



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

December 1, 2007

Bret Pearcy
Apache Corporation
Two Warren Place
6120 South Yale, Suite 1500
Tulsa, OK 74136-4224

Administrative Order NSL-5723

**Re: Burger B-17 Well No. 1
Unit I, Section 17-20S-38E
Lea County**

Dear Mr. Pearcy:

Reference is made to the following:

(a) your application (administrative application reference No. pTDS07-28253476) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on October 4, 2007, and

(b) the Division's records pertinent to this request.

Apache Corporation (Apache) has requested to drill the above-referenced well at an unorthodox well location, 1400 feet from the South line and 980 feet from the East line (Unit I) of Section 17, Township 20 South, Range 38 East, N.M.P.M., in Lea County, New Mexico. The NE/4 SE/4 of Section 17 will be dedicated to this well in order to form a standard 40-acre spacing unit in the West Nadine-Paddock/Blindbry Pool (47400), the West Nadine-Tubb Pool (47530) and the Skaggs-Drinkard Pool (57000). These pools are governed by statewide Rule 104.B(1), which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the southern unit boundary.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that you are seeking this location because of surface location considerations.

It is also understood that notice of this application to offsetting operators or owners is unnecessary because working interest ownership of the unit towards which this location encroaches is identical with the subject unit.

Pursuant to the authority conferred by Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

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

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs