OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

August 20, 1998

Apache Corporation c/o J. O. Easley, Inc. P. O. Box 245 Artesia, New Mexico 88210 Attention: Michael R. Burch

Administrative Order NSL-4115

Dear Mr. Burch:

Reference is made to your application dated August 6, 1998 on behalf of the operator, Apache Corporation, for an unorthodox oil well location in the Paddock Pool for its proposed Turner Well No. 19 to be drilled 1650 feet from the South line and 1420 feet from the East line (Unit J) of Section 22, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, whereby the NW/4 SE/4 of Section 22 is to be dedicated in order to form a standard 40-acre oil spacing and proration unit for the pool.

It is our understanding that the S/2 of Section 22 is a single fee lease in which Apache Corporation is the operator; therefore, there are no affected offsets to the subject 40-acre tract other than Apache Corporation.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division").

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

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs