

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

CORPORATION

[713] 296-6000

April 26, 1999

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87505

RECEIVED
MAY - 3 1999
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

**Re: Application for a Non-Standard Proration Unit – Blinebry Gas Well
Gulf Hill No. 3
Blinebry Oil & Gas Pool
Lea County, New Mexico**

As per your letter dated March 22, 1999, Apache Corporation is reclassifying the referenced well as a gas well. At this time, we would like to request administrative approval for the reduction of acreage from 80 acres to 40 acres (reference Administrative Order NSP-892 issued 10/25/72) and approval of a non-standard proration unit for the referenced well.

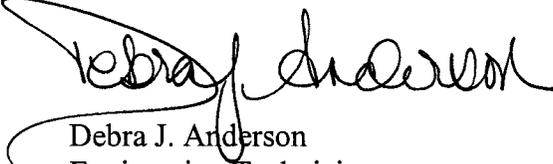
To support this request we submit the following information:

- 1) Apache Corporation currently operates the Gulf Hill # 1 Blinebry Gas well on a 40 acre non-standard proration unit (Reference NSP-926)
- 2) Apache Corporation does not operate the Gulf Hill # 2 well
- 3) The proposed 40-acre non-standard unit consists of contiguous quarter-quarter sections
- 4) The non-standard gas proration unit lies wholly within a single governmental long section (see attached plats)
- 5) The entire non-standard gas proration unit is productive in the Blinebry gas pool
- 6) Offset operators have been notified by certified mail and furnished a copy of this application

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

Sincerely,

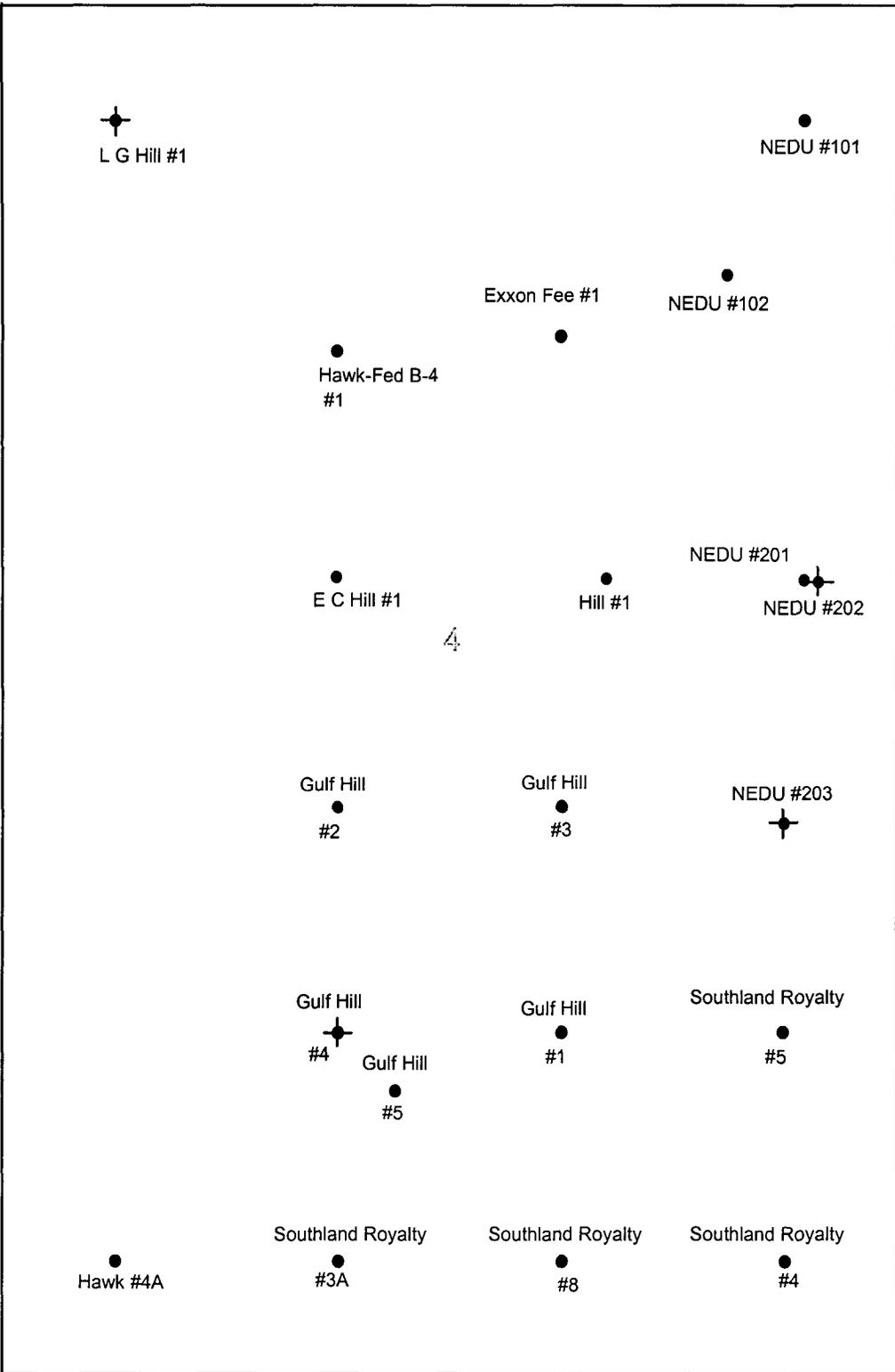
APACHE CORPORATION



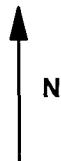
Debra J. Anderson
Engineering Technician

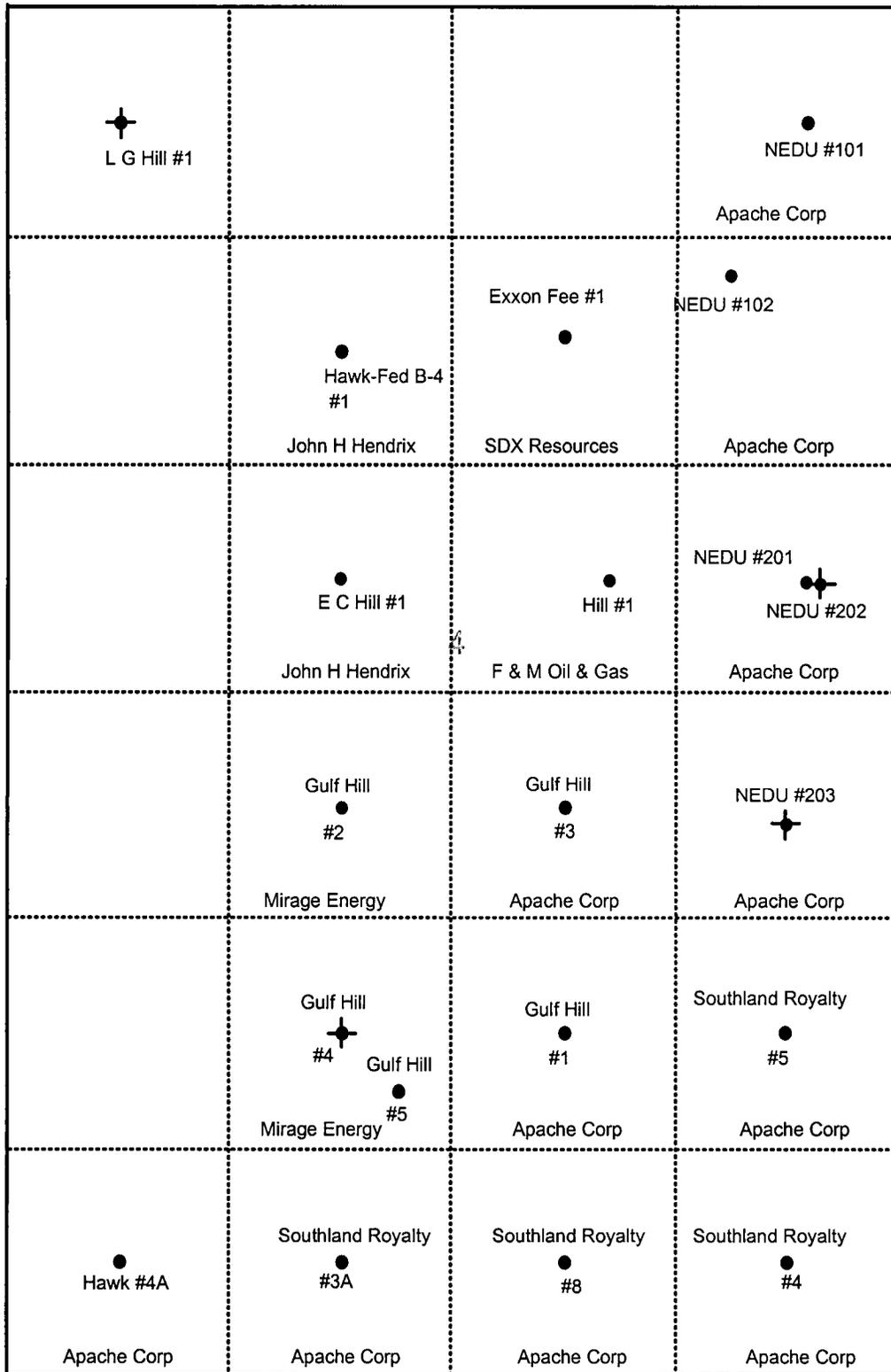
Attachment

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

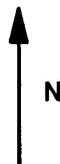


APACHE CORPORATION
 SEC. 4,
 TOWNSHIP 21S , RANGE 37 EAST
 LEA COUNTY, NEW MEXICO
 SCALE 1" = 1000'

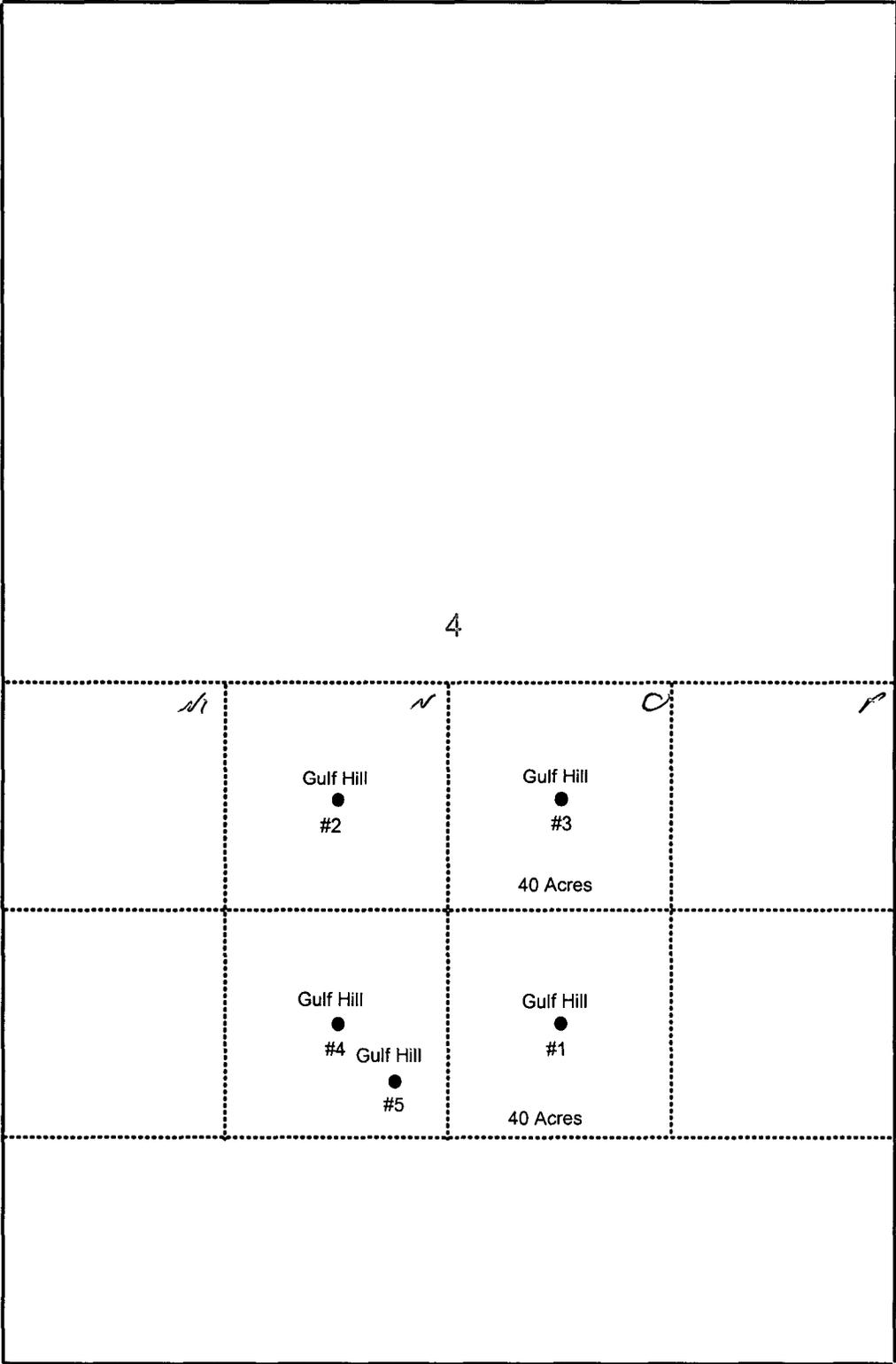




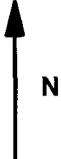
APACHE CORPORATION
 SEC. 4,
 TOWNSHIP 21S, RANGE 37 EAST
 LEA COUNTY, NEW MEXICO
 SCALE 1" = 1000'



2640
 660
 2300



APACHE CORPORATION
 GULF HILL LEASE
 SEC. 4,
 TOWNSHIP 21S, RANGE 37 EAST
 LEA COUNTY, NEW MEXICO
 SCALE 1" = 1000'



**GULF HILL # 3
OFFSET OPERATORS**

F & M Oil & Gas Company
Box 891
Midland, Texas 79702
Certified Mail Rcpt # Z-116-148-697

Mirage Energy Inc.
Box 551
Lovington, New Mexico 88260
Certified Mail Rcpt # Z-116-148-698

John H Hendrix Corporation
Box 3040
Midland, Texas 79702-3040
Certified Mail Rcpt # Z-116-148-699

SDX Resources Inc.
Box 5061
Midland, Texas 79704
Certified Mail Rcpt # Z-116-148-700



April 26, 1999

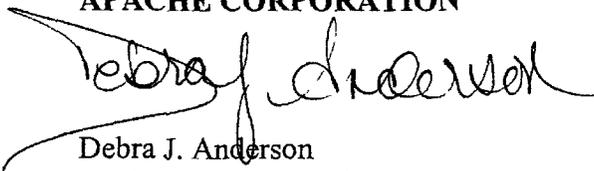
Offset Operator

**Re: Application for a Non-Standard Proration Unit – Blinebry Gas Well
Gulf Hill No. 3
Blinebry Oil & Gas Pool
Lea County, New Mexico**

Attached please find a copy of an Application for a Non-Standard Proration Unit 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



Debra J. Anderson
Engineering Technician

Attachment