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L 40.00 CS B00085 0016 APACHE CORPORATIO C 07/28/38 A A A	K 40.00 CS B00085 0016 APACHE CORPORATIO 07/28/38 A A A	J 40.00 CS B00085 0016 APACHE CORPORATIO 07/28/38 A A A A	I 40.00 CS B00085 0016 APACHE CORPORATIO 07/28/38 A A
M 40.00 CS B08105 0003 JOHN H HENDRIX CO 04/10/49 A A	N 40.00 CS B08105 0003 JOHN H HENDRIX CO 04/10/49 A A	O 40.00 CS B08105 0003 JOHN H HENDRIX CO 04/10/49 A A	P 40.00 CS B08105 0003 JOHN H HENDRIX CO 04/10/49 A A



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

September 16, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Apache Corporation
c/o W. Thomas Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87504

Administrative Order NSL-5279

Dear Mr. Kellahin:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-521743064*) on behalf of Apache Corporation that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on August 4, 2005; (ii) your e-mail on Wednesday morning, September 14, 2005 checking on the status of this application; and (iii) the Division's records in Hobbs and Santa Fe: all concerning Apache Corporation's request for an unorthodox oil well location in the Blinebry Oil and Gas Pool (6660), Tubb Oil and Gas Pool (60240), Drinkard Pool (19190); and Undesignated Wantz-Abo Pool (62700), for its proposed State Land "15" Well No. 11 to be drilled 330 feet from the South line and 1330 feet from the West line (Unit N) of Section 16, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of: (i) Division Rules 104.F and 1207.A (2), soon to be renumbered 1210.A (2); (ii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended; and (iii) the "*Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

The SE/4 SW/4 (Unit N) of Section 16, being a standard 40-acre oil spacing and proration unit for all four intervals, is to be dedicated to this well.

It is the Division's understanding that the S/2 S/2 of Section 16 comprises a single state lease issued by the New Mexico State Land Office (*State Lease No. B-08105-0003*) with common mineral interests; therefore, there are no adversely affected interests to the proposed 40-acre oil spacing and proration unit within these four oil-bearing intervals.

Approval of the proposed unorthodox oil well location request should enable the operator to further develop and/or deplete the Blinebry, Tubb, Drinkard, and Abo intervals within this portion of the aforementioned state lease that might not otherwise be recovered.

By the authority granted me under the provisions of Division Rules 104.F (2) and the applicable provisions of the special pool rules governing both the Blinebry and Tubb Oil and Gas Pools, the above-described unorthodox oil well location for Apache Corporation's proposed State Land "15" Well No. 11 is hereby approved for the Blinebry Oil and Gas Pool, Tubb Oil and Gas Pool, Drinkard Pool, and Undesignated Wantz-Abo Pool.

If after completion within the Blinebry and Tubb formations, production from either zone is classified as "gas," the operator shall request an amendment to this order seeking such relief as deemed appropriate.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Apache Corporation

c/o **W. Thomas Kellahin**

P. O. Box 2265

Santa Fe, New Mexico 87504

October 27, 2005

Mark Fesmire

Director

Oil Conservation Division

AMENDED Administrative Order NSL-5279

Dear Mr. Kellahin:

Reference is made to the following: (i) your initial application (*administrative application reference No. pSEM0-521743064*) filed on behalf of Apache Corporation and submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on August 4, 2005; (ii) the resulting Division Administrative Order NSL-5279 issued on September 16, 2005, which order granted Apache Corporation to drill its proposed State Land "15" Well No. 11 at an unorthodox oil well location within the SE/4 SW/4 (Unit N) of Section 16, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, being a standard 40-acre oil spacing and proration unit in the Blinebry Oil and Gas Pool (6660), Tubb Oil and Gas Pool (60240), Drinkard Pool (19190); and Undesignated Wantz-Abo Pool (62700); (iii) the record in Apache Corporation's companion application (*administrative application reference No. pSEM0-521743227*); (iv) Mr. Michael E. Stogner's, Engineer with the Division in Santa Fe, New Mexico, subsequent e-mail concerning that portion of Division Administrative Order NSL-5279 relating to the Tubb Oil and Gas Pool (60240); (v) yours and Mr. Stogner's ensuing e-mails on September 26, 2005, including your request for Apache Corporation to withdraw the Tubb interval from consideration in this matter application (*administrative application reference No. pMES0-530038567*); (vi) your e-mail on Wednesday morning, October 26, 2005 checking on the status of this matter; and (vii) the Division's records in Hobbs and Santa Fe.

IT IS HEREBY ORDERED THAT all provisions pertaining to the Tubb Oil and Gas Pool within Division Administrative Order NSL-5279, dated September 16, 2005, is now considered null and void. **FURTHER**, the provisions set forth in Division Administrative Order NSL-5279 shall henceforth be limited only to the Blinebry Oil and Gas, Drinkard, and Undesignated Wantz-Abo Pools.

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

MEF/ms

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: Division Administrative Order NSL-5279 (*administrative application reference No. pSEM0-521743064*)
Division Administrative Application No. pSEM0-521743227

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 676
Order No. R-454

THE APPLICATION OF MID-CONTINENT
PETROLEUM CORPORATION FOR AN ORDER
GRANTING APPROVAL OF AN EXCEPTION
PURSUANT TO RULE 7 (a) OF ORDER NO.
R-373-A IN ESTABLISHMENT OF AN UNOR-
THODOX GAS PRORATION UNIT OF 160
CONTIGUOUS ACRES CONSISTING OF THE
SOUTH HALF OF THE SOUTH HALF OF
SECTION 16, TOWNSHIP 21 SOUTH, RANGE 37
EAST, NMPM, LEA COUNTY, NEW MEXICO,
IN THE TUBB GAS POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m., on March 17, 1954, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 16th day of April, 1954, the Commission, a quorum being present, having considered the records and testimony adduced, and being fully advised in the premises;

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That pursuant to provisions of Rule 7 (a) of Order No. R-373-A, the Commission has power and authority to permit the formation of a gas proration unit consisting of other than a legal quarter section after notice and hearing by the Commission.

(3) That applicant, Mid-Continent Petroleum Corporation, is the owner of an oil and gas lease in Lea County, New Mexico, the land consisting of other than legal quarter section, and described as follows, to-wit:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
S/2 S/2 of Section 16

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containing 160 acres, more or less.

(4) That applicant, Mid-Continent Petroleum Corporation, has obtained permission from the Commission to dually complete a well known as the State "15" Well No. 4 located 660 feet from the South and East lines of Section 16, Township 21 South, Range 37 East, NMPM, the well to be dually completed in the Tubb Gas Zone and Drinkard Oil Zone.

(5) That the aforesaid well is located within the limits of the pool heretofore delineated and designated as the Tubb Gas Pool.

(6) That it is impractical to pool applicant's said lease with adjoining acreage in the South half of Section 16, Township 21 South, Range 37 East, NMPM., and that the owners of adjoining acreage in said half section have not objected to the formation of the proposed proration unit of 160 acres, but have expressly consented thereto.

(7) That unless a proration unit consisting of applicant's aforesaid acreage is permitted, applicant will be deprived of the opportunity to recover its just and equitable share of the natural gas in the Tubb Gas Pool.

(8) That creation of a proration unit consisting of the aforesaid acreage will not cause but will prevent waste, will protect correlative rights, and is necessary to prevent confiscation of applicant's property.

IT IS THEREFORE ORDERED:

(1) That the application of Mid-Continent Petroleum Corporation, for approval of an unorthodox proration unit consisting of the following described acreage

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
S/2 S/2 of Section 16

be and the same is hereby approved, and a proration unit consisting of aforesaid acreage is hereby created.

(2) That applicant's well, State "15", Well No. 4, located in the SE/4 SE/4 of Section 16, Township 21 South, Range 37 East, NMPM, shall be granted an allowable in the proportion that the above described 160 acre unit bears to the standard or orthodox proration unit for said pool, all until further order of the Commission, the effective date of said allowable to be determined in accordance with the provisions of Rule 13 of Order R-373-A.

DONE at Santa Fe, New Mexico, the day and year hereinabove designated.

State of New Mexico
Oil Conservation Commission

Signed by: Edwin L. Mechem, Chairman; E. S. Walker, Member; R. R. Spurrier, Secretary.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 515
Order No. R-304

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR
AN ORDER GRANTING PERMISSION
TO DUALY COMPLETE AND PRODUCE
ITS STATE 'DA', WELL NO. 4, LOCATED
IN THE NE/4 SE/4 OF SECTION 16,
TOWNSHIP 21 SOUTH, RANGE 37 EAST,
NMPM, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on March 17, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this 10th day of April, 1953, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That the applicant's State 'DA' Well No. 4, NE/4 SE/4 Section 16, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, was completed in August 1947 as an oil well producing from the Drinkard zone of the Yeso formation (of the Drinkard Pool) in the perforated interval 6528-6582, having drilled through the Blinbry gas zone of the Blinbry Gas Pool in the interval 5648-5718.

(3) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission unconvinced of the soundness as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That the applicant herein, Amerada Petroleum Corporation, be, and it hereby is authorized to dually complete and produce its State 'DA', Well No. 4, NE/4 SE/4 Section 16, Township 21 South Range 37 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Blinbry gas zone of the Blinbry Gas Pool may be produced through the annular space between the casing and the tubing, and oil from the Drinkard Zone of the Yeso formation (of the Drinkard Pool) through the tubing by proper perforations and the installation of a proper packers;

PROVIDED, HOWEVER, That upon the actual dual completion of such subject well applicant shall submit to the District Office of the Commission in which the subject well is located Form C-103, Form C-104, Form C-110 and Form C-122 outlining the information required on these forms by existing Rules and Regulations.

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER. That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED FURTHER. That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER. That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED: That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem, Chairman

E. S. Walker, Member

R. R. Spurrier, Secretary

S E A L