

| | | | | | |
|--------------------|--------------------|---------------------|----------------------|-------------|---------------------------|
| 8-15-05 DATE IN | 9-6-06 SUSPENSE | Stagner ENGINEER | 8-15-05 LOGGED IN | NSL TYPE | PSEM0522746278 APP NO. |
|--------------------|--------------------|---------------------|----------------------|-------------|---------------------------|

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Gulf H:11 #8
R-4-215-37E

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☒ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Print or Type Name

Signature

Attorney for applicant

Title

jamesbruc@aol.com

e-mail Address

Date

2005 NOV 15 PM 3:23

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

August 15, 2005

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Apache Corporation applies for administrative approval of an unorthodox oil well location for the following well:

| | |
|-----------------------|--|
| <u>Well Name:</u> | Gulf Hill Well No. 8 |
| <u>Well Location:</u> | 2630 feet FSL & 2310 feet FEL |
| <u>Well Unit:</u> | NW $\frac{1}{4}$ SE $\frac{1}{4}$ of irregular Section 4, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico |

The well will test the Blinebry (Blinebry Oil and Gas Pool), Tubb (Tubb Oil and Gas Pool), Drinkard (Drinkard Pool), and Abo (Wantz Abo Pool) formations, and applicant requests unorthodox location approval in all of four zones.

The application is based on geological and engineering reasons in the Blinebry and Drinkard formations. A complete discussion, with exhibits, is attached as Exhibit A. As to the Blinebry and Drinkard, the well is located in the approximate center of Blinebry and/or Drinkard wells in Unit Letters N, O, R and S of Section 4, and the proposed location will drain additional undrained reserves. The Blinebry and Tubb zones are expected to be oil productive.

The Tubb will be tested as applicant drills to total depth, and the Abo is a secondary objective which will be inexpensive to test with the drilling of this well.

Unit I will be simultaneously dedicated, in the Blinebry formation, to the proposed well and the existing Gulf Hill Well No. 1, and applicant requests simultaneous dedication approval.

Exhibit B is a land plat, highlighting the proposed well's location. The location encroaches on Mirage Energy, Inc., the operator of Unit Letter N, and notice has been provided as shown on Exhibit C.

Please call me if you need any further information on this matter.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Apache Corporation

Gulf hill Well No. 8
2630' FSL & 2310' FEL
Section 4, Township 21 South, Range 37 East, NMPM
Lea County, New Mexico

PRIMARY OBJECTIVES: Blinebry, Tubb, and Drinkard

SECONDARY OBJECTIVE: Abo

In support:

1. Apache Corporation (Apache) is the operator of the proposed **Gulf Hill #8** well (**Exhibit 1**).
2. The proposed unorthodox location is offset by the following wells which are, or have been productive from various reservoirs which will be penetrated. (**Exhibit 2**)

| | | | | CUM | DAILY | |
|---------------|--------------|-----|-----------|------------|-----------|---|
| OPER | WELL | LOC | RESERVOIR | O/GW | O/GW | POOL |
| Mirage Energy | Gulf Hill #2 | 4-N | BLBY | 70/1599/18 | 1/8/5 | Blinebry Oil and Gas |
| Mirage Energy | Gulf Hill #2 | 4-N | GRBG | 2/4/1 | 0/0/0 | Penrose Skelly Grayburg |
| Apache | Gulf Hill #3 | 4-O | BLBY | 78/3704/6 | 1/32/1 | Blinebry Oil and Gas |
| Apache | Gulf Hill #7 | 4-O | B,T&D | 5/16/5 | 50/141/28 | Blinebry Oil & Gas, Tubb Oil & Gas and Drinkard Oil |
| Apache | Gulf Hill #6 | 4-O | GRBG | 26/74/70 | 12/44/48 | Penrose Skelly Grayburg |
| Apache | Gulf Hill #1 | 4-R | BLBY | 44/3604/0 | 0/0/0 | Blinebry Oil and Gas |
| Apache | Gulf Hill #1 | 4-R | GRBG | 8/36/27 | 1/9/4 | Penrose Skelly Grayburg |
| Mirage Energy | Gulf Hill #5 | 4-S | BLBY | 22/282/47 | 2/24/8 | Blinebry Oil and Gas |
| Mirage Energy | Gulf Hill #5 | 4-S | DRKD | 4/34/0 | 0/0/0 | Drinkard |
| Mirage Energy | Gulf Hill #5 | 4-S | ABO | 1/0/0 | 0/0/0 | Wantz; Abo |
| Summit Energy | Gulf Hill #4 | 4-S | BLBY | 9/394/0 | 0/0/0 | Blinebry Oil and Gas |
| Summit Energy | Gulf Hill #4 | 4-S | DRKD | 7/566/0 | 0/0/0 | Drinkard |
| Summit Energy | Gulf Hill #4 | 4-S | ABO | 3/306/0 | 0/0/0 | Wantz; Abo |

MBO
MMCFG
MBW

BOPD
MCFGPD
BWPD

3. The proposed **Gulf Hill # 8** unorthodox location of 2630' from south line and 2310' from east line is predicated by geological, location, and drainage considerations:



a. Geology

The Blinebry, Tubb, and Drinkard Formations are members of the Yeso Group, Permian Leonardian in age. Fluid contacts, specifically Blinebry GOC at -2255 and Drinkard OWC at -3225, employed by Shell in the unitization hearing for the NorthEast Drinkard Unit, just to the east, have been used here. Production from the three reservoirs is assigned to individual Blinebry Oil and Gas, Tubb Oil and Gas, and Drinkard Pools but downhole commingling is pre-approved pending submission of allocations to the Hobbs District Office.

All three formations are shallow marine carbonates, consisting primarily of dolomite. The Tubb has appreciable clastic content and the Drinkard becomes limey toward its base. Anhydrite can occur throughout the interval. Pay zones are thin, erratically distributed, and separated by thick impermeable intervals. Porosity and permeability are low. Wells are not generally capable of draining a full 40 Acre Spacing Unit. In fact, Apache's calculations indicate drainage area usually approximates 20 Acres.

Structure is significant in that it controls the fluid distribution and amount of pay above and below the Blinebry gas-oil contact and above the Drinkard oil-water contact.

Apache approached its evaluation by mapping log derived SoPhiH for each of four major reservoirs: Blinebry Gas Cap, Blinebry Oil Leg, Tubb, and Drinkard. This analysis required modern neutron-density and resistivity logs for any well to be used. Many wells thus had to be excluded from analysis because of the vintage of downhole logs or lack of a full logging suite. Sufficient new well control exists near the proposed location to feel comfortable with this interpretation.

1. Blinebry Gas Cap (Exhibit 3)

Thickness of the Blinebry Gas Cap is partially related to the subsea top of the Blinebry. The higher the top, the thicker the gas cap can be. Using a 5% threshold, porosity averages 9.8% and water saturation averages 29.5% in 138 nearby wells selected for analysis. SoPhiH at this location is expected to be 2.2'.

2. Blinebry Oil Leg (Exhibit 4)

Thickness of the Blinebry Oil Leg is partially related to the subsea top of the Blinebry, the higher the top, the thinner the oil leg might be. Using a 5% threshold, porosity averages 8.5% and water saturation averages 31.6% in 171 nearby wells selected for analysis. SoPhiH at this location is expected to be 4.9'.

3. Tubb (Exhibit 5)

The Tubb is generally considered to be a gas reservoir, although no gas-oil or gas-water contact has been suggested and oil completions are common. Using a 5% porosity threshold and a 50 APIU Gamma Ray threshold because of the greater amount of clastic material, porosity averages 8.0% and water saturation averages 31.1% in 208 nearby wells selected for analysis. SoPhiH at this location is expected to be 4.3'. Only 1 well (Gulf Hill #7, a recent completion) in the four affected spacing units has ever produced the Tubb and it is classified as an oil well.

4. Drinkard (Exhibit 6)

The thickness of the Drinkard pay is also related to its subsea position, the higher the top, the thicker the interval can be. Using a 5% threshold, porosity averages 9.1% and water saturation averages 25.6% in 191 nearby wells selected for analysis. SoPhiH at this location is expected to be 2.8.

5. Abo

The Abo is immediately sub adjacent to the Drinkard. This location is included in Wantz; Abo Pool. It is a secondary objective that will cost less than \$50,000 to drill and complete in this wellbore but it cannot be drilled as a primary target. Three wells have penetrated the Abo and two (Gulf Hill #4 and #5) have produced in the past, but are not currently producing.

6. Uphole Reservoirs

If potentially commercial reservoirs are encountered in the Grayburg and San Andres, a separate wellbore will be proposed to exploit those reservoirs.

b. Location

Apache's intent was to place the well equidistant from the productive Blinbry, Tubb, and Drinkard wells on the Gulf Hill Lease to encounter an undrained reservoir volume.

c. Drainage

The proposed **Gulf Hill #8** is approximately equidistant from the productive Blinbry, Tubb, and Drinkard wells in Units O and R and should encounter an undrained reservoir volume.

Reservoir engineering used the SoPhiH maps to estimate drainage of each offsetting well in each reservoir. Recoverable reserves for this location are calculated as the volume under a 20 A radius (less if the direct offsets were not capable of draining 20 A) with reduced reservoir

pressure where drainage has occurred. Drainage offsetting this location is as follows:

| SEC | LEASE NAME | WELL | PROD ZONE NAME | EUR | | | DRAINED ACRES |
|-----|------------|------|------------------|-------|-------|------|---------------|
| | | | | OIL | WATER | GAS | |
| 4 | Gulf Hill | 2 | BLINEBRY GAS CAP | 12870 | 8931 | 1287 | 93 |
| 4 | Gulf Hill | 3 | BLINEBRY GAS CAP | 33740 | 2880 | 3374 | 195 |
| 4 | Gulf Hill | 7 | BLINEBRY GAS CAP | 16713 | 0 | 154 | 10 |
| 4 | Gulf Hill | 1 | BLINEBRY GAS CAP | 34610 | 154 | 3461 | 160 |
| 4 | Gulf Hill | 4 | BLINEBRY GAS CAP | 2940 | 42 | 294 | 20 |
| 4 | Gulf Hill | 5 | BLINEBRY GAS CAP | 1030 | 23364 | 103 | 7 |
| 4 | Gulf Hill | 2 | BLINEBRY OIL LEG | 57394 | 8931 | 312 | 18 |
| 4 | Gulf Hill | 3 | BLINEBRY OIL LEG | 44232 | 2880 | 330 | 13 |
| 4 | Gulf Hill | 7 | BLINEBRY OIL LEG | 16713 | 0 | 154 | 5 |
| 4 | Gulf Hill | 1 | BLINEBRY OIL LEG | 9885 | 0 | 143 | 3 |
| 4 | Gulf Hill | 4 | BLINEBRY OIL LEG | 6133 | 0 | 100 | 3 |
| 4 | Gulf Hill | 5 | BLINEBRY OIL LEG | 21086 | 23364 | 179 | 6 |
| 4 | Gulf Hill | 2 | TUBB | | | | |
| 4 | Gulf Hill | 3 | TUBB | | | | |
| 4 | Gulf Hill | 7 | TUBB | 33426 | 0 | 307 | 20 |
| 4 | Gulf Hill | 1 | TUBB | | | | |
| 4 | Gulf Hill | 4 | TUBB | | | | |
| 4 | Gulf Hill | 5 | TUBB | | | | |
| 4 | Gulf Hill | 2 | DRINKARD | | | | |
| 4 | Gulf Hill | 3 | DRINKARD | | | | |
| 4 | Gulf Hill | 7 | DRINKARD | 33426 | 0 | 307 | 15 |
| 4 | Gulf Hill | 1 | DRINKARD | | | | |
| 4 | Gulf Hill | 4 | DRINKARD | 7482 | 0 | 566 | 6 |
| 4 | Gulf Hill | 5 | DRINKARD | 3694 | 200 | 34 | 2 |

Volumetrics for the proposed location are as follows:

| | | PROD ZONE NAME | RESERVOIR | DRAINAGE | EUR | |
|-----------|---|------------------|-----------|----------|--------------|-------------|
| | | | PRESSURE | ACRES | OIL (BO) | GAS (BCFG) |
| Gulf Hill | 8 | BLINEBRY GAS CAP | 500 | 0 | 0 | 0 |
| | | BLINEBRY OIL LEG | 2500 | 9 | 32137 | 209 |
| | | TUBB | 2500 | 20 | 6960 | 696 |
| | | DRINKARD | 2500 | 4 | 8332 | 125 |
| | | TOTAL | | | 47429 | 1030 |

4. Notice

Apache is the operator and only working interest owner in the Blinebry, Tubb, Drinkard, and Abo wells in Drilling and Spacing Units O and R (further described as Lot 15, & NWSE Section 4). Mirage Energy, Inc. operates wells to the northwest, and has been notified at:

Mirage Energy, Inc
P.O. Box 760
Eunice, NM 88231

- 5.** Approval of this application will afford the interest owners in this spacing unit an opportunity to recover oil and gas which would not otherwise be recovered and to do so without violating correlative rights.

EXHIBIT 1

DISTRICT I

1825 N. FRANKLIN DR., HOODES, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|---------------|-------------------------------------|--------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name GULF HILL | Well Number 8 |
| OGRD No. | Operator Name APACHE CORPORATION | Elevation 3472' |

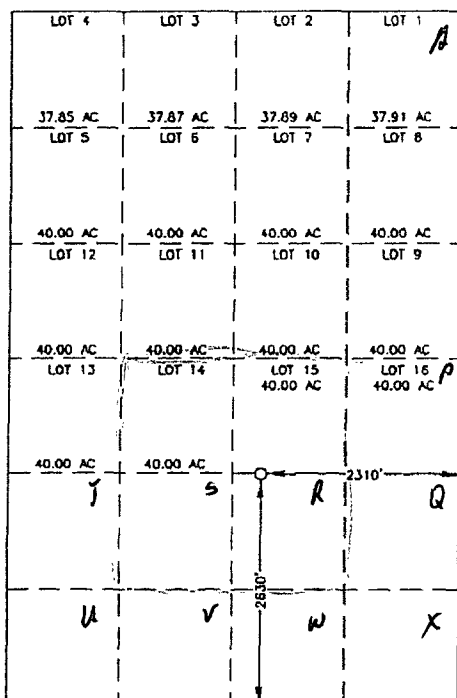
Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|------------------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL on lot No. <u>R</u> | 4 | 21-S | 37-E | | 2630 | SOUTH | 2310 | EAST | LEA |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



GEODETIC COORDINATES
NAD 27 NME

Y=550417.4 N
X=859721.1 E

LAT.=32°30'28.06" N
LONG.=103°09'59.33" W

2000 0 2000 4000 Feet
Scale: 1"=2000'

OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Signature

Printed Name

Title

Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown
on this plat was plotted from field notes of
actual surveys made by me or under my
supervision, and that the same is true and
correct to the best of my belief.

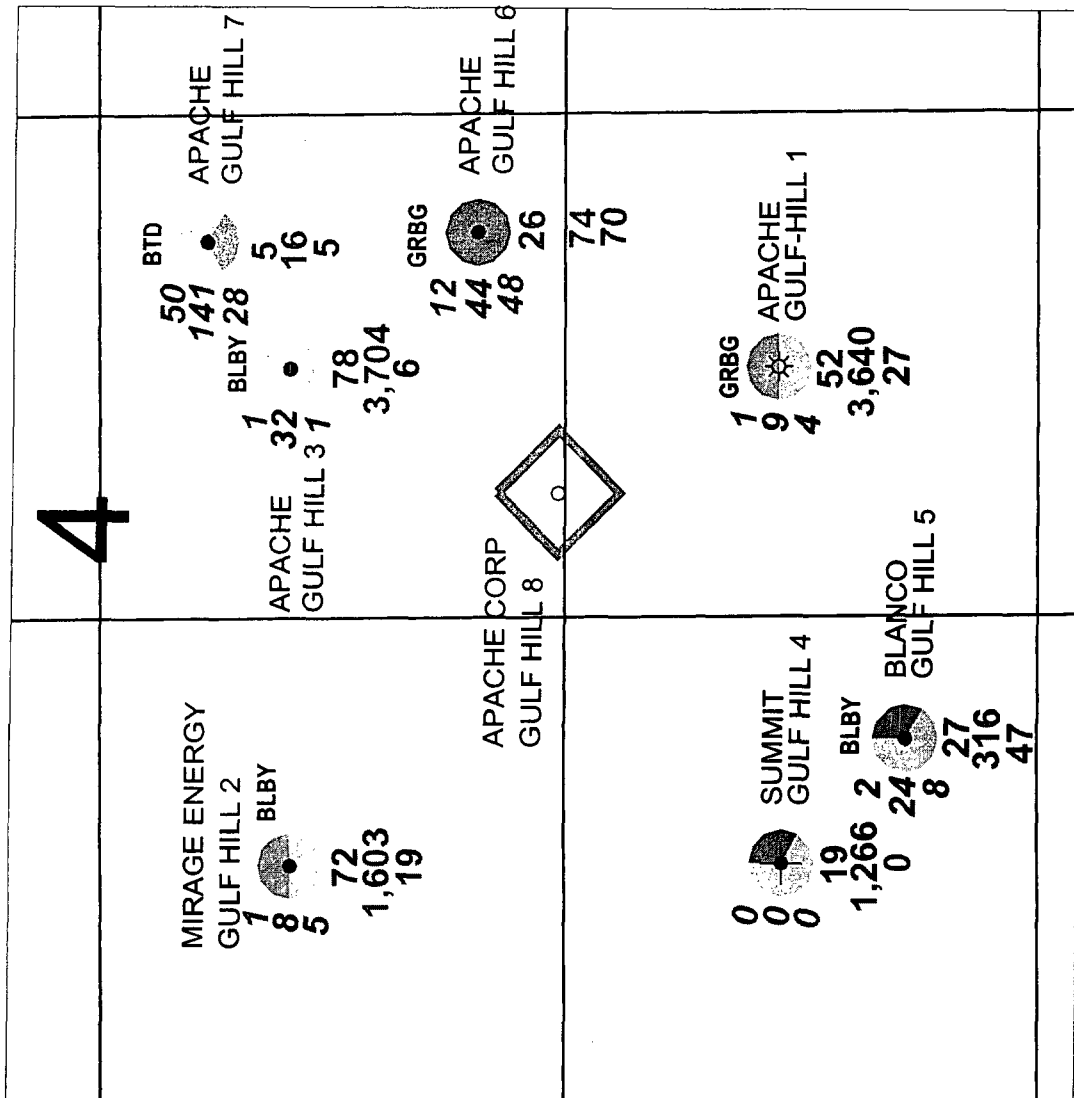
JUNE 10, 2005

Date Surveyed

JR

Signature of Seal
Professional Surveyor

GARY EDSON
NEW MEXICO
6/24/05
0531108755
Certificate No. GARY EDSON 12641
REGISTERED PROFESSIONAL SURVEYOR



WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ☐ Dry

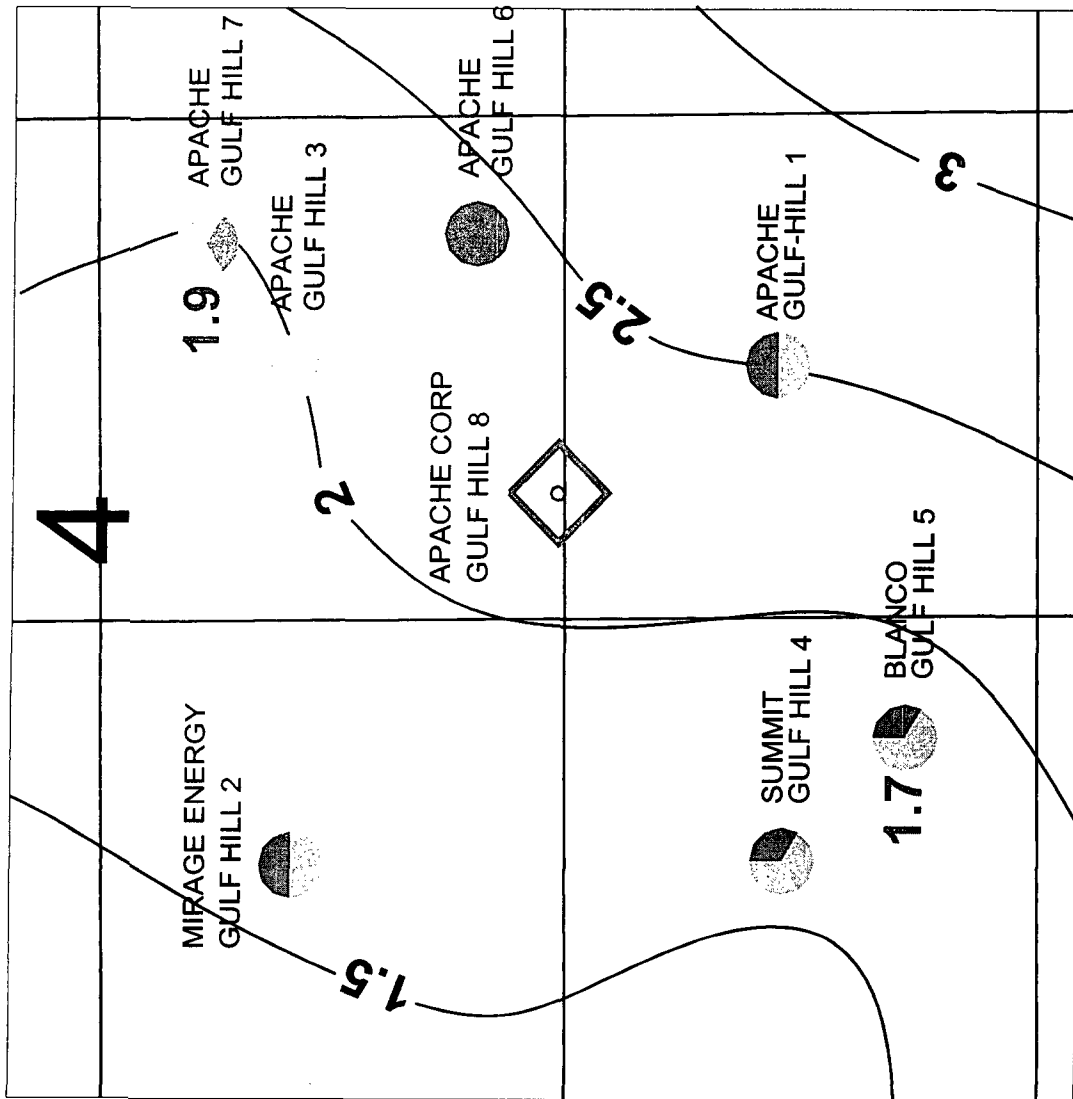
POSTED WELL DATA

PRODUCING FORMATION
CURRENT BOPD
CURRENT MCFD ● OPERATOR
CURRENT BWPD MBO WELL LABEL
 MMCFG
 MBW

| |
|--|
| <p>TWO WARREN PLACE, SUITE 1500 6120 SOUTH YALE TULSA, OKLAHOMA 74136-4224</p> |
| GULF HILL #8 |
| SEC 4-T21S-R37E LEA COUNTY, NEW MEXICO |
| EXHIBIT 2 WELL INFORMATION |
| DATE: 7/12/05 DWG: CURTIS\OCD-NM2005\GULF HILL 8\EX 2 |

- YATES-SEVEN RIVERS-QUEEN
- GRAYBURG
- SAN ANDRES
- PADDOCK
- BLINEBRY
- TUBB
- DRINKARD
- ABO
- FUSSELMAN





- | | |
|----------------------------|-------------|
| ● YATES-SEVEN RIVERS-QUEEN | ● TUBB |
| ● GRAYBURG | ● DRINKARD |
| ● SAN ANDRES | ● ABO |
| ● PADDOCK | ● FUSSELMAN |
| ● BLINEBRY | |




GAMMA RAY LTE 40 APIU
 XPHI GTE 5%
 SW LTE 50%

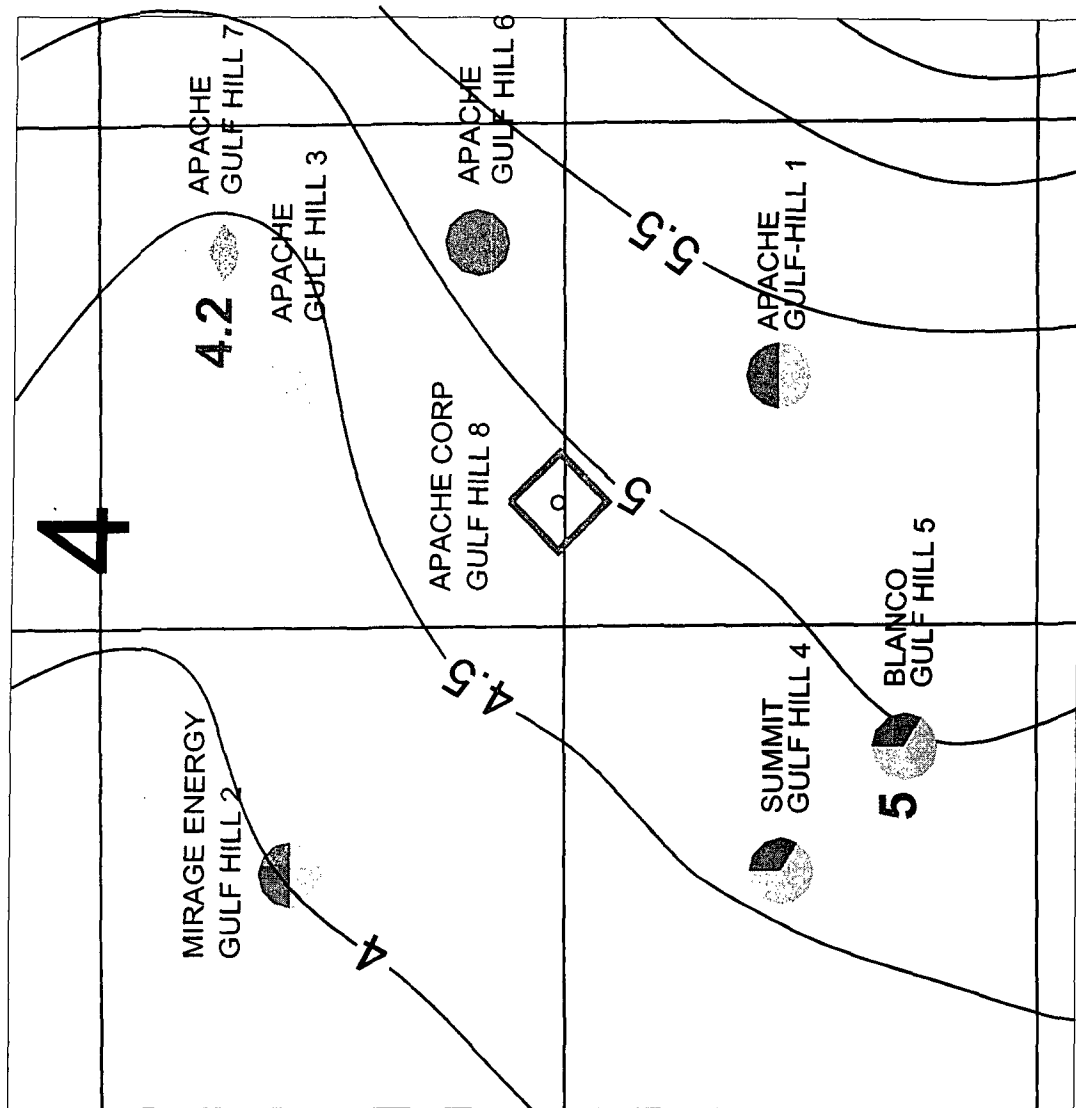
WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ⊙ Dry

POSTED WELL DATA

BLBY GAS CAP SOPHIH ● OPERATOR WELL LABEL

| | | |
|--|---|---|
|  CORPORATION CENTRAL REGION | TWO WARREN PLACE, SUITE 1500 6120 SOUTH YALE TULSA, OKLAHOMA 74136-4224 | |
| | GULF HILL #8 | |
| | SEC 4-T21S-R37E LEA COUNTY, NEW MEXICO | |
| | EXHIBIT 3 BLBY GAS CAP SOPHIH | |
| DATE: 7/5/05 | | DWG: CURTIS\OCD-NM\2005\GULF HILL 8\EX3 |




GAMMA RAY LTE 40 APIU
XPHI GTE 5%
SW LTE 50%

WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ⊖ Dry

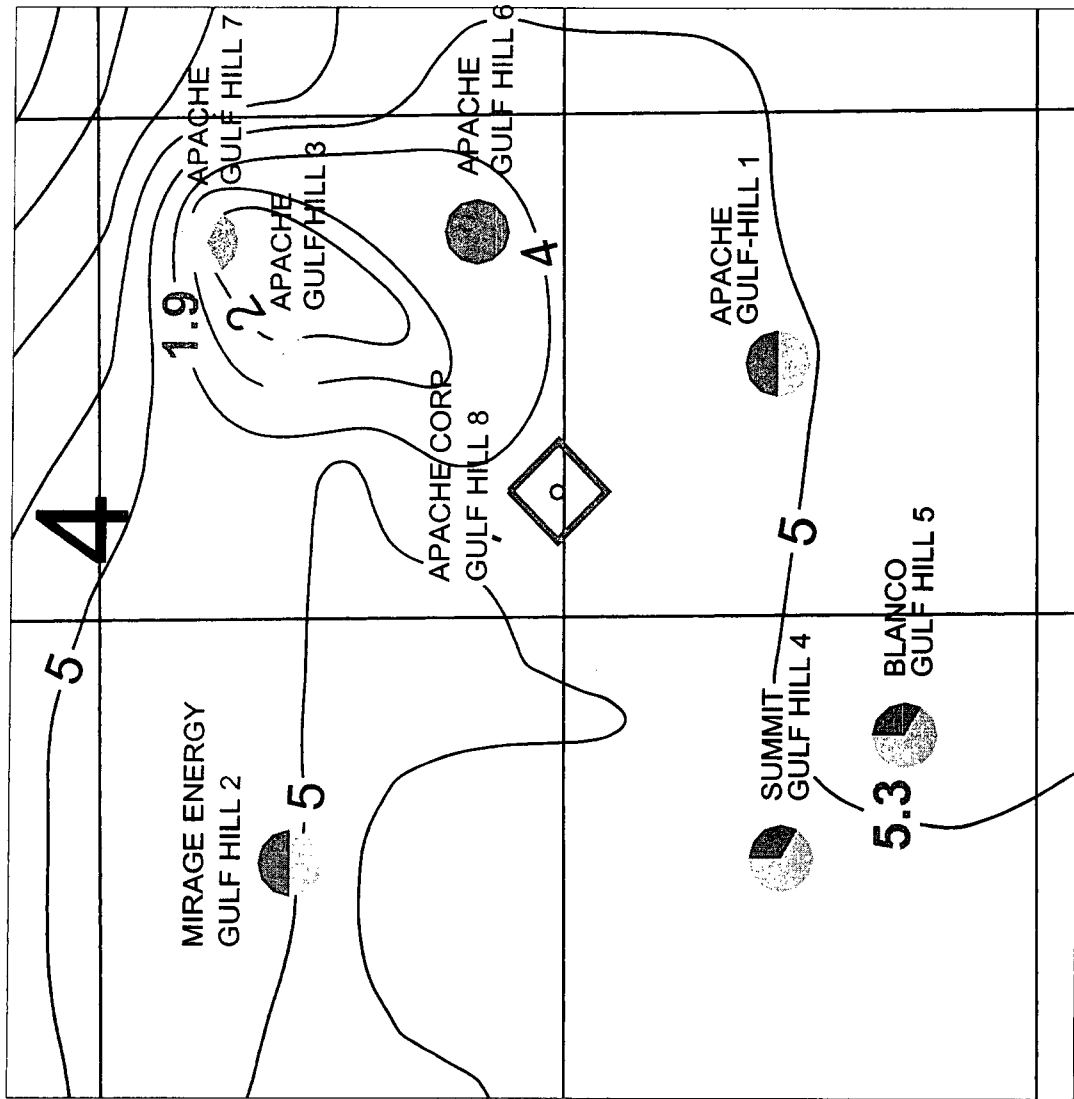
POSTED WELL DATA

BLBY OIL LEG SOPHIH ● OPERATOR
SOPHIH ● WELL LABEL

| | | | |
|--|--|---|--|
|  APACHE CORPORATION CENTRAL REGION | | TWO WARREN PLACE, SUITE 1500 6120 SOUTH YALE TULSA, OKLAHOMA 74136-4224 | |
| GULF HILL #8 | | | |
| SEC 4-T21S-R37E LEA COUNTY, NEW MEXICO | | | |
| EXHIBIT 4 | | | |
| BLBY OIL LEG SOPHIH | | | |
| DATE: 7/5/05 | DWG: CURTIS/OCD-NM/2005/GULF HILL 8/EX 4 | | |

- | | | | |
|--------------------------|---|-----------|---|
| YATES-SEVEN RIVERS-QUEEN | ● | TUBB | ● |
| GRAYBURG | ● | DRINKARD | ● |
| SAN ANDRES | ● | ABO | ● |
| PADDOCK | ● | FUSSELMAN | ● |
| BLINEBRY | ● | | |






GAMMA RAY LTE 50 APIU
 XPHI GTE 5%
 SW LTE 50%

WELL SYMBOLS

- Location Only
- Oil Well
- ☼ Gas Well
- ⊙ Dry

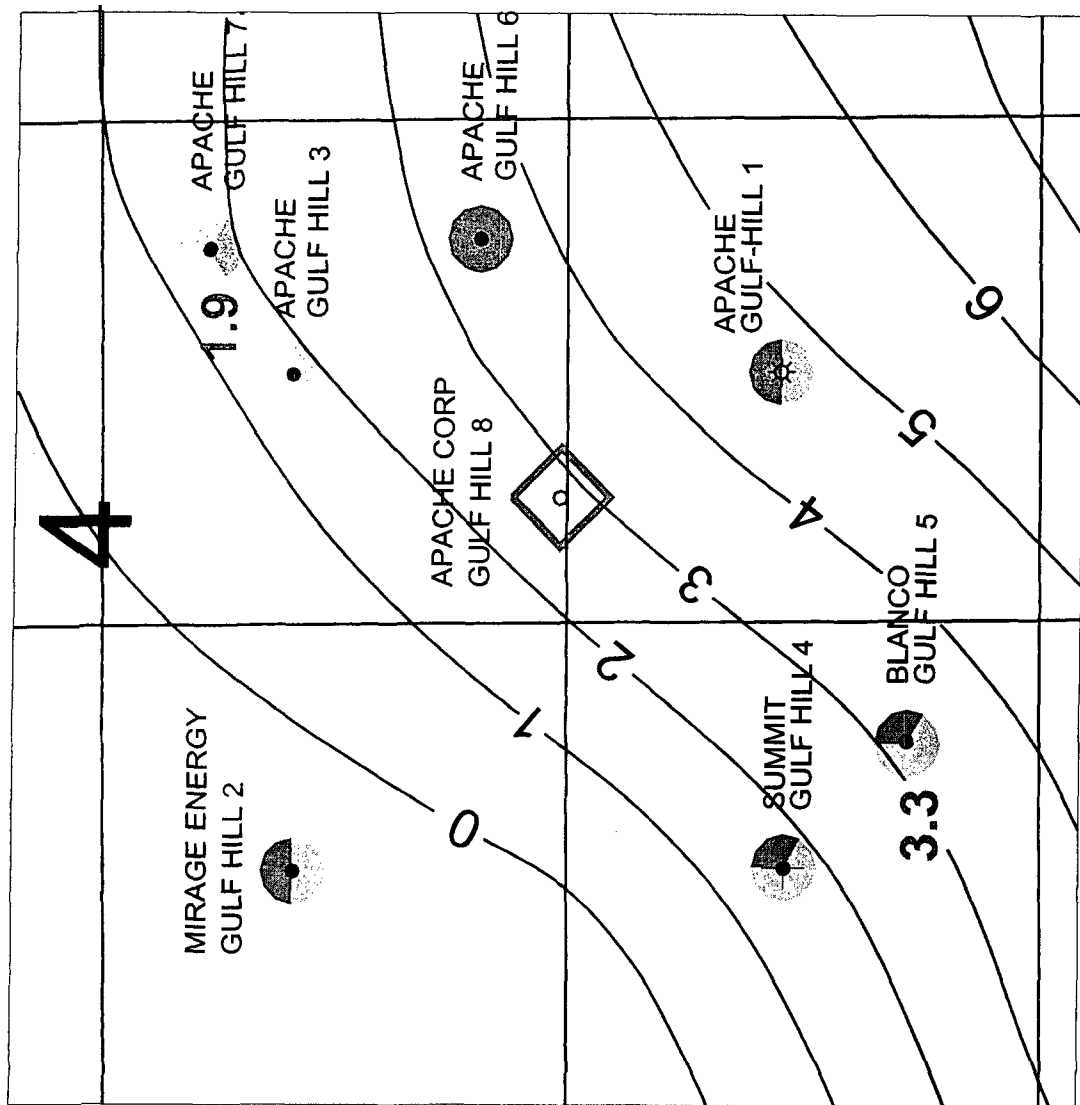
POSTED WELL DATA

TUBB
SOPHIH ● OPERATOR
 WELL LABEL

| | |
|--|--|
|  TWO WARREN PLACE, SUITE 1500 6120 SOUTH YALE TULSA, OKLAHOMA 74136-4224 CORPORATION CENTRAL REGION | |
| GULF HILL #8 | |
| SEC 4-T21S-R37E LEA COUNTY, NEW MEXICO | |
| EXHIBIT 5 | |
| TUBB SOPHIH | |
| DATE: 7/5/05 | DWG: CURTIS/OCD-NM/2005/GULF HILL 8/EX 5 |

- YATES-SEVEN RIVERS-QUEEN
- GRAYBURG
- SAN ANDRES
- PADDOCK
- BLINEBRY
- TUBB
- DRINKARD
- ABO
- FUSSELMAN






GAMMA RAY LTE 40 APIU
XPHI GTE 5%
SW LTE 50%

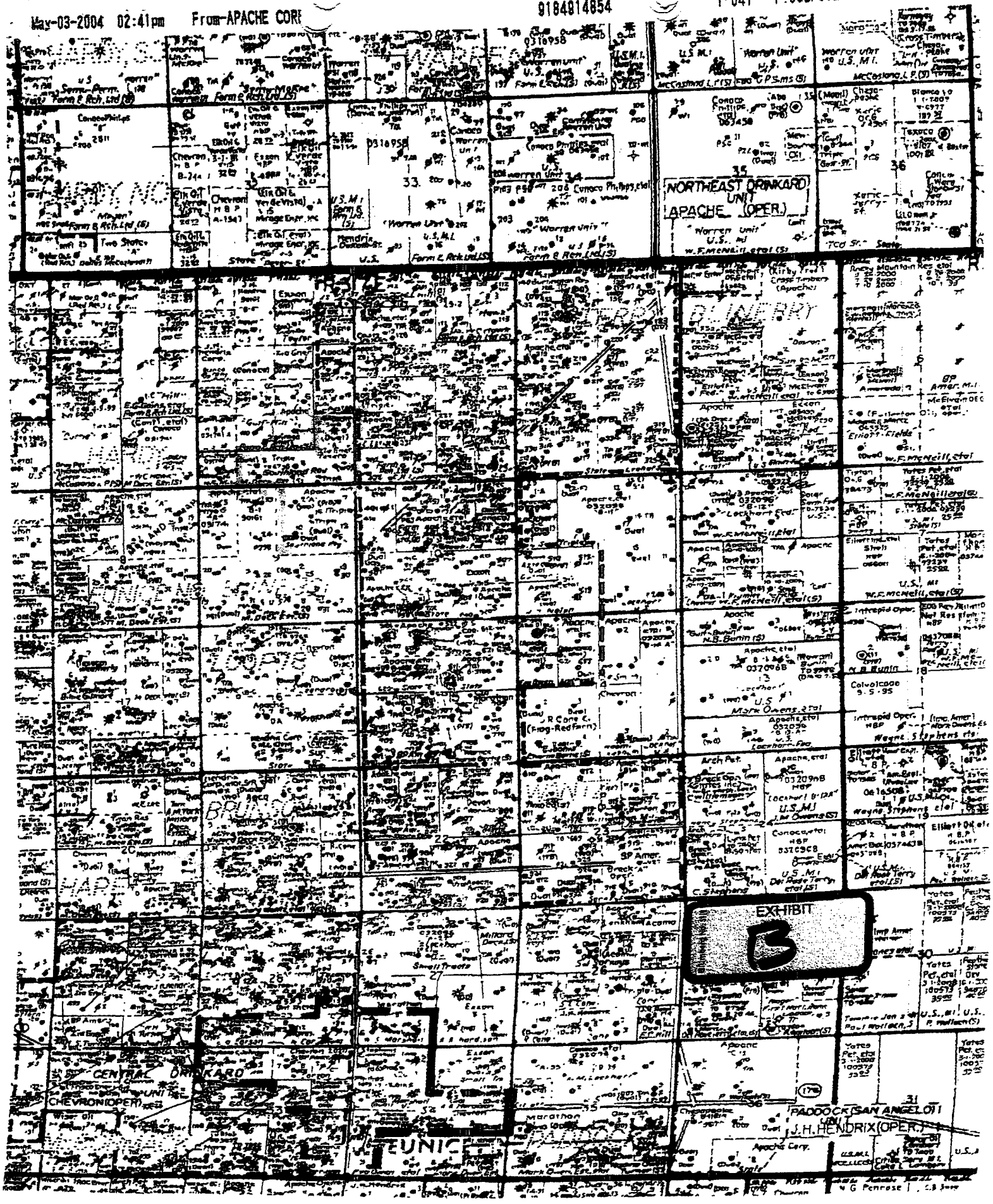
WELL SYMBOLS

- Location Only
- Oil Well
- ☼ Gas Well
- ⊙ Dry

POSTED WELL DATA

DRKD
SOPHIH ● OPERATOR
WELL LABEL

| | |
|--|---|
|  <p>Apache CORPORATION CENTRAL REGION</p> <p>TWO WARREN PLACE, SUITE 1500 6120 SOUTH YALE TULSA, OKLAHOMA 74136-4224</p> | <p>GULF HILL #8</p> <p>SEC 4-T21S-R37E LEA COUNTY, NEW MEXICO</p> <p>EXHIBIT 6</p> <p>DRKD SOPHIH</p> |
| <p>DATE: 7/5/05 DWG: CURTIS/OCD-NM2005/GULF HILL 8/EX65</p> | |



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com


August 15, 2005

Mirage Energy, Inc.
P.O. Box 760
Eunice, New Mexico 88231

Ladies and gentlemen:

Apache Corporation has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the Blinbry/Tubb/Drinkard/Abo formations in the NW¼SE¼ of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than Monday, September 5, 2005 (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a latter date.

Very truly yours,


James Bruce

Attorney for Apache Corporation



JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com


August 15, 2005

Mirage Energy, Inc.
P.O. Box 760
Eunice, New Mexico 88231

Ladies and gentlemen:


Apache Corporation has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in the Blinbry/Tubb/Drinkard/Abo formations in the NW¼SE¼ of Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. A copy of the application is enclosed. If you object to the application, you must notify the Division in writing no later than Monday, September 5, 2005 (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a latter date.

Very truly yours,


James Bruce

Attorney for Apache Corporation



 Attachments can contain viruses that may harm your computer. Attachments may not display correctly.

Stogner, Michael, EMNRD

From: JamesBruc@aol.com [JamesBruc@aol.com]

Sent: Mon 8/15/2005 7:59 AM

To: Stogner, Michael, EMNRD

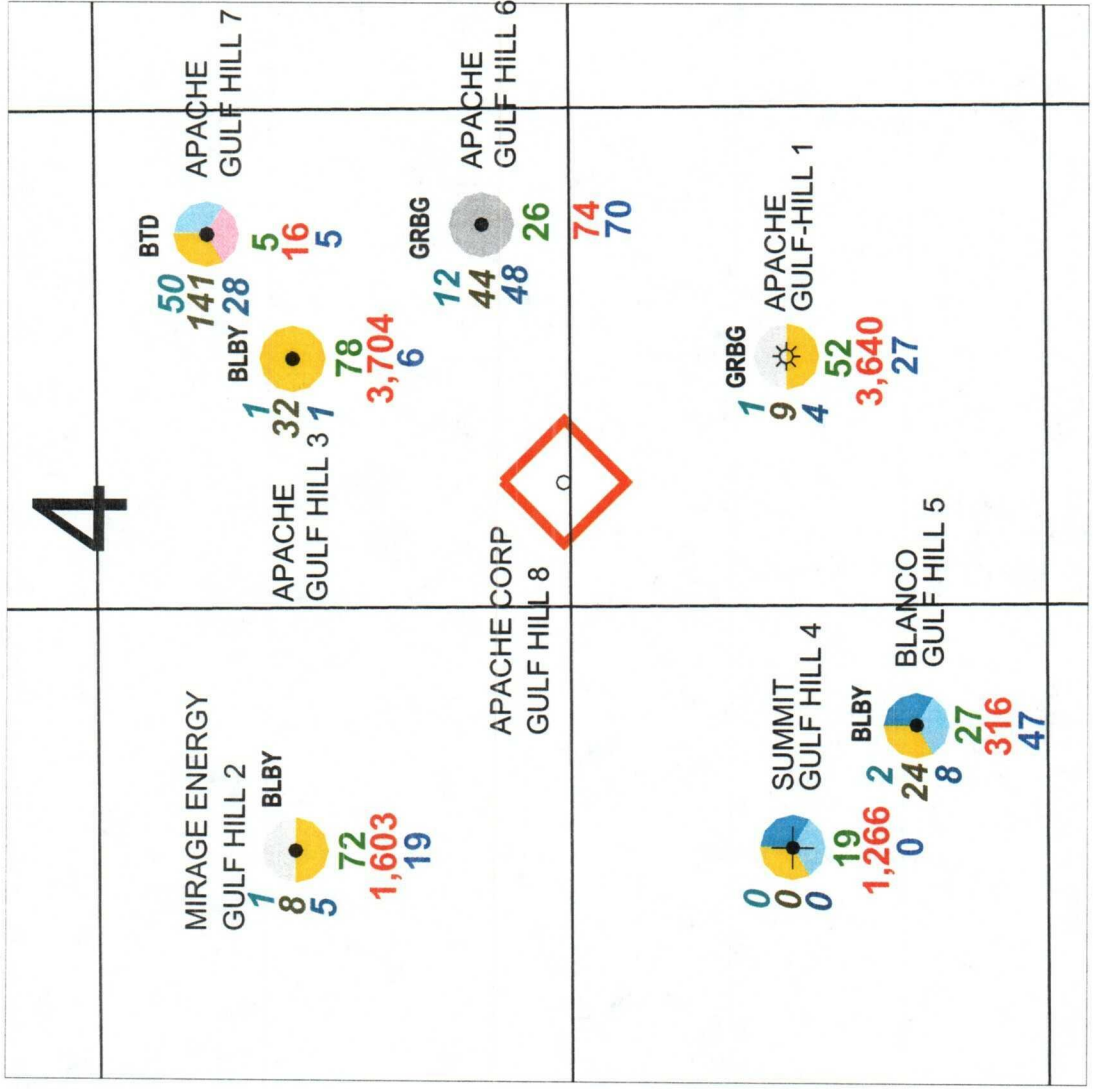
Cc:

Subject: Apache unorthodox locations

Attachments:  HAWKB-146.ppt(889KB)  GULFHILL8.ppt(882KB)  HAWKB-147.ppt(965KB)  HAWKB-148.ppt(805KB)

Mike: I am filing four applications today. Attached are color copies of the geological exhibits.

