



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

June 27, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Apache Corporation
2000 Post Oak Boulevard - Suite 100
Houston, Texas 77056-4400
Attention: Debra J. Anderson

RE: NMOCDD Correspondence Reference No. SD-01-03: *Blinebry Oil and Gas Pool gas development within an existing non-standard 120-acre gas spacing and proration unit ("GPU") comprising the W/2 SW/4 and SE/4 SW/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.*

Dear Ms. Anderson:

Reference is made to your letter dated May 8, 2001 notifying the New Mexico Oil Conservation Division's ("Division") Santa Fe office of Apache Corporation's plans for further Blinebry gas development within the above-described 120-acre GPU, which was approved by Division Administrative Order NSP-1823 (L) (SD), dated July 6, 2000, as corrected by order dated May 22, 2001.

The rules currently governing directional drilling, spacing, well locations, and allowables for the Blinebry Oil and Gas Pool include, but not necessarily limited to:

- (a) *"Special Rules and Regulations for the Blinebry Oil and Gas Pool"*, as promulgated by Division Order No. R-8170, as amended; and
- (b) Division Rules 104, 605, 111.A (7), and 111.C (1).

It is our understanding that gas production attributed to the Blinebry Oil and Gas Pool within this 120-acre GPU is to be simultaneously dedicated to the following three wells:

- (1) the existing 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;
- (2) the existing 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

SD-01-03

Apache Corporation

June 27, 2001

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(3) the proposed Owen "B Well No. 10 to be directionally drilled from a surface 1137 feet from the South line and 495 feet from the West line (Unit M) of Section 34 to a targeted standard bottomhole gas well location that is to be approximately 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 34.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

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



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
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Lori Wrotenbery
Director
Oil Conservation Division

May 22, 2001

Apache Corporation
Attention: Debra J. Anderson
2000 Post Oak Boulevard - Suite 100
Houston, Texas 77056-4400

Corrected
Administrative Order NSP-1823 (L) (SD)

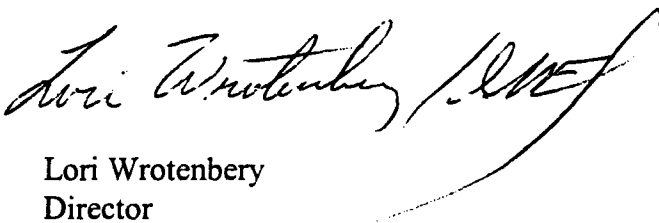
Dear Ms. Anderson:

Due to inadvertence the description of the non-standard 120-acre gas spacing and proration unit ("GPU") within the Blinebry Oil and Gas Pool in Lea County, approved by Division Administrative Order NSP-1823 (L) (SD), dated July 6, 2000, was incorrect and shall be amended at this time to read as follows:

"TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 34: W/2 SW/4 and SE/4 SW/4".

Further, all other provisions of Division Administrative Order NSP-1823 (L) (SD) shall remain in full force and effect until further notice.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSL-4304



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

July 6, 2000

Lori Wrotenbery

Director

Oil Conservation Division

Apache Corporation
2000 Post Oak Boulevard – Suite 100
Houston, Texas 77056-4400
Attention: Debra J. Anderson

Administrative Order NSP-1823(L) (SD)

Dear Ms. Anderson:

Reference is made to the following: (i) your application dated June 13, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Apache Corporation's request for a 120-acre non-standard gas spacing and proration unit consisting of the following acreage in the Blinebry Oil and Gas Pool:

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

This unit is to be simultaneously dedicated to the following described wells:

- (1) 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; and
- (2) Owen "B" Well No. 6 (API No. 30-025-34321), located at an unorthodox gas well location 1980 feet from the South line and 2180 feet from the West line (Unit K) of Section 34.

By authority granted me under the provisions of Rule 2(d) of the "Special Rules and Regulations for the Blinebry Oil and Gas Pool" as promulgated by Division Order No. R-8170, as amended, the above-described 120-acre non-standard gas spacing and proration unit and unorthodox Blinebry gas well location for the Owen "B" Wells No. 6 is hereby approved.

This newly established 120-acre GPU 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 120 acres.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSL-4304

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

12/07/01 13:14:
OGOMES -TQ
PAGE NO:

Sec : 34 Twp : 21S Rng : 37E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Fee owned	Fee owned	Fee owned	Fee owned
A	A A	A A A	A
M 40.00	N 40.00	O 40.00	P 40.00
Fee owned	Fee owned	Fee owned	Fee owned
A A A	A A	A A	U A A A

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

CMD : ONGARD 12/07/01 13:14:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQ

OGRID Idn : 873 API Well No: 30 25 35638 APD Status(A/C/P): A
Opr Name, Addr: APACHE CORP Aprvl/Cncl Date : 07-19-20
ONE POST OAK CENTRAL
2000 POST OAK BLVD STE 100
HOUSTON,TX 77056-4400

Prop Idn: 22879 OWEN B Well No: 10

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
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Surface Locn : M	34	21S	37E				FTG 1137 F S	FTG 495 F W
OCD U/L : M		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): P Ground Level Elevation : 3444

State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 5900 Prpsd Frmtn : BLINEBRY

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