



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

December 10, 2001

Lori Wrotenbery

Director

Oil Conservation Division

Apache Corporation  
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Attention: Debra J. Anderson  
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Telefax No. (713) 296-7156

## *Administrative Order NSP-1823-A (L) (SD)*

Dear Ms. Anderson:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 20, 2001 (*application reference No. pKRV0-132546671*); and (ii) the records of the Division in Santa Fe, including the files on Division Administrative Orders NSP-1823 (L) (SD) and SD-01-03: all concerning Apache Corporation's request to reduce the acreage of the existing 120-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Gas Pool (72480) comprising the N/2 SW/4 and SE/4 SW/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1823 (L) (SD), dated July 6, 2000, as amended by a corrected order dated May 22, 2001, by omitting the 40 acres comprising the NW/4 SW/4 (Unit L) of Section 34 from this GPU.

This application has been duly filed under the provisions of: (i) Division Rules 104.F and 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

The aforementioned Division Administrative Order NSP-1823 (L) (SD) and Division Administrative Order SD-01-03, dated June 27, 2001, authorized the simultaneous dedication of this 120-acre GPU to Apache Corporation's: (i) Owen "B" Well No. 4 (**API No. 30-025-06999**), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 34; (ii) Owen "B" Well No. 6 (**API No. 30-025-34321**), located at an unorthodox gas well location [also approved by Division Administrative Order NSP-1823 (L) (SD)] 1980 feet from the South line and 2180 feet from the West line (Unit K) of Section 34; and (iii) Owen "B" Well No. 10 (**API No. 30-025-35638**) at a surface location 1137 feet from the South line and 495 feet from the West line (Unit M) of Section 34 and bottomhole location within the Blinebry formation at an unauthorized (see Division Administrative Order SD-01-03) unorthodox bottomhole gas well location that is 2222 feet from the South line and 706 feet from the West line (Unit L) of Section 34.

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It is our understanding that such reduction of acreage is necessary due to the classification of the Owen "B" Well No. 10 as a Blinebry oil completion, which bottomhole location is fortunately considered to be standard [see Rule 2 (b) 2 of the special Blinebry pool rules] for the resulting 40-acre oil spacing and proration unit comprising the NW/4 SW/4 (Unit L) of Section 34.

By the authority granted me under the provisions of Division Rules 104.F (2) and 104.D (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Blinebry Oil and Gas Pool, the following-described 80-acre non-standard stand-up gas spacing and proration unit and resulting unorthodox gas well location for the Owen "B" Well No. 6 are hereby approved:

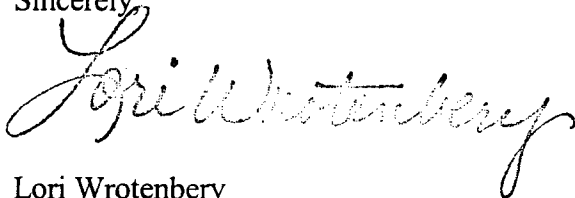
LEA COUNTY, NEW MEXICO  
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM  
Section 34:           E/2 SW/4.

This newly established 80-acre non-standard gas spacing and proration unit is to be simultaneously dedicated to the above-described Owen "B" Wells No. 4 and 6, with allowable assigned thereto in accordance with Rule 5 of the special Blinebry Oil and Gas Pool rules based upon the unit size of 80 acres.

Further, this order shall serve to supersede both Division Administrative Orders NSP-1823 (L) (SD), as amended, and SD-01-03.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrotenberg  
Director

LW/MES/kv

cc:   New Mexico Oil Conservation Division - Hobbs  
File:   NSP-1823 (L) (SD)  
       SD-01-03