Jim



- YATES-SEVEN RIVERS-QUEEN
- GRAYBURG
- SAN ANDRES
- PADDOCK
- BLINEBRY
- TUBB
- DRINKARD
- ABO
- FUSSELMAN



WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ☐ Dry

POSTED WELL DATA

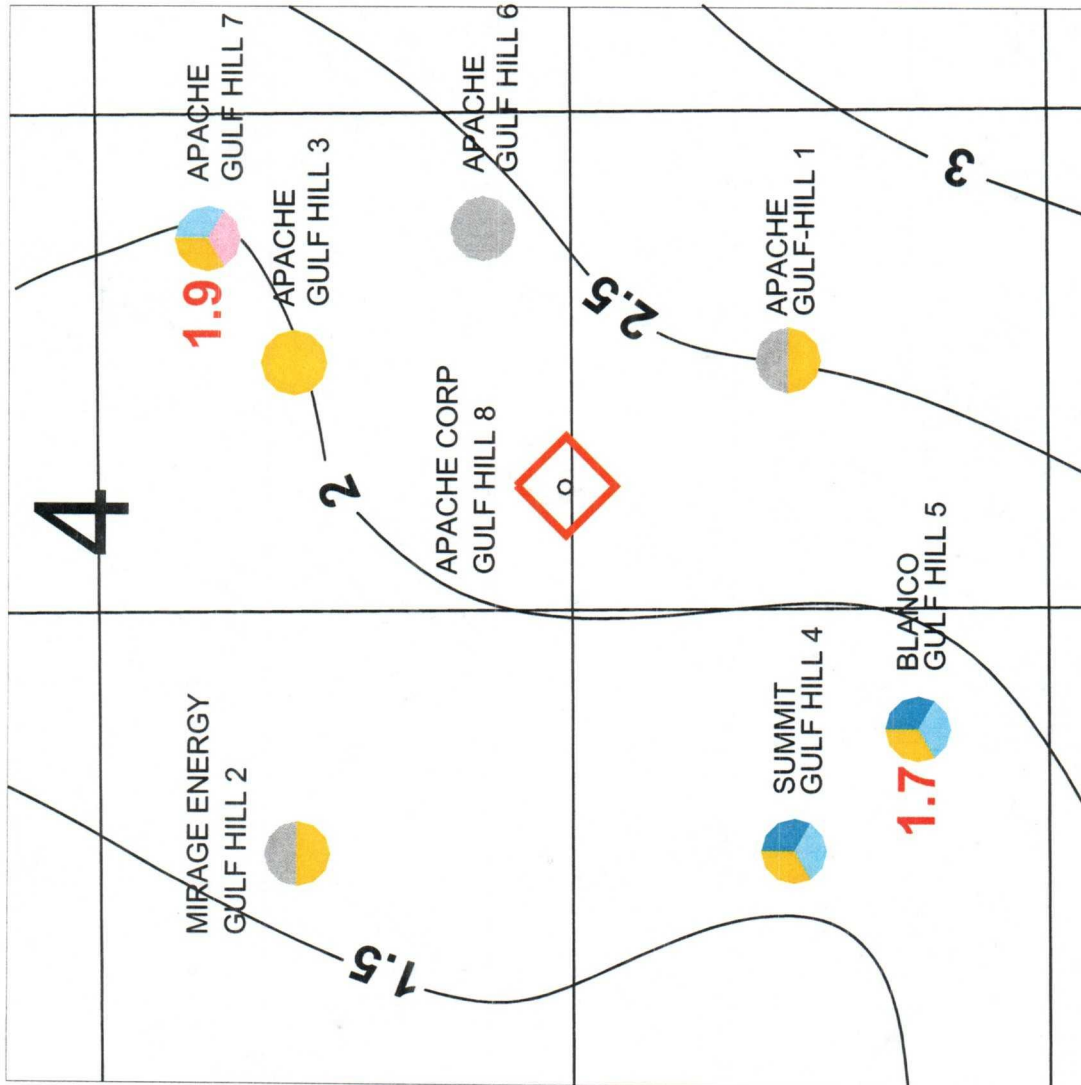
- PRODUCING FORMATION**
- CURRENT BOPD**
 - CURRENT MCFD**
 - CURRENT BWPD**
 - OPERATOR WELL LABEL**
 - MBO**
 - MMCFG**
 - MBW**

TWO WARREN PLACE, SUITE 1500
 6120 SOUTH YALE
 TULSA, OKLAHOMA 74136-4224

| |
|--|
| GULF HILL # 8 |
| SEC 4-T21S-R37E LEA COUNTY, NEW MEXICO |
| EXHIBIT 2 WELL INFORMATION |

DATE: 7/12/05

DWG: CURTIS\OCD-NM\2005\GULF HILL 8\EX 2



- | | |
|--------------------------|-----------|
| YATES-SEVEN RIVERS-QUEEN | TUBB |
| GRAYBURG | DRINKARD |
| SAN ANDRES | ABO |
| PADDOCK | FUSSELMAN |
| BLINEBRY | |



GAMMA RAY LTE 40 APIU
XPHI GTE 5%
SW LTE 50%

WELL SYMBOLS

- Location Only
- Oil Well
- ☼ Gas Well
- ☼ Dry

POSTED WELL DATA

BLBY GAS CAP SOPHIH

OPERATOR
WELL LABEL



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

GULF HILL # 8

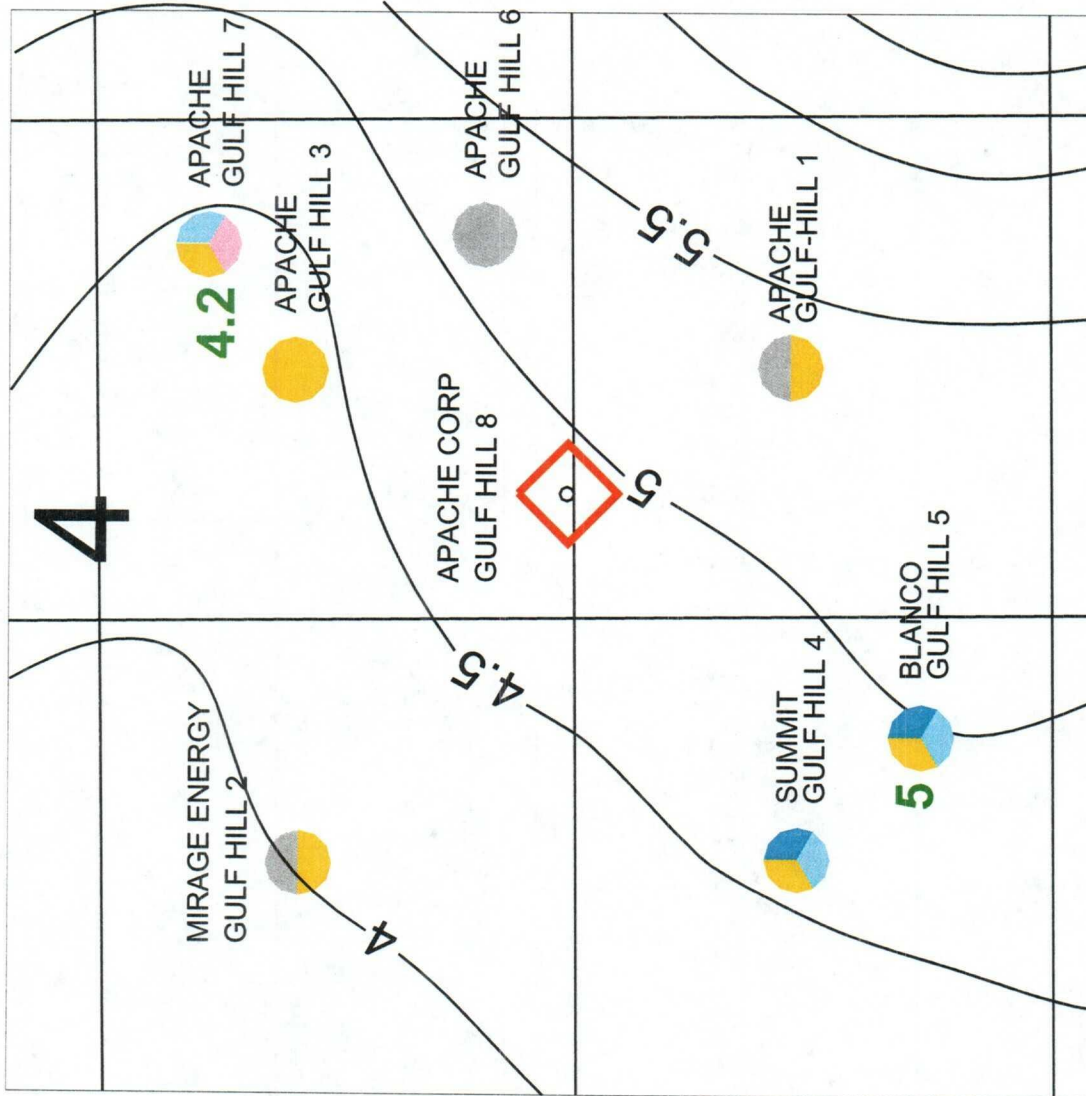
SEC 4-T21S-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 3

BLBY GAS CAP SOPHIH

DATE: 7/5/05

DWG: CURTIS/OCD-NM/2005/GULF HILL 8/EX3



GAMMA RAY LTE 40 APIU
XPHI GTE 5%
SW LTE 50%

WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ☐ Dry

POSTED WELL DATA

BLBY OIL LEG
SOPHIH

OPERATOR
WELL LABEL



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

GULF HILL # 8

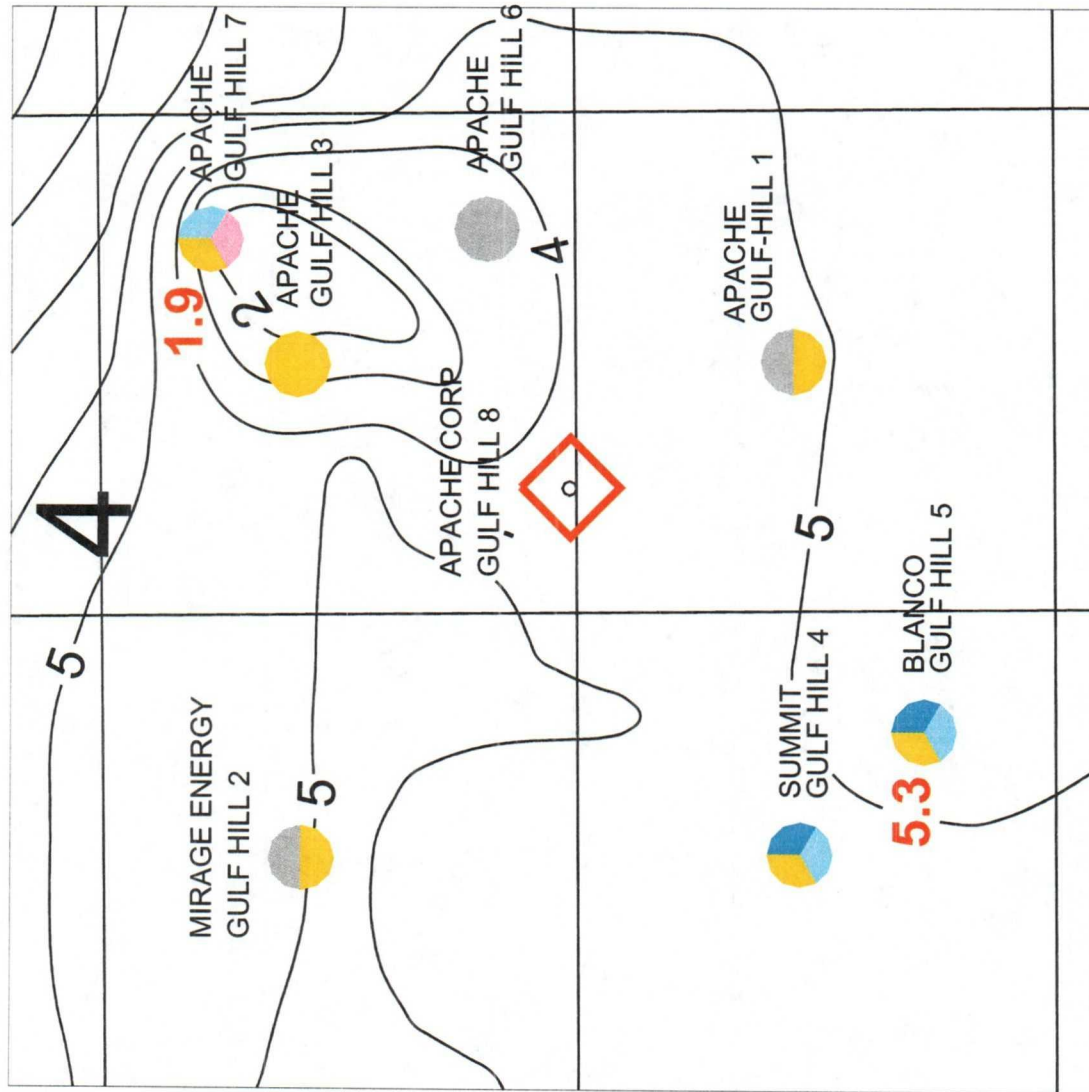
SEC 4-T21S-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 4

BLBY OIL LEG SOPHIH

DATE: 7/5/05

DWG: CURTIS/OCD-NM/2005/GULF HILL 8/EX 4



GAMMA RAY LTE 50 APIU
 XPHI GTE 5%
 SW LTE 50%

WELL SYMBOLS

- Location Only
- Oil Well
- ☼ Gas Well
- ⊙ Dry

POSTED WELL DATA

TUBB
SOPHIH ● OPERATOR
 WELL LABEL



TWO WARREN PLACE, SUITE 1500
 6120 SOUTH YALE
 TULSA, OKLAHOMA 74136-4224

GULF HILL # 8

SEC 4-T21S-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 5

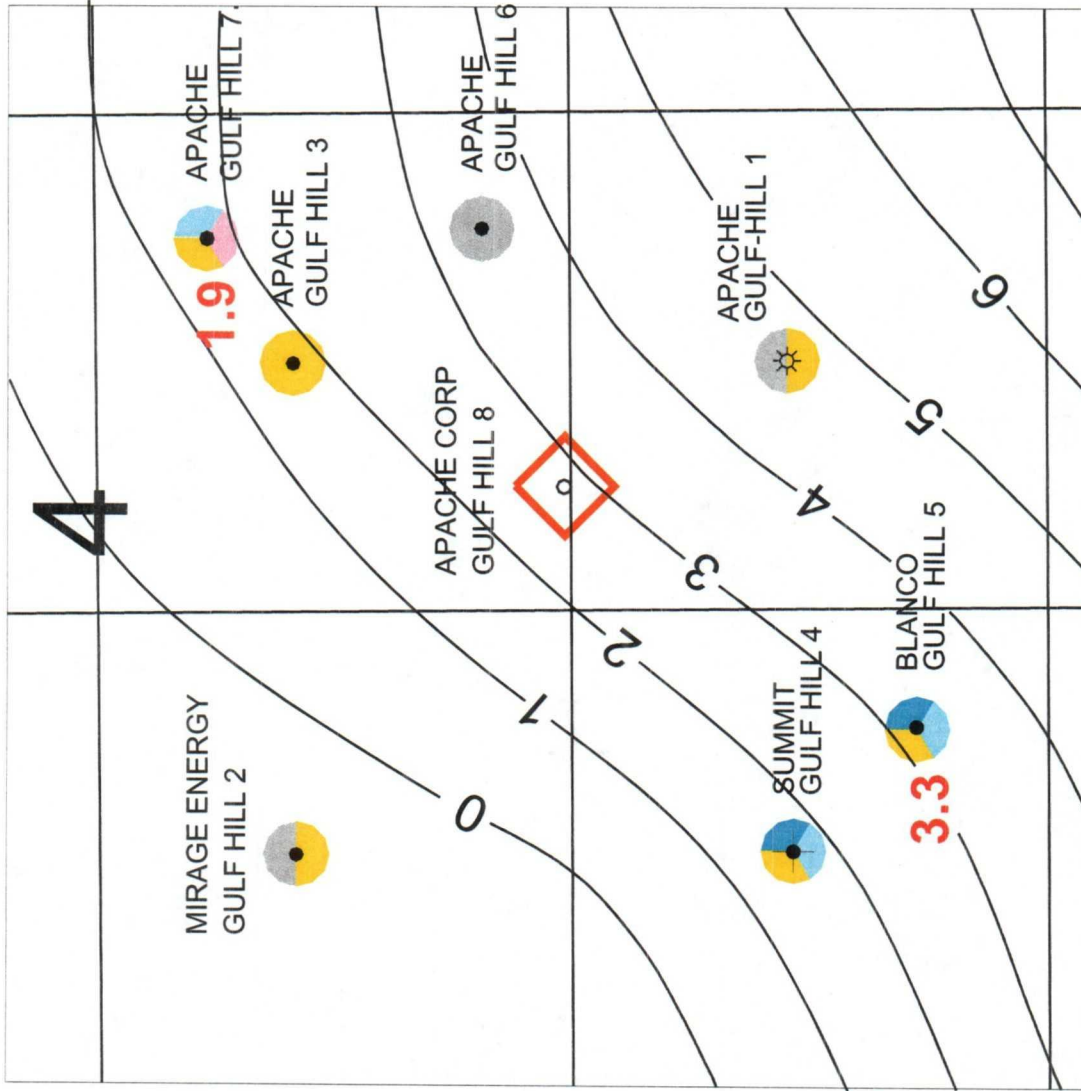
TUBB SOPHIH

DATE: 7/5/05

DWG: CURTIS/OC-D-NM/2005/GULF HILL 8/EX 5

- YATES-SEVEN RIVERS-QUEEN
- GRAYBURG
- SAN ANDRES
- PADDOCK
- BLINEBRY
- TUBB
- DRINKARD
- ABO
- FUSSELMAN





- YATES-SEVEN RIVERS-QUEEN
- GRAYBURG
- SAN ANDRES
- PADDOCK
- BLINEBRY
- TUBB
- DRINKARD
- ABO
- FUSSELMAN



GAMMA RAY LTE 40 APIU
 XPHI GTE 5%
 SW LTE 50%

- WELL SYMBOLS**
- Location Only
 - Oil Well
 - ☀ Gas Well
 - ☐ Dry

POSTED WELL DATA

DRKD
SOPHIH ● OPERATOR
 WELL LABEL

APACHE CORPORATION
CENTRAL REGION

TWO WARREN PLACE, SUITE 1500
 6120 SOUTH YALE
 TULSA, OKLAHOMA 74136-4224

GULF HILL # 8

SEC 4-T21S-R37E
 LEA COUNTY, NEW MEXICO

EXHIBIT 6

DRKD SOPHIH

DATE: 7/5/05

DWG: CURTIS(OCD-NM)2005\GULF HILL 8\EX65