T	01 01	31	994			P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

11/21/01 14:04:
OGOMES -TQ
Page No:

OGRID Identifier : 873 APACHE CORP
Pool Identifier : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
API Well No : 30 25 26616 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Gas	Oil	Water	We St
30 25 26616	STATE LM T	02 01	28	808			P
30 25 26616	STATE LM T	03 01	30	737			P
30 25 26616	STATE LM T	04 01	25	484			P
30 25 26616	STATE LM T	05 01	31	158			P
30 25 26616	STATE LM T	06 01	30	153			P
30 25 26616	STATE LM T	07 01	31	201			P
30 25 26616	STATE LM T	08 01	31	205			P

Reporting Period Total (Gas, Oil) : 11119 62

E0049: User may continue scrolling.

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07 BKWD	PF08 FWD	PF09	PF10 NXTPOOL	PF11 NXTOGD	PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

11/21/01 14:04:
OGOMES -TQ
Page No:

OGRID Identifier : 873 APACHE CORP
Pool Identifier : 79240 JALMAT;TAN-YATES-7 RVRS (PRO GAS)
API Well No : 30 25 26616 Report Period - From : 01 2000 To : 09 2001

API Well No	Property Name	Prodn. MM/YY	Days Prod	Production Volumes Gas	Oil	Water	We St
30 25 26616	STATE LM T	09 01	30	212			P

Reporting Period Total (Gas, Oil) : 11119 62

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

**New Mexico Oil Conservation Division
Exhibit No. 1-A
Proposed Special Rules and Regulations
for the Jalmat Gas Pool, Lea County, New Mexico.
Prepared by Michael E. Stogner, Engineer**

**Case No. 12563
Before Examiner David R. Catanach
July 12, 2001**

**SPECIAL RULES AND REGULATIONS
FOR THE JALMAT GAS POOL**

The Jalmat Gas Pool in Lea County, New Mexico was created effective September 1, 1954 from a consolidation of the Jalco and Langmat Pools, which were created February 7, 1953. The Jalmat Gas Pool now includes acreage that was formerly included in the Jal, Cooper-Jal, Eaves, Falby-Yates, Jalco, and Langmat Pools.

RULE 1. DEFINITIONS:

The vertical limits of the Jalmat Gas Pool, except in the area described immediately below shall extend from the top of the Tansill formation to a point 100 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation. **In the area described immediately below**, the vertical limits of the Jalmat Gas Pool shall extend from the top of the Tansill formation to a point 250 feet above the base of the Seven Rivers formation, thereby including all of the Yates formation:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 13: SE/4 NE/4 and SE/4
Section 23: E/2 E/2
Section 24: All
Section 25: N/2
Section 26: E/2 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 18: SW/4 NW/4 and W/2 SW/4
Section 19: W/2
Section 30: NW/4.

A gas well in the Jalmat Gas Pool shall be a well producing from the vertical limits of the pool with a gas-liquid ratio in excess of 100,000 cubic feet of gas per barrel of oil.

An oil well in the Jalmat Gas Pool shall be a well producing from the vertical limits of the pool and not classified as a gas well as defined above.

The limiting gas/oil ratio for oil wells in the Jalmat Gas Pool for allocation purposes under Division Rules 503, 505, and 506 shall be 10,000 cubic feet of gas per barrel of oil.

RULE 2. ACREAGE ASSIGNMENT:

(A) A standard gas spacing unit in the Jalmat Gas Pool shall be 640 acres, more or less, and shall comprise a single governmental section.

(B) A standard oil spacing and proration unit in the Jalmat Gas Pool shall be 40 acres, more or less, and shall comprise a single governmental quarter-quarter section or lot.

(C) Acreage dedicated to a gas well in the Jalmat Gas Pool shall not be simultaneously dedicated to an oil well in the Jalmat Gas Pool, and the dual completion of a well so as to produce oil from the Yates formation and oil from the Seven Rivers formation is prohibited.

RULE 3. WELL DENSITY AND LOCATION:

(A) Each well in the Jalmat Gas Pool, either oil or gas, shall be located no closer than 330 feet to any governmental quarter-quarter section line or subdivision boundary line.

OR

(A) Well locations:

(1) An oil well in the Jalmat Gas Pool shall be located no closer than 330 feet to any governmental quarter-quarter section line or subdivision boundary line.

(2) A gas well in the Jalmat Gas Pool shall be no closer than: **(a)** 660 feet to any outer boundary of its assigned gas spacing unit; **(b)** 660 feet to any governmental quarter section line; and **(c)** 330 feet to any governmental quarter-quarter section line or other inner subdivision boundary.

(B) For any 40-acre, more or less, oil spacing and proration unit within the Jalmat Gas Pool, no more than one well per unit shall be allowed. An exception to this rule will require a hearing before a duly appointed hearing examiner.

(C) For any existing gas spacing unit, either standard or otherwise, the number of wells allowed shall be limited to not more than one well per 160-acre quarter section. *Examples: For either a standard or non-standard 640-acre unit, a maximum of four wells shall be allowed provided that no more than one well shall be allowed to occupy any one of the four quarter sections. For a non-standard 480, 320 or 160-acre unit that comprises the corresponding number of quarter sections for that size of unit, a maximum of three, two, or one well (s),*

respectively, shall be allowed provided that no more than one well shall be allowed to occupy each quarter section that comprises the unit.

RULE 4. ADMINISTRATIVE EXCEPTIONS:

(A) The Director may grant an exception to the well location requirements of Rule 3 (A) above, administratively, without hearing, when, due to unusual circumstances, the exception is necessary to prevent waste or protect correlative rights, provided that: **(1)** an application has been duly filed under the provisions of Division Rule 104.F and **(2)** the applicant present proof of consent of or notice to all operators within the subject unit and any unit or units adjacent thereto in the form and manner provided by Rule 4 (D) below.

(B) An exception to gas well density provisions of Rule 3 (C) above or where the formation of a non-standard gas spacing unit that will result in a situation where the required well density of one well per quarter section will be compromised, shall require a showing by the operator that: **(1)** the proposed well is needed **(a)** to effectively and efficiently drain a 160-acre quarter section that can not be adequately drained by the existing well or wells, **(b)** to adequately protect the subject unit from offsetting drainage, or **(c)** to recover additional reserves that would otherwise not be recovered from the reservoir; and **(2)** that the proposed well will not violate correlative rights. Such proof will require sufficient technical data, geological evidence, and reservoir drainage evaluation, which must be submitted with the application. **It is further provided however that, in no event shall any Jalmat gas spacing unit be allowed more than one well per quarter-quarter section.**

(C) Non-Standard Gas Spacing Units:

The Director may establish non-standard gas spacing units in the Jalmat Gas Pool as follows:

(1) Units that comprise one, two, or three complete quarter sections:

The Director may grant an exception to the requirements of Rule 2 (A) above to establish a single 160-acre, more or less, non-standard spacing unit comprising a single quarter section, or a 320-acre, 480-acre, or 640-acre, more or less, non-standard gas spacing unit by that consists of two, three, or four complete quarter sections that are contiguous by a common bordering side without a hearing provided that the applicant presents proof of consent of or notice to all offset operators adjoining the proposed non-standard spacing unit in the form and manner provided in Rule 4 (D).

(2) Unit that involve partial quarter sections regardless of size (up to 640 acres):

The Director may grant an exception to the requirements of Rule 2 (A) above to establish a non-standard gas spacing unit containing legal subdivisions smaller

than a quarter section [quarter-quarter section (s) or lots] without a hearing provided that:

(a) the non-standard spacing unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side;

(b) the applicant presents proof of consent from or notice to all offset operators adjoining the proposed non-standard spacing unit and all owners of working interests or unleased interests in any tract that is: (1) located within any quarter section or quarter sections any part of which is to be included in the proposed non-standard unit; and (2) not included in the proposed non-standard unit nor currently committed to any other Jalmat gas or oil spacing unit. Such consent or notice to be in the form and manner provided in Rule 4 (D) below; and

(c) the applicant furnishes the necessary technical and geological evidence required by Rule 4 (B) above.

(3) Applications for non-standard gas spacing units shall include:

(a) A detailed explanation as to the necessity for requesting the proposed non-standard gas spacing unit;

(b) A land plat that identifies the non-standard gas spacing unit being sought and identifies all existing Jalmat gas wells currently dedicated to the unit, and

(c) information concerning any old well within the proposed unit that once had Jalmat production, either oil or gas (well name and number, operator, last acreage dedication, plugging date and cumulative oil and gas production, and any applicable Division order granting an exception any Jalmat rule);

(d) A land plat that clearly shows all existing Jalmat oil and gas spacing units that directly offset the proposed non-standard unit and, if applicable, reference to all orders granting such unit non-standard gas spacing unit; and

(e) For non-standard Jalmat gas spacing units that contain partial quarter sections where there are mineral interests to be excluded and are not currently committed to any other Jalmat gas or oil spacing unit, the applicant must submit a land plat that clearly depicts such acreage and identifies the owners of such mineral interests by name, address (if known), and percentage).

(D) With reference to any exception which may be granted administratively without hearing as provided by any provision of this Rule 4,

(1) Any required proof of consent shall be evidenced by written waivers setting forth the substance of the exception sought and expressly consenting thereto, and signed by the person whose consent is required by the applicable provision of this Rule.

(2) Any required notice shall be given in the manner provided in Rule 1207 (B), except that in lieu of stating the time and place of hearing, such notice shall state that the exception sought may be granted without hearing unless a protest is filed with the Santa Fe office of the Division within twenty (20) days after the filing of the application and proof of notice with the Division. An affidavit shall be filed with the application setting forth the information required by Rule 1207 (C) with respect to any persons required to be notified by the applicable provision of this Rule from whom written waivers are not furnished.

(3) If an application is supported by written waivers as provided in Rule 4 (D) (1) from all persons whose consent is required and an affidavit attesting that the persons whose waivers are attached are all of the persons whose consent is required, the Director may grant the application without further notice or hearing.

(4) If an application is supported by proof of notice as provided in Rule 4 (D) (2), the Director may grant the application without hearing if no protest is filed with the Division within twenty (20) days after the date of filing of the application and proof of notice.

RULE 5. WELL TESTING:

(A) Gas-liquid ratio tests: The operator of each newly completed well shall cause a gas-liquid ratio test to be taken on the well upon recovery of all load oil from the well, provided however, that in no event shall the test be commenced later than 30 days from the date of first production. Any well which is shut-in shall be exempt from the gas-liquid ratio test requirement so long as it remains shut-in. Semi-annual gas-liquid ratio tests shall be taken on all wells during each year in accordance with a test schedule prepared by the Hobbs district office of the Division. The initial gas-liquid ratio test shall suffice as the first semi-annual test. Gas-liquid ratio tests shall be 24-hour tests, being the final 24 hours of a 72-hour period during which the well shall be produced at a constant normal rate of production. Results of each test shall be filed on Division Form C-116 on or before the tenth day of the following month. At least 72 hours prior to commencement of any such gas-liquid ratio tests, each operator shall file with the Hobbs district office of the Division a test schedule for its wells specifying the time each of its wells is to be tested. Copies of the test schedule shall also be furnished to all adjoining operators. The supervisor of the Hobbs district office may grant an exception to the above well test requirements where it is demonstrated that the well (s) produce (s) no liquids. Special gas-liquid ratio tests shall also be taken at the request of the Division and may also be taken at the option of the operator. Such special gas-liquid ratio tests shall be taken

in accordance with the procedures outlined hereinabove, including notification to the Division and offset operators.

(B) An initial shut-in pressure test shall be taken on each gas well and shall be reported to the Division on Form C-125.

RULE 6. MISCELLANEOUS:

(A) Oil wells in the Jalmat Gas Pool shall receive oil and casinghead gas allowables as provided in Division Rules 503, 505, and 506.

(B) All existing administrative exceptions and orders in effect on the issuance date of this order shall be "grandfathered" and shall remain in full force and effect until further notice.

DATE 10/29/01	SUSPENSE 11/19/01	ENGINEER MS	LOGGED IN W	TYPE NSP	APP. NO. 130449061
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State LMT Lease

ABOVE THIS LINE FOR DIVISION USE ONLY

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

Withdrawn/Rescinded

11-5-2001

ADMINISTRATIVE APPLICATION CHECKLIST

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:

- [NSP-Non-Standard Location] [NSL-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]

[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]

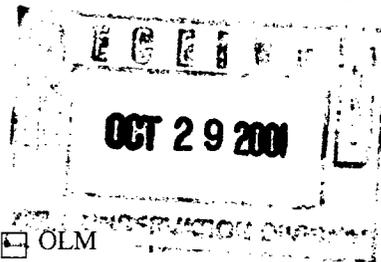
[B] Commingling - Storage - Measurement

- 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

[C] Application if 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.

Lee R. White
Print or Type Name

Signature

Lee R. White

Engineering Manager
Title

10/25/01
Date

Lee.White@Apachecorp.com
e-mail Address

October 25, 2001

State of New Mexico
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

**Re: Application to Re-Instate Administrative Order NSP-1193 & NSP-1194
State LMT Well No. 10 (NSP-1193) and No. 9 (NSP-1194)
Application for Simultaneous Dedication of NSP-1193
State LMT Well No. 10 and No. 11
Jalmat; Tan-Yates-7 Rvrs (Pro Gas) Pool (79240)
Lea County, New Mexico**

Apache Corporation respectfully requests administrative approval to reinstate the orders for Non-Standard Proration Units of 160 acres, originally approved 5/26/80 and stayed effective 11/2/87, for the referenced wells in the Jalmat; Tan-Yates-7 Rvrs (Pro Gas) pool. We also request administrative approval for Simultaneous Dedication of NSP-1193 consisting of the 160-acres located in the NE/4 of Section 36 / Township 23S / Range 36E to Apaches' State LMT No. 10 and No. 11 wells.

To support this request we submit the following information:

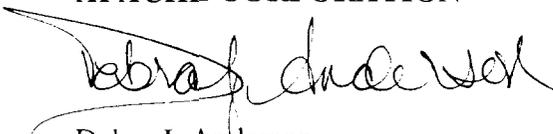
- 1) Administrative Order NSP-1193 consists of the NE/4 of Section 36, Township 23 South, Range 36 East in Lea County, New Mexico. State LMT No. 10 is located 1860' FNL & 780' FEL (Unit H) in Section 36. Current production rate 8 MCFD. State LMT No. 11 is located 1150' FNL & 1750' FEL (Unit B) in Section 36. Current production rate 47 MCFD.
- 2) Administrative Order NSP-1194 consists of the NW/4 of Section 36, Township 23 South, Range 36 East in Lea County, New Mexico. State LMT No. 9 is located 780' FNL & 1860' FWL (Unit C) in Section 36. Current production rate 7 MCFD.
- 3) NM-OCD Form C-102 for the State LMT No. 9
- 4) NM-OCD Form C-102 for the State LMT No. 10
- 5) NM-OCD Form C-102 for the State LMT No. 11

- 6) Plat of Section 36 with State LMT lease, which consists of the North / 2 of said section (320 acres) outlined and non-standard gas spacing units being sought and all existing Jalmat gas wells currently dedicated to the units identified
- 7) Plat of existing Jalmat oil and gas spacing units that directly offset the proposed non-standard unit
- 8) Copy of letter sent (by Certified Mail) to all Offset operators adjoining the proposed non-standard spacing units
- 9) Detailed explanation as to the necessity for requesting the proposed non-standard gas spacing unit and information concerning old wells within the proposed units that once had Jalmat production, provided by Mark McClelland, Reservoir Engineering Manager, Apache Corporation, 713-296-7227

If you have any questions or require additional information regarding this application, please contact me at 713-296-6338. Thank you.

Sincerely,

APACHE CORPORATION



Debra J. Anderson
Sr. Engineering Technician

Attachments

cc: New Mexico Oil Conservation Division
District I
1625 N. French Drive
Hobbs, New Mexico 88240

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 1994

District II
P O Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

Instruction on Back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

1220 South St. Francis Drive
Santa Fe, New Mexico 87505

District III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV
1220 South St. Francis Drive, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-26616		2 Pool Code 79240		3 Pool Name Jalmat, Tan-Yates-7 Rivers (Pro Gas)	
4 Property Code 26484		5 Property Name State LMT			6 Well Number 9
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3333

10 Surface Location

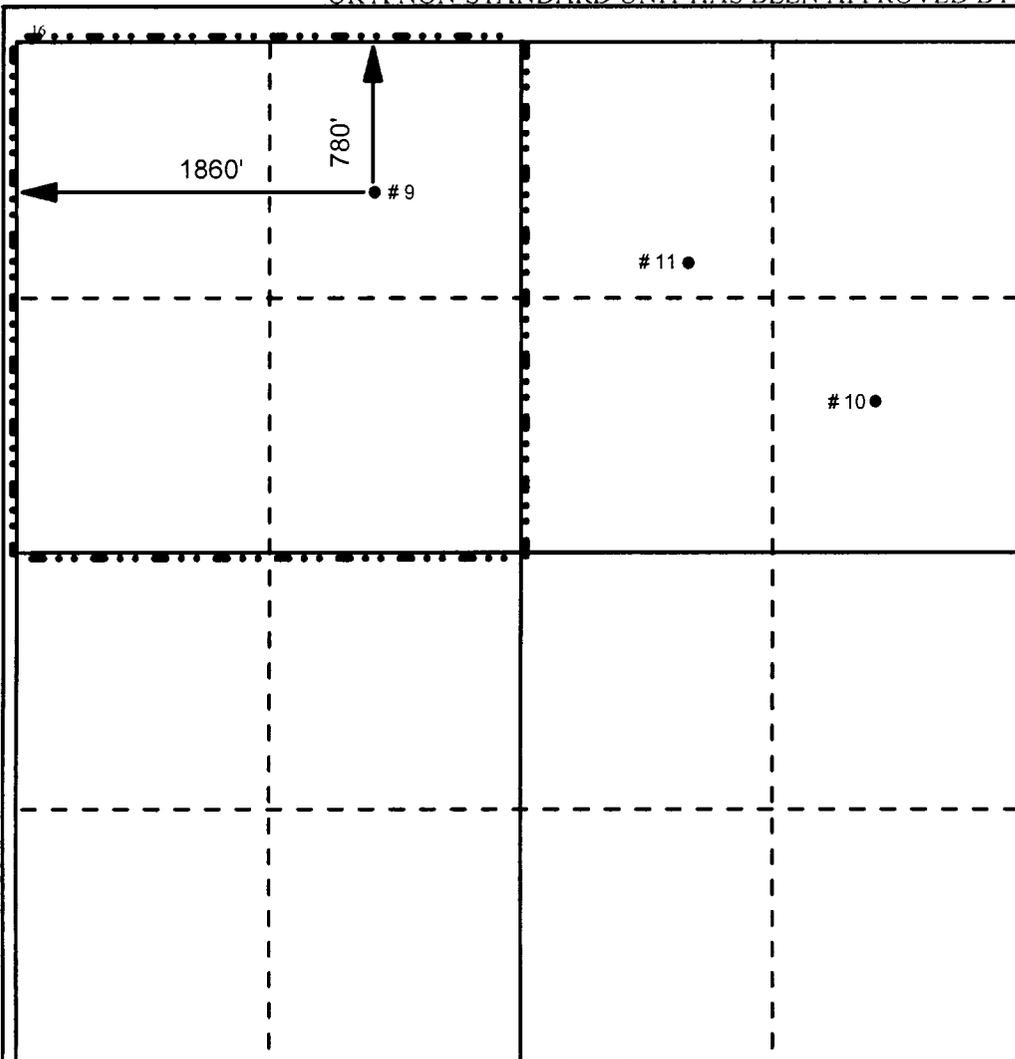
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	23S	36E		780	North	1860	West	Lea

11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	14 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Debra J. Anderson*

Printed Name: Debra J. Anderson

Title: Sr. Engineering Technician

Date: 10/25/01

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed:

Signature and Seal of Professional Surveyor:

Certificate Number:

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 1994

District II
P O Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

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1220 South St. Francis Drive
Santa Fe, New Mexico 87505

District III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV
1220 South St. Francis Drive, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-26617		2 Pool Code 79240		3 Pool Name Jalmat; Tan-Yates-7 Rivers (Pro Gas)	
4 Property Code 26484		5 Property Name State LMT			6 Well Number 10
7 OGRID No 000873		8 Operator Name Apache Corporation			9 Elevation 3320

10 Surface Location

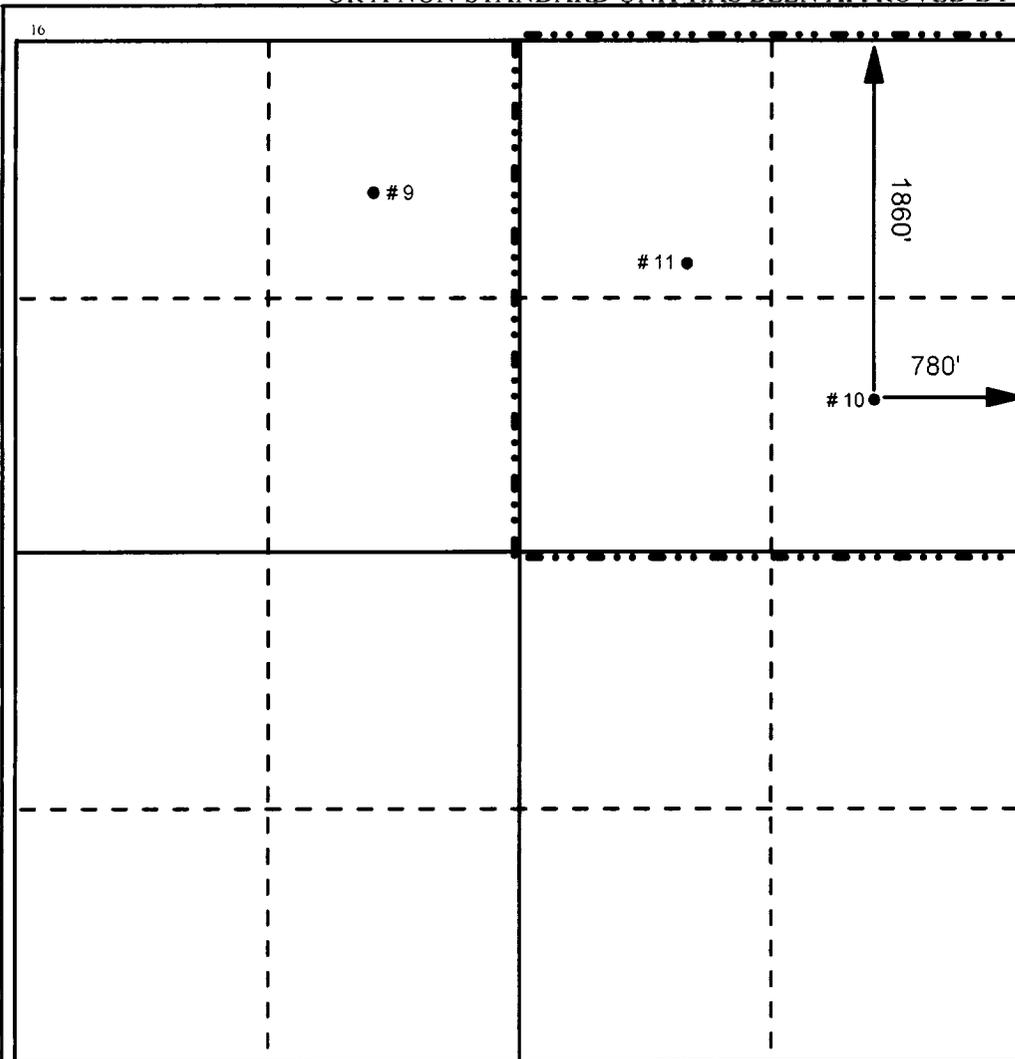
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	36	23S	36E		1860	North	780	East	Lea

11 Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	14 Order No.
---------------------------	--------------------	-----------------------	--------------

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Printed Name: Debra J. Anderson

Title: Sr. Engineering Technician

Date: 10/25/01

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Date Surveyed:

Signature and Seal of Professional Surveyor:

Certificate Number:

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 18, 1994
Instruction on Back

District II
P O Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

District III
1000 Rio Brazos Rd., Aztec, NM 87410

AMENDED REPORT

District IV
1220 South St. Francis Drive, Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

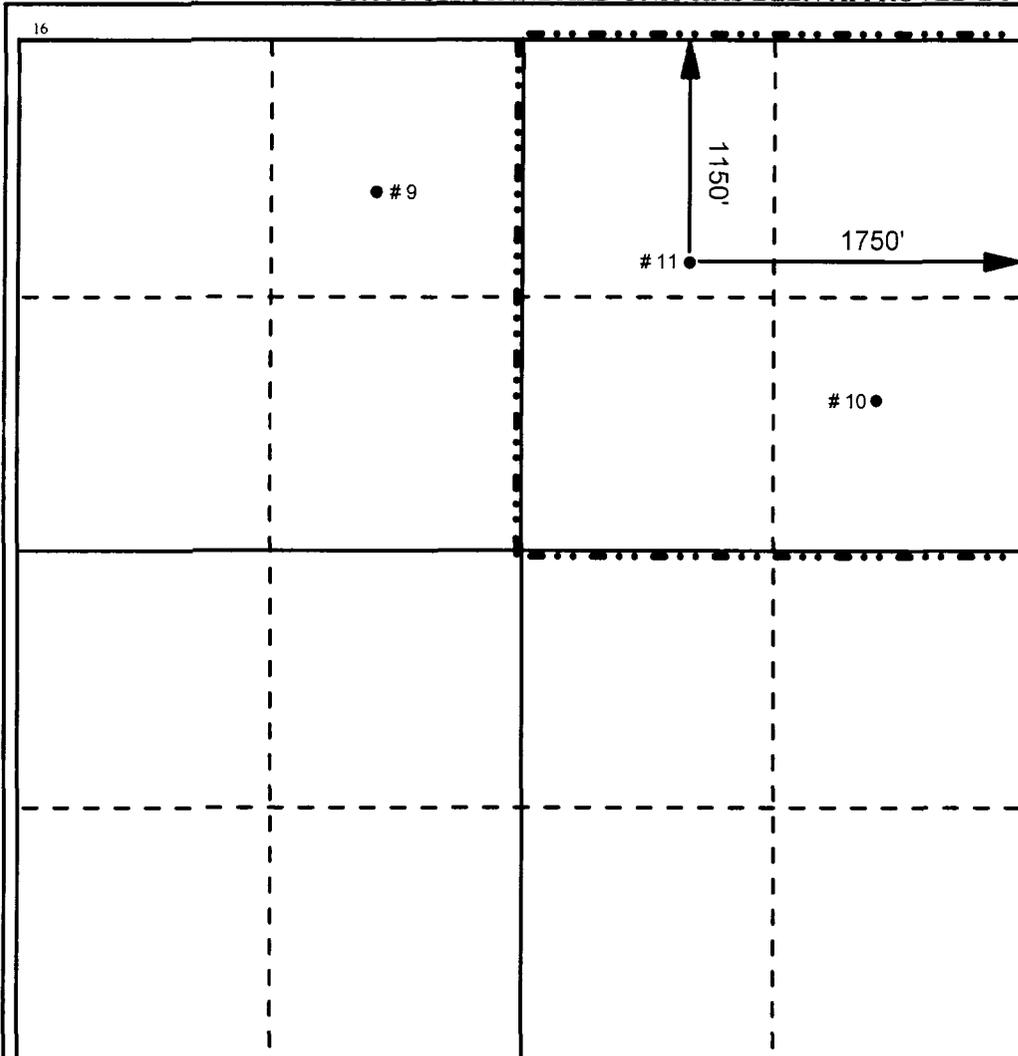
1 API Number 30-025-35366		2 Pool Code 79240		3 Pool Name Jalmat; Tan-Yates-7 Rivers (Pro Gas)	
4 Property Code 26484		5 Property Name State LMT			6 Well Number 11
7 OGRID No. 000873		8 Operator Name Apache Corporation			9 Elevation 3321

10 Surface Location									
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	23S	36E		1150	North	1750	East	Lea

11 Bottom Hole Location If Different From Surface									
UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 160	13 Joint or Infill	14 Consolidation Code	14 Order No.
---------------------------	--------------------	-----------------------	--------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: *Debra J. Anderson*

Printed Name: Debra J. Anderson

Title: Sr. Engineering Technician

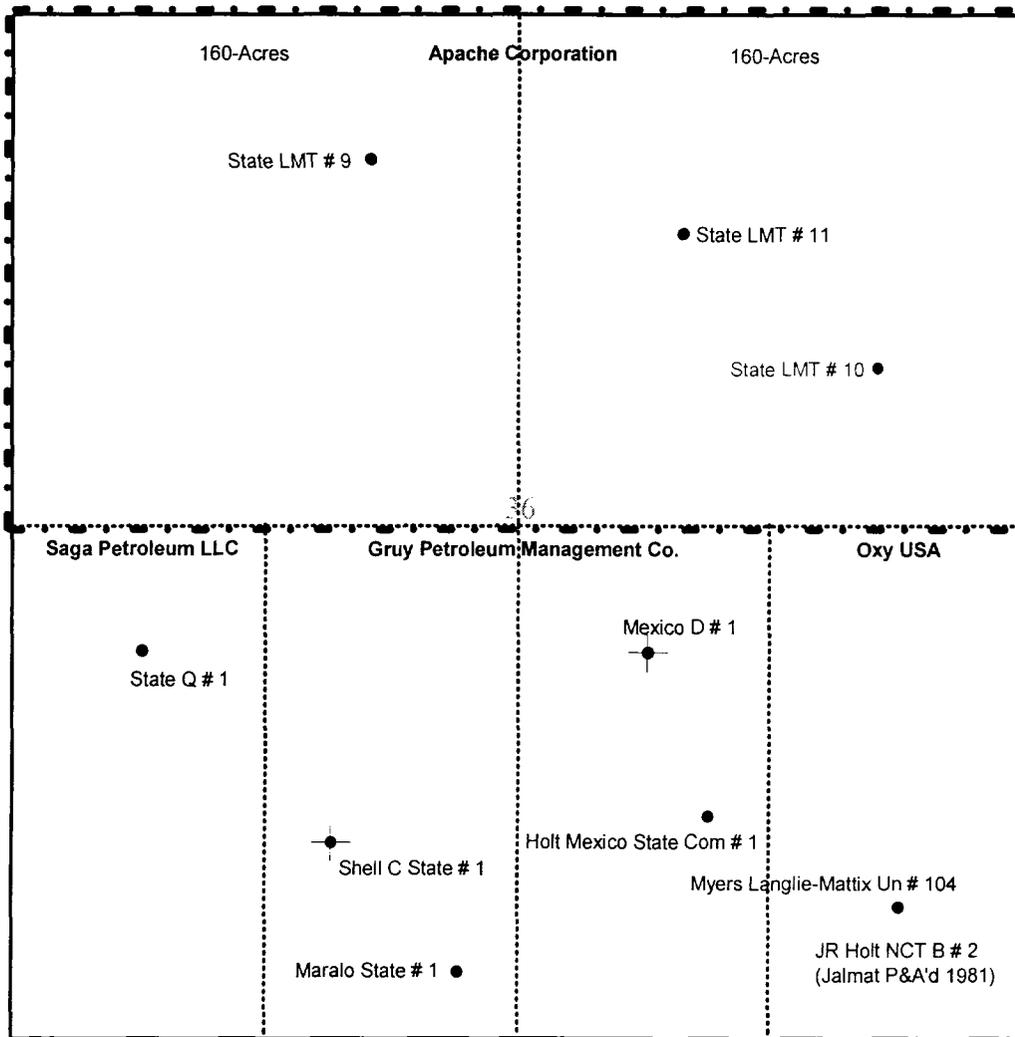
Date: 10/25/01

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed:

Signature and Seal of Professional Surveyor:

Certificate Number:



APACHE CORPORATION
STATE LMT LEASE
N / 2 SECTION 36
TOWNSHIP 23 SOUTH
RANGE 36 EAST
LEA COUNTY, NEW MEXICO

Lynn B-1 # 16 ●
 ● # 17
 Lynn B-1 # 2 ●

TM Lankford WM # 1 ●
 TM Lankford WM # 2 ●

Lankford # 1 ●
 Lankford # 2 ●

● Eva E Blinebry WN # 2
 ● RW Cowden B # 4

● Eva E Blinebry WN # 7

26

ARCO Permian

Gruy Petroleum Management Co.

ARCO Permian

Lynn B-1 # 1 ●
 Lynn B-1 # 13 ●

Lynn B-25 # 5 ●

Lynn B-25 # 1 ●

● RW Cowden B # 1
 ● RW Cowden B # 4

● RW Cowden # 1

Lynn B-1 # 4 ●

Lynn B-25 # 2 ●

Lynn B-25 # 3 ●

Conoco Inc.

Lewis B. Burlison, Inc.
 Apache Corporation

Doyle Hartman Oil Producer
 Doyle Hartman Oil Producer

RW Cowden A 1
 Roca Production Inc.
 Roca Production Inc.

Manda NCT C # 1 ●
 Arch Petroleum
 John P Combast WVN # 3 ●

State LMT # 9 ●

Myers Langlie-Matrix Un # 63
 (formerly State LMT # 5)
 (Jalmsl P&Ad 1980)
 ● State LMT # 11

● RW Cowden C # 4

● RW Cowden C # 9

John P Combast # 1Y ●
 John P Combast WVN # 2 ●

Myers Langlie-Matrix Un # 68
 (formerly State LMT # 2)
 (Jalmsl P&Ad 1980)

State LMT # 10 ●

35 ARCO Permian

Saga Petroleum LLC

Gruy Petroleum Management Co.

Ory USA

Taxaco Exploration & Production

Stevens A-35 # 1 ●
 John P Combast WVN # 5 ●
 Stevens A-35 # 2 ●

State C # 1 ●

Shell C State # 1 ●
 Marrio State # 1 ●

Mexico D # 1 ●

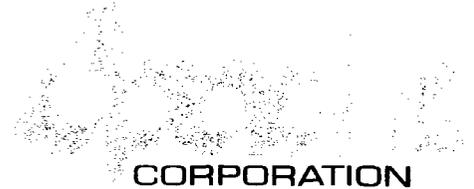
Holt Mexico State Com # 1 ●
 Myers Langlie-Matrix Un # 104
 (formerly JR Holt NCT B # 2)
 (Jalmsl P&Ad 1981)

EE Blinebry A Fed NCT 1 Com # 3 ●
 EE Blinebry A Fed NCT 1 Com # 4 ●

EE Blinebry A Fed NCT 1 Com # 2 ●
 EE Blinebry B Fed NCT 1 # 1 ●

● EE Blinebry A Fed NCT 1 Com # 5

1 # 3 ●



October 25, 2001

Offset Operators

**Re: Application to Re-Instate Non-Standard Proration Units
State LMT Well No. 10 (NSP-1193) and No. 9 (NSP-1194)
Application for Simultaneous Dedication of NSP-1193
State LMT Well No. 10 and No. 11
Jalmat; Tan-Yates-7 Rivers (Pro Gas) Pool (79240)
Lea County, New Mexico**

Attached please find a copy of an Application to re-instate two Non-Standard Proration Units and Simultaneous Dedication of one NSP that Apache Corporation has filed with the New Mexico Oil Conservation Division. If you have an objection to this application, you must notify the OCD in writing within 20 days from the date of this letter.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink that reads "Debra J. Anderson". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Debra J. Anderson
Sr. Engineering Technician

Attachments

**STATE LMT LEASE
OFFSET OPERATORS
JALMAT; TAN-YATES-7 RIVERS (PRO GAS) POOL
LEA COUNTY, NEW MEXICO**

ARCO Permian
P O Box 1610
Midland, Texas 79702-1610
Certified Receipt # 7000-2870-0000-2222-3313

Doyle Hartman Oil Producer
Box 10426
Midland, Texas 79702
Certified Receipt # 7000-2870-0000-2222-3351

Lewis B Burlleson, Inc.
Box 2479
Midland, Texas 79702
Certified Receipt # 7000-2870-0000-2222-3320

Oxy USA
Box 50250
Midland, Texas 79710
Certified Receipt # 7000-2870-0000-2222-3368

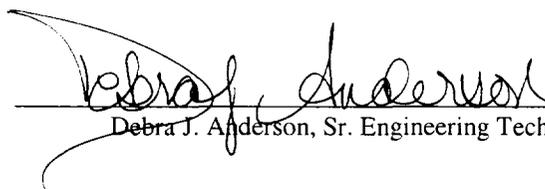
Conoco Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705
Certified Receipt # 7000-2870-0000-2222-3337

Saga Petroleum LLC
415 S. Wall, Suite 835
Midland, Texas 79701
Certified Receipt # 7000-2870-0000-2222-3375

Gruy Petroleum Management Company
600 E. Las Colinas Blvd., Suite 1200
Irving, Texas 75014-0907
Certified Receipt # 7000-2870-0000-2222-3344

Texaco Exploration & Production
Hobbs Operating Unit
P O Box 3109
Midland, Texas 79702
Certified Receipt # 7000-2870-0000-2222-3382

A copy of the application was mailed to the above referenced Offset Operators directly adjoining the requested Non-Standard Proration units.



Debra J. Anderson, Sr. Engineering Technician

10-26-01

Date Mailed

**STATE LMT NON-STANDARD GAS SPACING UNIT APPLICATION
JALMAT; TAN-YATES-7 RVRS (PRO GAS) POOL
SECTION 36, TOWNSHIP 23 SOUTH, RANGE 36 EAST
LEA COUNTY, NEW MEXICO
PREPARED BY: MARK McCLELLAND, RESERVOIR ENGINEERING MANAGER
APACHE CORPORATION, 2000 POST OAK BLVD., SUITE 100, HOUSTON, TX 77056**

As required by special rules and regulations for Jalmat Gas Pool

Rule 4 Administrative Exceptions

Part (B)

Section (1) The State LMT No. 11 is needed

(a) to effectively and efficiently drain a 160-acre quarter section that cannot be adequately drained by the existing well or wells

The State LMT No. 11 is needed to drain remaining Jalmat gas reserves in the 320 acre State LMT lease. Remaining gas reserves in the E/2 of the lease are not recoverable through the State LMT No. 10, due to the mechanical condition of the wellbore. A volumetric study completed in 1981 indicated remaining gas in place of 925 MMCF in the NE/4 of Section 36 when the No. 10 was drilled. The well has only recovered 312 MMCF and is not able to deplete the remaining reserves.

The State LMT No. 10 was originally completed openhole from 2915' – 3305'. Formation sloughing prevented complete recovery of remaining reserves. A liner was run in the well in 1997 and the well was sand fracture stimulated. The well made 80 MCFD following this work, but has since dropped off to 8 MCFD. Remaining gas in place under the E/2 of the lease is 604 MMCF, and is recoverable only through the State LMT No. 11.

(b) to adequately protect the subject unit from offsetting drainage

The State LMT No. 11 is needed to protect the State LMT lease from offsetting drainage by leases that have already been down spaced to 80 acres. Exhibit 1 shows the rate vs. cumulative gas recovery graphs of the 320 acre offsets north and south of the State LMT lease. Both offsetting areas have recovered more gas and produce at a higher rate than the State LMT lease.

(c) to prevent waste by utilizing an existing or previously abandoned wellbore

Not Applicable

(d) to recover additional reserves that would otherwise not be recovered from the reservoir

The volumetric study for the NE/4 of Section 36, located within the State LMT lease, indicates 604 MMCF of reserves that are not recoverable through any other well.

Section (2) that the proposed well will not violate correlative rights

No correlative rights will be violated by the non-standard gas spacing and simultaneous dedication request.

Section (3) such proof will require sufficient technical data, geological evidence and reservoir drainage evaluation which must be submitted with the application

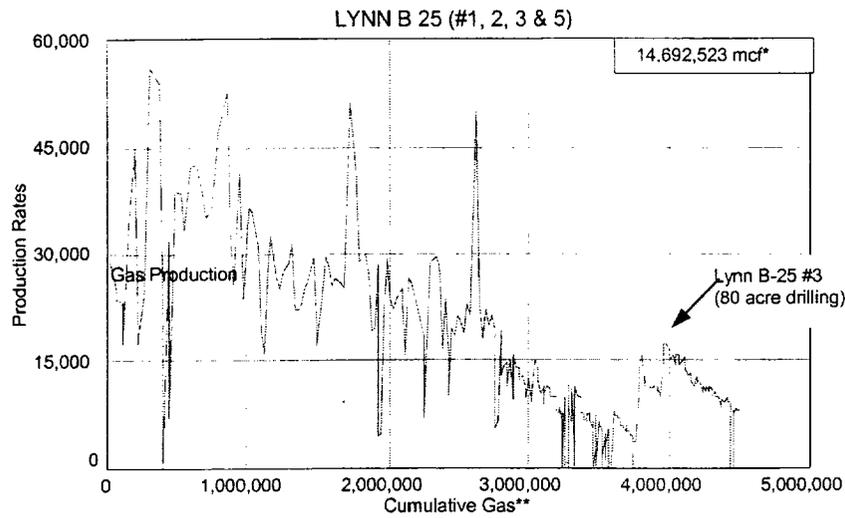
Exhibit 1 Offset Rate vs. Cumulative production comparison

Exhibit 2 Well history for State LMT Well No. 5, Jalmat abandoned 9/14/80, located 660' FNL & 660' FEL, Unit A, Section 36, Township 23 South, Range 36 East.

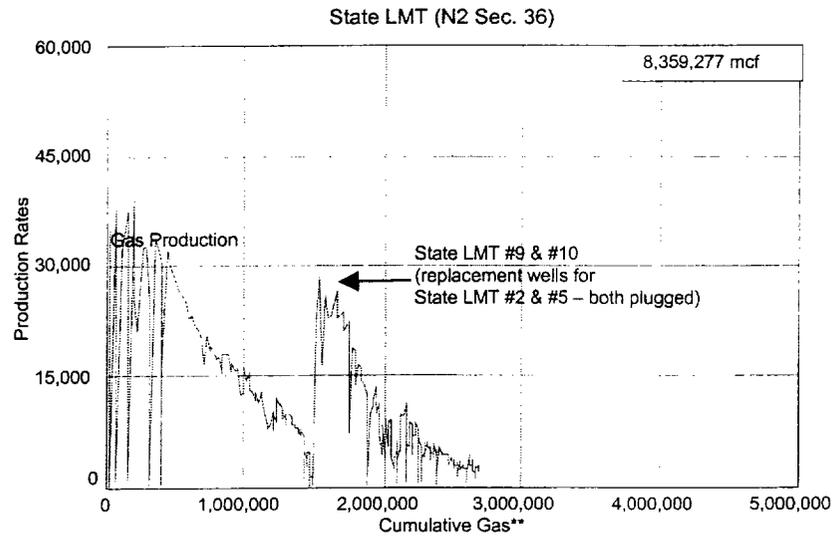
Exhibit 3 Well history for State LMT Well No. 10, marginal producer, located 1860' FNL & 780' FEL, Unit H, Section 36, Township 23 South, Range 36 East.

- Exhibit 4* Well history for State LMT Well No. 11, marginal producer, located 1150' FNL & 1750' FEL, Unit B, Section 36, Township 23 South, Range 36 East.
- Exhibit 5* Volumetric Study completed in 1981, when State LMT No. 10 was drilled.
- Exhibit 6* State LMT No. 10 production plot.
- Exhibit 7* State LMT No. 11 openhole log, (corroborates volumetric study net pay count).
- Exhibit 8* Table of Wells within the proposed units that have/had Jalmat production.

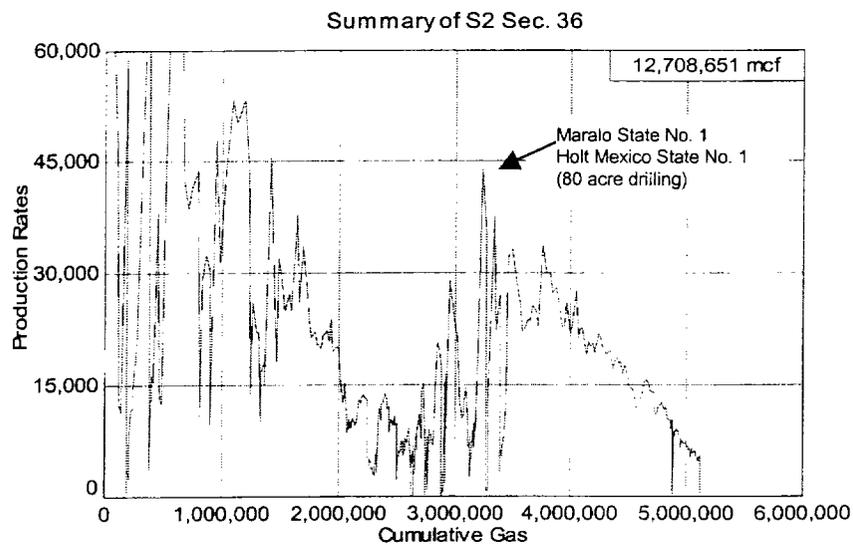
North Offset
(S/2 Sec.25)



Apache Oper.
(N/2 Sec. 36)



South Offset
(S/2 Sec. 36)



* Cumulative production since 1/1970
** Cumulative production over life

State LM "T" Well No. 5
Jalmat Gas Pool
660' FNL & 660' FEL, Sec. 36, T23S, R36E
Lea County, New Mexico

Well History

Elevation: 3327'

Spud Date: March 30, 1949

Completion Dates: April 20, 1949 (Langlie Mattix Queen)
February 4, 1954 (Jalmat)

Abandonment Date: September 14, 1980 (Jalmat)

Casing: Surface: 8-5/8" 32# smIs @ 307' cemented with 1755 sx.
Production: 5-1/2" 15.5# smIs @ 3485' cemented with 500 sx.

Tubing: 2-3/8" IPC set in Model "D" pkr. @ 3430'.

Perforations: Open hole, 3485' - 3600' (Langlie Mattix Queen)
Perforations: 2835'-60, 2995'-3100', 3150'-75, 3235'-60',
3300' -20', 3400'-20', with 4 shots per foot.

Jalmat Zone Initial Test:

Absolute open flow February 9, 1954.
2,800 MCF/D 236 psi tubing pressure

Jalmat Zone Workover History:

- 8/14/59 - Sand oil frac Jalmat perfs. After frac test
77 B.O., 2039 MCF, GOR 26,333.
- 6/12/60 - Began producing as oil-oil dual, classified
as Jalmat oil well.
- 1/06/66 - Well reclassified as gas well temporarily abandoned
well.
- 4/12/78 - Blanked off Langlie Mattix injection and jetted
tubing with nitrogen. Jalmat zone unable to flow
to pipeline.
- 9/15/80 - Squeezed Jalmat perfs.

Production: Cumulative oil - 6900 BBLS.
Cumulative gas - .6205 BCF

Present Status:

Single injection well in Langlie Mattix, operated by
Oxy USA as Myers Langlie Mattix #63.

State LM "T" Well No. 10
Jalmat Gas Pool
1860' FNL & 780' FEL, Sec. 36, T23S, R36E
Lea County, New Mexico

Completion Summary

Elevation: 3320 G.L., 3329 D.F., 3330 K.B.

Total Depth: 3305'

Casing: Surface: 8-5/8" 24# K-55 @ 339', 325' sx cement,
cement circulated.

Production: 5-1/2" 17# various grades @ 2915'
1000' sx cement, cement circulated.

Tubing: 1-1/2" tubing set open ended at 3298.

Producing Interval: Open hole; 2915' to 3305', 390' air drilled open
hole, no stimulation.

Logging Program: Open hole producing interval.
Schlumberger FDC w/Gamma Ray
SNP, IFS, Temperature
Log.

Log Analysis: Gross interval 390'
Net producible pay (\emptyset greater than 6%); 179 feet
Average porosity; 14.4%
Average water saturation; 48%

Production Tests: Drilling gas gauges.
3272', 1,629 MCF/D @ 55 psi
3305', 1,629 MCF/D @ 55 psi

Northern Natural Gas 4 Point Test:
Final flow rate 478 MCF/D FTP 80 psi
CITP 162 psi, CICP 167 psi.

Initial gas sales 492 MCF/D FTP 58 psi

Jalmat Zone Workover History:

10/3/97 - Ran 4" liner. Sand frac Jalmat perfs w/ 160,400# 20/40 Brady
foamed with 740 MCF Nitrogen.

Production:

Cumulative oil - 0 Bbls
Cumulative gas - 0.312 BCF

Present Status:

Active Jalmat gas completion, operated by Apache Corp.

State LMT Well No. 11
Jalmat Gas Pool
1150' FNL & 1750' FEL, Sec. 36, T23S, R36E
Lea County, New Mexico

Completion Summary

Elevation: 3321 G.L.

Total Depth: 3500'

Casing: Surface: 8-5/8" 24# J-55 @ 1166', 460 sx cement
Circulated 85 sx.
Production: 5-1/2" 17# J-55 @ 3500', 750 sx cement
Circulated 58 sx.

Tubing: 2-7/8" tubing set @ 3247'

Producing Interval: Perforated 2946' – 3230' (38 Holes – 4" Holes)

Logging Program: Compensated Neutron Log w/ Gamma Ray (0' – 3461')
Dual Laterolog w/ Gamma Ray (2390' – 3499')

Jalmat Zone Stimulation: Acidize w/ 2000 gals 15% HCL
Frac w/ 102060 gals gel & 253960# 16/30 sand

Jalmat Zone Initial Test: 54 MCF/D (6/21/01)

State LM "T" No. 10
Jalmat Gas Pool

Volumetric Reserves
160 Acres

$$N = \frac{43560 A h \phi (1 - S_w) (P_i) 35.35 (R.F.) B.C.F.}{T_i (Z_i) (1 \times 10^9)}$$

N =	Gas in Place in B.C.F.	
A =	Acreage	160
h =	Net Pay	179'
ϕ =	Porosity (average)	14.4%
S_w =	Water saturation	48%
P_i =	Initial Pressure	167 psi
R.F. =	Recovery factor	90%
T_i =	Initial temperature	545° R
Z_i =	Gas compressibility	.985

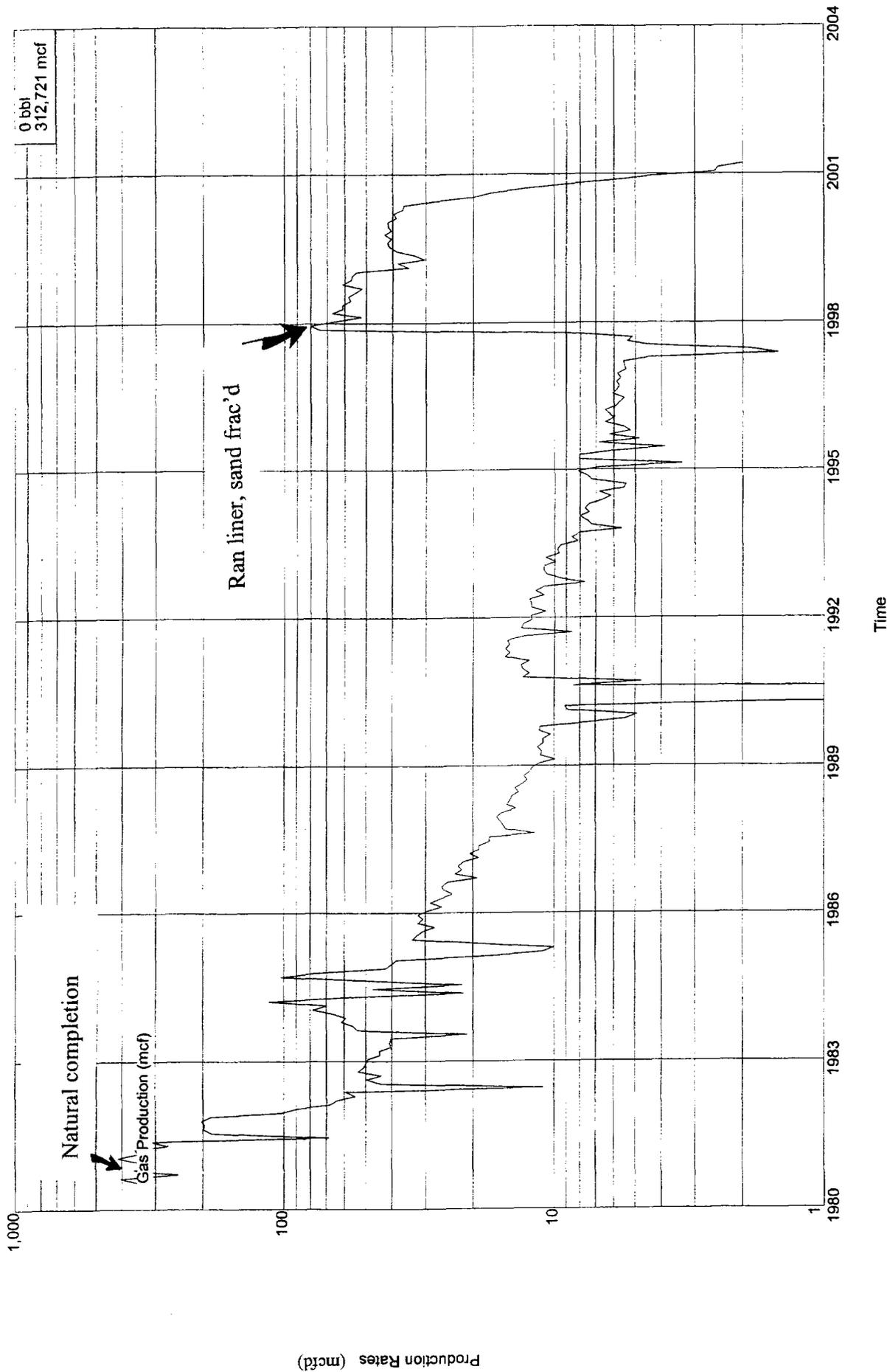
43560 & 35.35 numerical constants

$$N = \frac{43560 (160) (179) (.144) (1-.48) (167) (35.35) (.9)}{(545) (.985) (1 \times 10^9)}$$

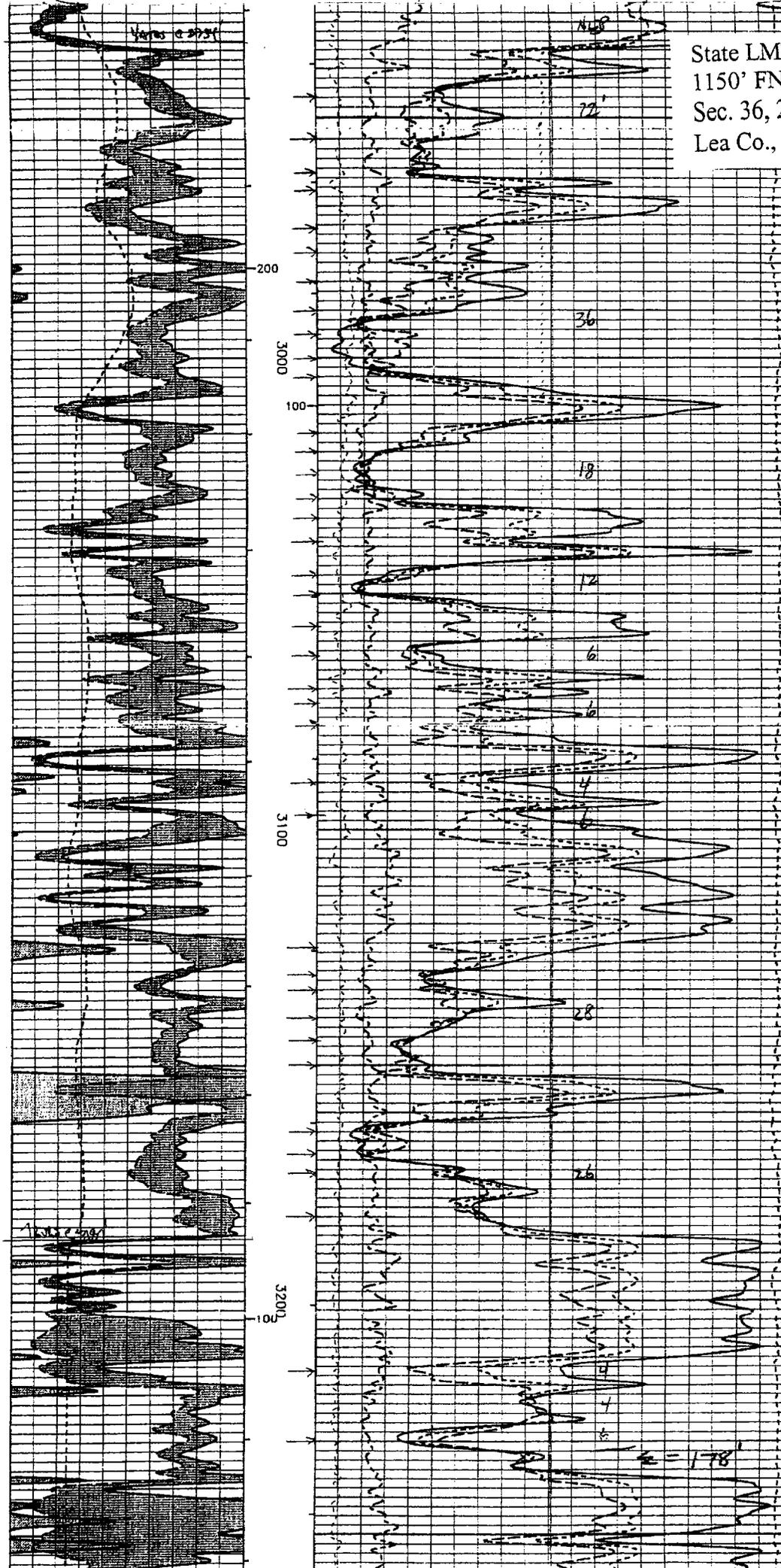
$$N = .925 \text{ BCF Gas in Place}$$

Lease Name: STATE LMT
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: JALMAT
Reservoir: TANSILL-YATES-SEVEN
Location: 36 23S 36E

STATE LMT 10



State LMT No. 11
1150' FNL & 1750' FEL
Sec. 36, 23S, 36E
Lea Co., NM



State LMT Well No.	Operator	Last Acreage Dedication	Plugging Date	Cum. Oil Production MBO	Cum. Gas Production MMCF	Division Order Granting Exception
2	Amerada	320	7/1/1980	0	5576.8	NSP-744
						R-5701
5	Amerada	320	9/14/1980	6.9	1572.9	R-5701
9	Apache	320	Active	0	908.8	NSP-1194
						NSP-1517
10	Apache	320	Active	0	312.7	NSP-1193
						NSP-1517
11	Apache	320	Active		New Well	

NSL-4665(SD)



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

11/14/01

Lori Wrotenbery
Director
Oil Conservation Division

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:
MC _____
DHC _____
NSL _____
NSP X _____ SD
SWD _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:
Apache Corp State LMT # 9-C; 36-23s-3be
Operator State LMT # 10-H; 36-23s-3be
Operator State LMT # 11-B; 36-23s-3be
Lease & Well No. Unit S-T-R

and my recommendations are as follows:

Yours very truly,

Chris Williams (AK)
Chris Williams
Supervisor, District 1