



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

December 13, 2002

Apache Corporation
c/o Mr. W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87501

Administrative Order No. NSL-4822

Dear Mr. Kellahin:

Reference is made to your application on behalf of Apache Corporation for an unorthodox oil well location for the proposed Lockhart "A-17" Well No. 6 to be drilled 1330 feet from the North line and 990 feet from the East line (Unit H) of Section 17, Township 21 South, Range 37 East, NMPM, Penrose-Skelly (Grayburg) Pool, Lea County, New Mexico. This application (*Application No. pKRV0-232547572*) was received by the Division on November 21, 2002.

It is our understanding that Apache Corporation proposes to drill the Lockhart "A-17" Well No. 6 to test the Grayburg formation within an existing 40-acre spacing and proration unit comprising the SE/4 NE/4 of Section 17. This unit is currently dedicated to the existing Lockhart "A-17" Well No. 3 (API No. 30-025-06638) located 1980 feet from the North line and 660 feet from the East line (Unit H).

It is further our understanding that the proposed unorthodox location is necessary for geologic and drainage considerations.

This application has been duly filed under the provisions of Division Rule 104.(F), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

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By the authority granted me under the provisions of Division Rule 104.F(2), as revised, the above-described unorthodox oil well location is hereby approved.

Sincerely,



Lori Wrotenbery
Division Director

Xc: OCD-Hobbs
 Bureau of Land Management-Carlsbad