



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

March 29, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Apache Corporation
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-4954-A

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-508736406*) on behalf of the operator, Apache Corporation ("Apache"), submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on February 21, 2005; and (ii) the Division's records in Santa Fe, including the files on Division Administrative Order NSL-4954 (SD) and in Division Case No. 13256, resulting in the issuance of Order No. R-12190 on August 12, 2004: all concerning Apache Corporation's request to include the San Andres formation within the well bore of its existing Hawk "B-1" Well No. 39 (API No. 30-025-36532), located at an unorthodox oil well location 1200 feet from the South line and 80 feet from the East line (Unit P) of Section 8, Township 21 South, Range 37 East, NMPM, Undesignated East Hare-San Andres Pool (96601), Lea County, New Mexico.

Your 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.

By Division Administrative Order NSL-4954 (SD), dated October 31, 2003, Apache received authorization to drill and complete its Hawk "B-1" Well No. 39 at the above-described unorthodox infill oil well location within an existing 40-acre oil spacing and proration unit in the Penrose Skelly (Grayburg) Pool (50350) comprising the SE/4 SE/4 (Unit P) of Section 8.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described Hawk "B-1" Well No. 39, being the initial well within the same standard 40-acre tract being a standard oil spacing and proration unit in the Undesignated East Hare-San Andres Pool, also located at an unorthodox oil well location is hereby approved.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.

Director

MES/ms

cc: New Mexico Oil Conservation Division – Hobbs
U. S. Bureau of Land Management - Carlsbad
Files: NSL-4954 (SD)