

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



March 23, 2015

Apache Corporation
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD PRORATION ORDER

Administrative Order NSP-2022
Administrative Application Reference No. pMAM1505857175

Apache Corporation
OGRID 873
West Blinebry Drinkard Unit Well No. 67
API No. 30-025-06639

Subject Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
660' FNL & 660' FEL	A	17	21S	37E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 NE/4 of Section 17	80	Eunice; San Andres, North (Gas)	76520

Reference is made to your application received on February 27, 2015.

You have requested this non-standard spacing unit described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.10.C NMAC, which provides for 160-acre units. This spacing unit is non-standard, because it is 80-acres.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(3) NMAC.

It is our understanding that you are seeking this non-standard spacing unit for this subject well, because it is a significant source of water make-up for the West Blinebry Drinkard Unit. Wells in the pool will not drain the standard spacing unit. Also, wells in this pool only produce a small amount gas when large amounts of water are produced. Further the interest owners in the W/2 NE/4 of Section 17 are interest owners in the West Blinebry Drinkard Unit.

It is also understood that you have given due notice of this application to all persons to whom notice is required by Rule 19.15.4.12.A(3) NMAC.

Pursuant to the authority conferred by Division Rule 19.15.15.11 B(4) NMAC, the above-described non-standard gas spacing proration unit is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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

DONE at Santa Fe, New Mexico, on March 23, 2015.

A handwritten signature in black ink, appearing to read "David R. Catanach", is written over a horizontal line.

DAVID R. CATANACH
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad