

12-9-08 DATE IN	SUSPENSE	D. Brooks ENGINEER	12-9-08 LOGGED IN	SD TYPE	PKAA 083446143 APP NO
--------------------	----------	-----------------------	----------------------	------------	--------------------------

RECEIVED

ABOVE THIS LINE FOR DIVISION USE ONLY

2008 DEC 9 PM 4 44

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Apache Corp.  
30-025-10709 Stevens Bl  
30-025-09330 " 9  
30-025-09331 " 10

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  
P.O. Box 1056  
Santa Fe, New Mexico 87504

Signature

Attorney for Applicant  
Title Date

\*jamesbruc@aol.com  
e-mail Address

12/9/08

**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](mailto:jamesbruc@aol.com)

December 9, 2008

Hand Delivered

David K. Brooks  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Resubmitted application

Dear Mr. Brooks:

Apache Corporation applies for administrative approval of simultaneous dedication in the Jalmat Gas Pool for the following wells:

<u>Well Names:</u>	Stevens B Well Nos. 6 (Unit B), 9 (Unit G), and 10 (Unit H)
<u>Well Unit:</u>	NE¼ of Section 12, Township 23 South, Range 36 East, N.M.P.M., Lea County, New Mexico

Under Division Order No. R-8170-P, spacing in the Jalmat Gas Pool is 640 acres, with wells to be located no closer than 660 feet to a quarter section line. The rules provide for non-standard 160 acre well units, comprised of a single quarter section, with one well per 160 acres.

The NE¼ of Section 12 was approved as a non-standard unit in the Langmat Pool (now Jalmat Gas Pool) in 1953. **Exhibit A.** The unit is currently dedicated to the Stevens B Well No. 2 (API No. 30-025-09332) and the Stevens B Well No. 10 (API No. 30-025-09331). **Exhibit B.** The Stevens B Well No. 2 has been plugged and abandoned.

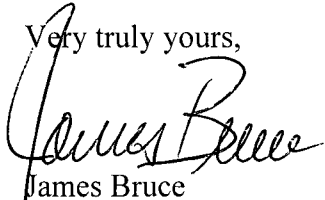
Applicant proposes to recomplete the Stevens B Well No. 6 (API No. 30-025-10709) and the Stevens B Well No. 9 (API No. 30-025-09330) from the Langlie-Mattix Pool to the Jalmat Gas Pool. Forms C-102 for the wells are attached as **Exhibits C and D.**

The Stevens B Well Nos. 6 and 9 are no longer productive in the Langlie-Mattix Pool, and if they are not recompleted they must be plugged and abandoned. Applicant believes that each well will recover incremental reserves from the Jalmat Gas Pool. A technical discussion, with attachments, is attached as **Exhibit E**. This application will prevent waste by utilizing existing wellbores, and will not violate correlative rights.

A listing of the operators of Jalmat well units offsetting the NE¼ of Section 12 is marked **Exhibit E-1**. Notice was given to all operators by the letter attached as **Exhibit F**.

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

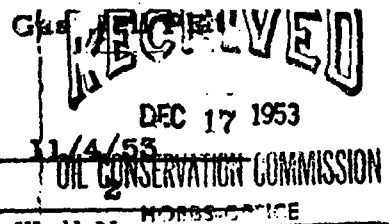
Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Apache Corporation

NEW MEXICO  
OIL CONSERVATION COMMISSION



Continental Oil Co.  
Operator

Stevens B-12  
Lease

Date 11/4/53

Well No. \_\_\_\_\_

Name of Producing Formation Yates & 7-Rivers Pool Langmat

No. Acres Dedicated to the Well 180

SECTION 12 TOWNSHIP 23 RANGE 36

			2 ★

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name [Signature]  
Position Dist. Supt.  
Representing Continental Oil Co.  
Address Box 427 Hobbs, N. M.

EXHIBIT A

(over)

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Per Lease - 3 copies

State of New Mexico  
Bureau of Minerals and Natural Resources Dept.

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

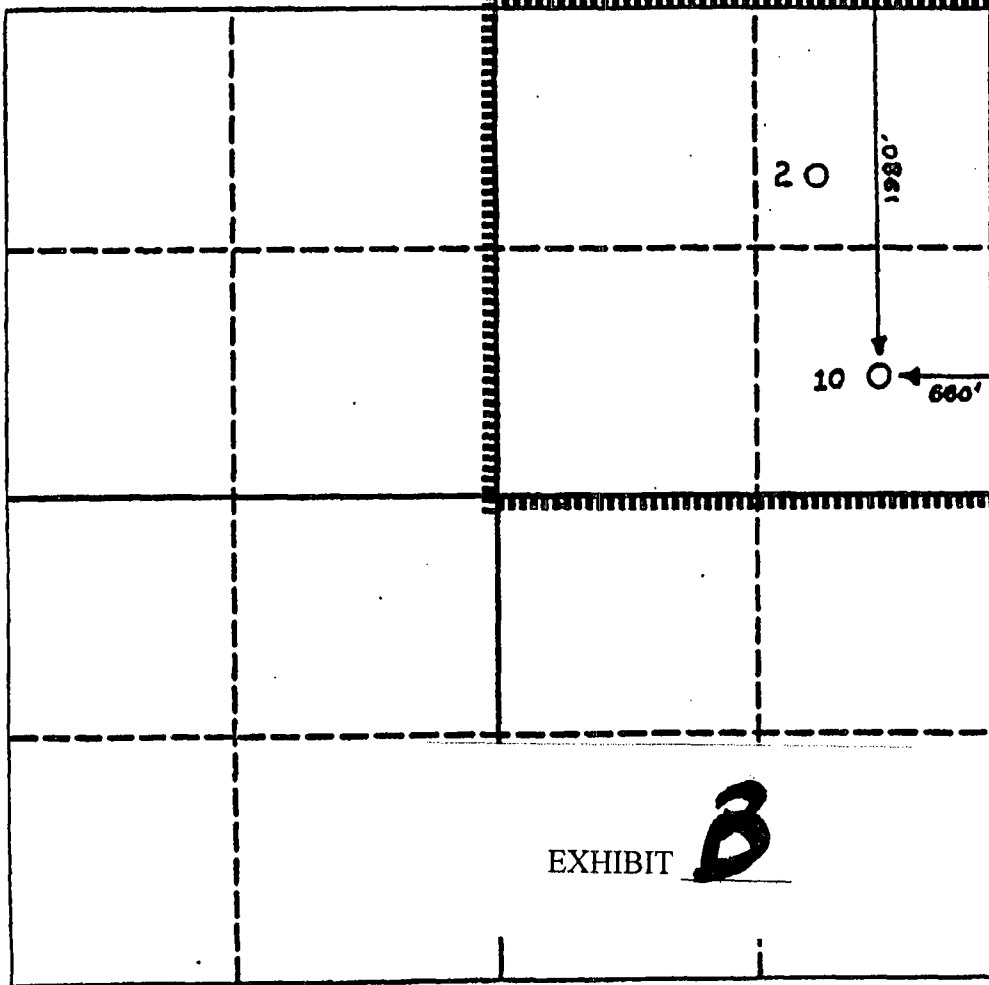
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>Conoco, Inc.</b>		Lease <b>Stevens B</b>		Well No. <b>2</b>
Unit Letter <b>H</b>	Section <b>12</b>	Township <b>23S</b>	Range <b>36E</b>	County <b>NMPM Lea</b>
Actual Footage Location of Well: 990 feet from the North line and 990 feet from the East line Ground level Elev. <b>3413</b> Producing Formation <b>Yates</b> Pool <b>Jalmat Gas</b> Dedicated Acreage: <b>160</b> Acres				
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____ If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>				
				<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>[Signature]</i> Printed Name: <b>Garry W. Hoover</b> Position: <b>Sr. Conservation Coord.</b> Company: <b>Conoco, Inc.</b> Date: <b>7/12/93</b></p> <p><b>SURVEYOR CERTIFICATION</b> 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 knowledge and belief.</p> <p>Date Surveyed: _____ Signature &amp; Seal of Professional Surveyor: _____ Certificate No.: _____</p>

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 3/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

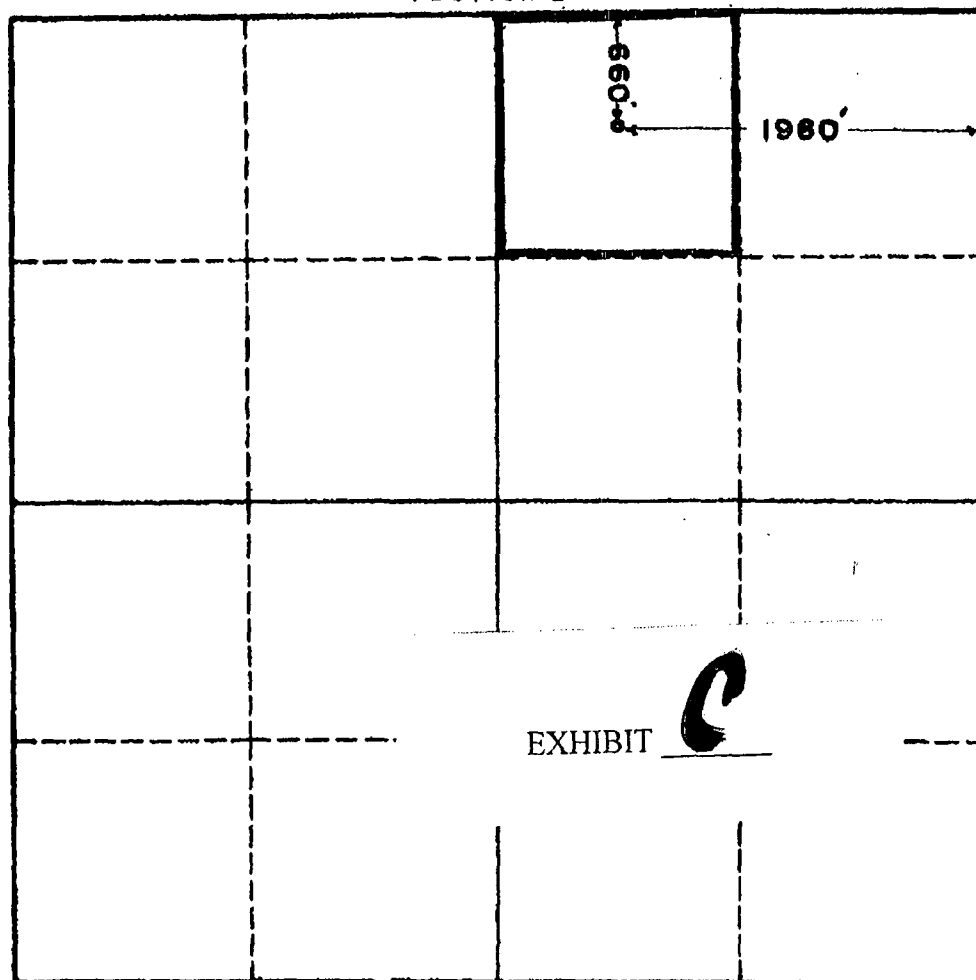
SECTION A

Operator <b>CONTINENTAL OIL CO.</b>		Lease <b>STEVENS B-12</b>		Well No. <b>6</b>
Unit Letter <b>B</b>	Section <b>12</b>	Township <b>23 SOUTH</b>	Range <b>36 EAST</b>	County <b>LEA</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>1980</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>Queen</b>	Producing Formation <b>Queen</b>		Pool <b>Langlie Mattix</b>	Dedicated Acreage: <b>40</b> Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES XX NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description
	<b>RECEIVED</b> <b>MAR 28 1960</b> <b>STATE OF NEW MEXICO</b>

SECTION B



CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name <b>J. R. Parker</b>
Position <b>District Superintendent</b>
Company <b>Continental Oil Company</b>
Date <b>March 25, 1960</b>

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed <b>3-24-60</b>
Registered Professional Engineer and/or Land Surveyor <b>JOHN W. WEST</b>
Certificate No. <b>N. M. P. E. &amp; L. S. NO. 676</b>

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

**NEW MEXICO OIL CONSERVATION COMMISS. JN**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

FORM C-128  
 Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

**SECTION A**

Operator <b>Continental Oil Co.</b>		Lessor <b>Stevens B 12</b>		Well No. <b>9</b>
Unit Letter <b>G</b>	Section <b>12</b>	Township <b>22S</b>	Range <b>36E</b>	County <b>Lea County</b>
Actual Footage Location of Well: <b>1980</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>East</b> line				
Ground Level Elev.	Producing Formation <b>Queen</b>	Pool <b>Langlie Mattix</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES **XX** NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES \_\_\_\_ NO \_\_\_\_ . If answer is "yes," Type of Consolidation \_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

**RECEIVED**

**MAY 3 1960**

U. S. GEOLOGICAL SURVEY  
 HOBBS, NEW MEXICO

**SECTION B**

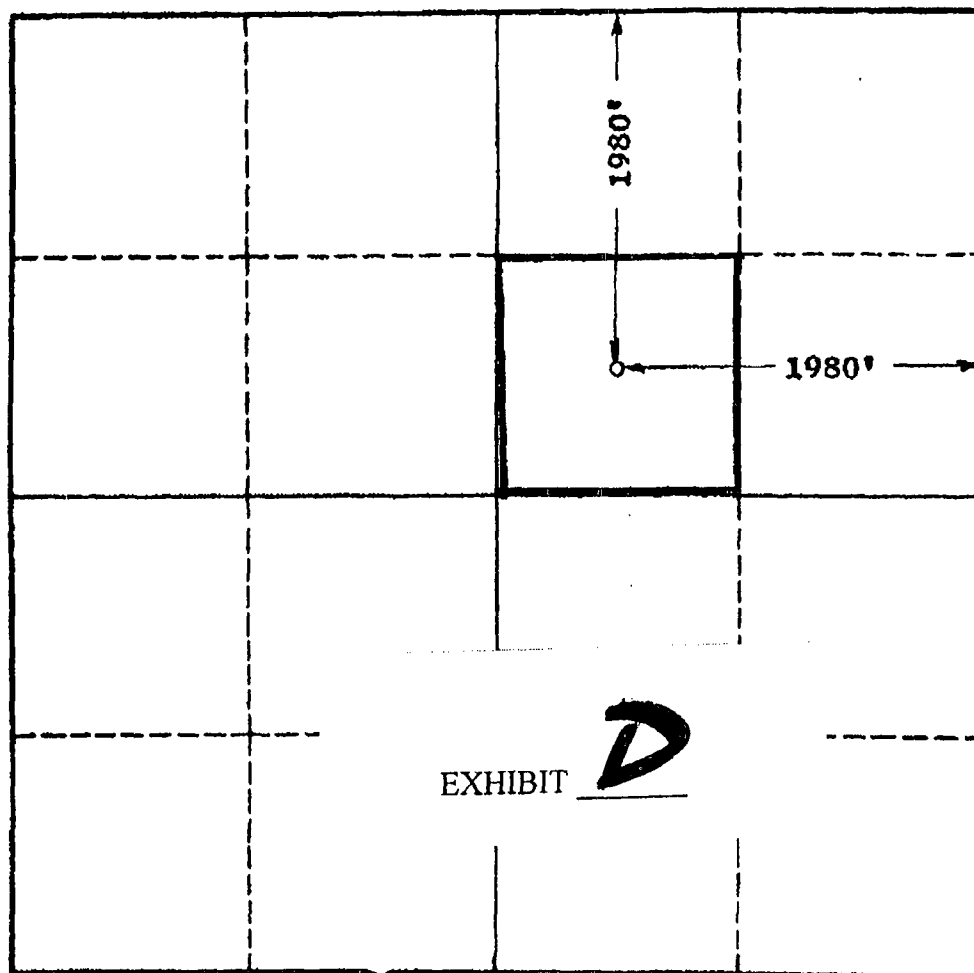


EXHIBIT **D**

**CERTIFICATION**

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

Name

**J. R. Parker**

Position

**District Superintendent**

Company

**Continental Oil Company**

Date

**May 2, 1960**

I hereby certify that the well location shown on the plat in SECTION B 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 knowledge and belief.

Date Surveyed

**5/2/60**

Registered Professional Engineer and/or Land Surveyor

**JOHN W. WEST**

Certificate No.

**N.M. - P.E. & L.S. NO. 870**

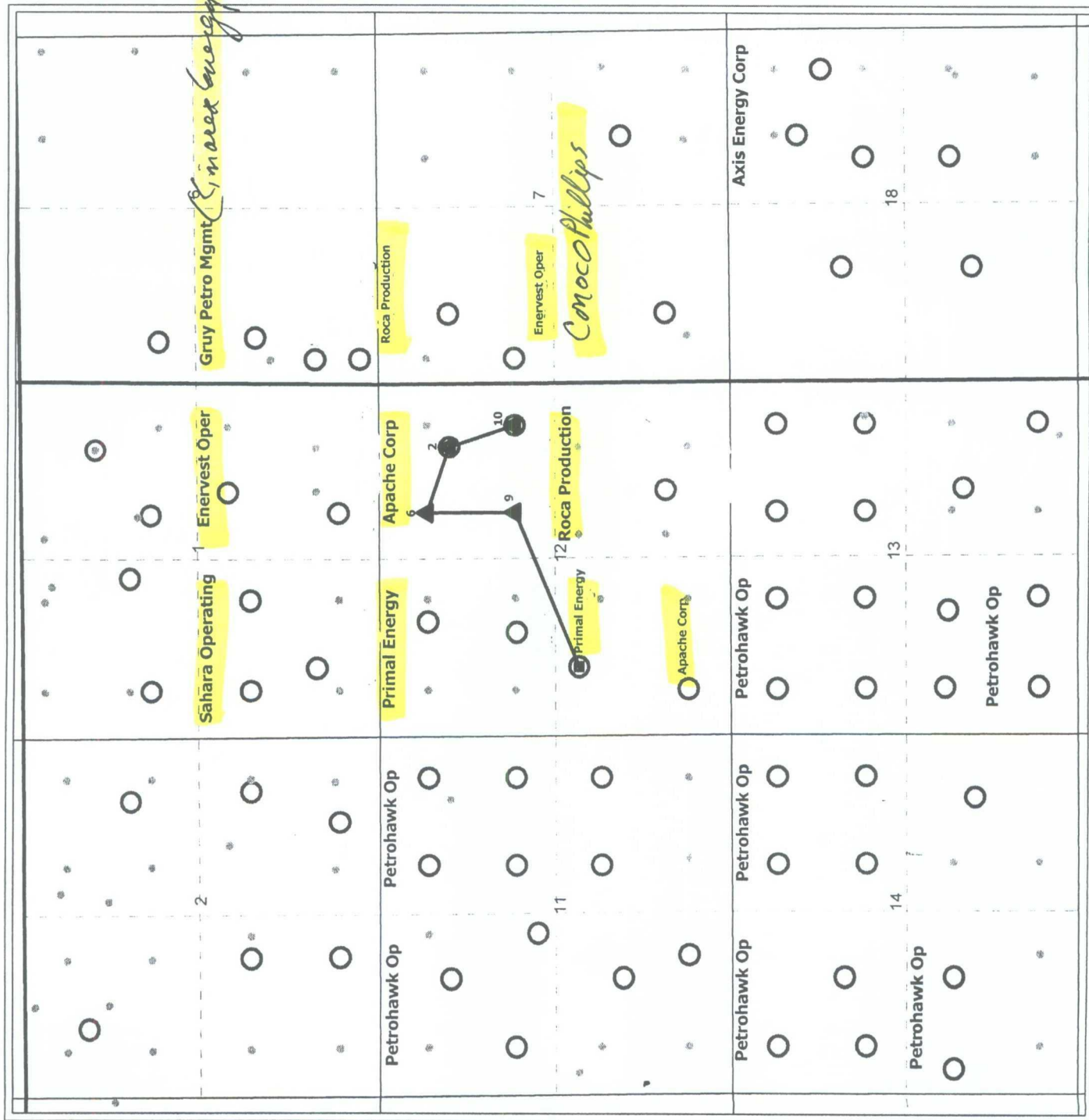
0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

Application of Apache Corporation for administrative approval  
of simultaneous dedication in the **JALMAT GAS POOL**  
for:

**Stevens B Well No. 6 (Unit B)**  
**Stevens B Well No. 9 (Unit G)**  
**Stevens B Well No. 10 (Unit H)**  
**NE/4, Section 12, Township 23 South, Range 36 East, NMPM**  
**Lea County, New Mexico**

1. Apache Corporation (Apache) operates four wells on the Stevens B Lease, comprising the NE/4, Section 12, Township 23 South, Range 36 East, Lea County, New Mexico (**Exhibit 1**).
  - a. Stevens B #2 (30-025-09332) was plugged and abandoned June 24, 2008 (**Exhibit 2**).
  - b. Stevens B #6 (30-025-10709) has been inactive since Apache acquired the lease from John H. Hendrix Corp on March 1, 2008.
  - c. Stevens B #9 (30-025-09330) has also been inactive since Apache acquired the lease from John H. Hendrix Corp on March 1, 2008.
  - d. Stevens B #10 (30-025-09331) is a Jalmat Gas Pool producer. Cumulative production is 352,418 MCFG at a current rate of 7 MCFD.
2. Apache proposes to recompletes Stevens B #6 and #9 to the Jalmat Gas Pool. Both wells have been inactive for years and must be recompleted or plugged and abandoned. Apache's lease is depth restricted so a deeper completion is not possible.
3. Simultaneous dedication of 160 A units has become common place in the Jalmat Gas Pool (**Exhibit 3**).
4. Two quarter sections offsetting NE/4, Section 12 have three currently producing wells (**Exhibit 3**).
5. The reservoir is tight and can be compartmentalized so wells are not capable of draining reserves from the full reservoir interval of a spacing unit (**Exhibit 4**).
6. The Stevens B lease is located at the northeast edge of the reservoir. Porosity and permeability decrease toward the edge of the pool.
7. **Exhibit 5** displays cumulative gas production in the sections offsetting Section 12. Although cumulative production from NE/4, Section 12 is 6128 MMCFG, it is not the highest cum'ing quarter section on the map and is offset by quarter sections with higher cumulative production. **Table 1** displays cumulative and daily gas production from the Jalmat Gas Pool wells.
8. **Exhibit 6** displays daily gas production in the sections offsetting Section 12. Daily gas rate of only 7 MCFD is the lowest productive quarter section on the map.
9. Approval of this application will:
  - a. Recover incremental reserves that can not be recovered by the existing wells,
  - b. Prevent waste by utilizing existing wellbores, and
  - c. Protect correlative rights by allowing production from an equal number of wells to offsetting units.





# Apache Corporation Well Data

○ Jalmat Gas Well

(E-1)

Exhibit 1

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED  
OMB NO 1004-0137  
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

APACHE CORPORATION

3a. Address

3300 N. A St., Suite 7-150, Midland, TX 79705

3b. Phone No (include area code)

(432) 683-6511

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

UNIT A, 990' ENL & 990' FEL, SECTION 12, T-23, S, R-36-E

5. Lease Serial No.

LC 030556B

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

STEVENS "B" #2

9. API Well No

30-025-09332

10. Field and Pool, or Exploratory Area

Jalmat Tansill Yates 7 Rvr  
Pr Gas

11. County or Parish, State

Lea, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☒ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

6-20-08 M.I.R.U.

6-23-08 Tag @2,860'. Circulate well. Spot 25 sx. @1,421'. W.O.C. & tag @1,260'.

6-24-08 Spot 25 sx. from 110' to surface.

6-24-08 RD mo. Cut off wll, anchors, & install  
dry hole marker.

RECEIVED

AUG - 4 2008

HOBBS OCD

ACCEPTED FOR RECORD

JUL 25 2008

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

14. I hereby certify that the foregoing is true and correct.  
Name (Printed/Typed)

RANDALL MINEAR

P & A SUPV.

Signature

Date

6-30-08

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

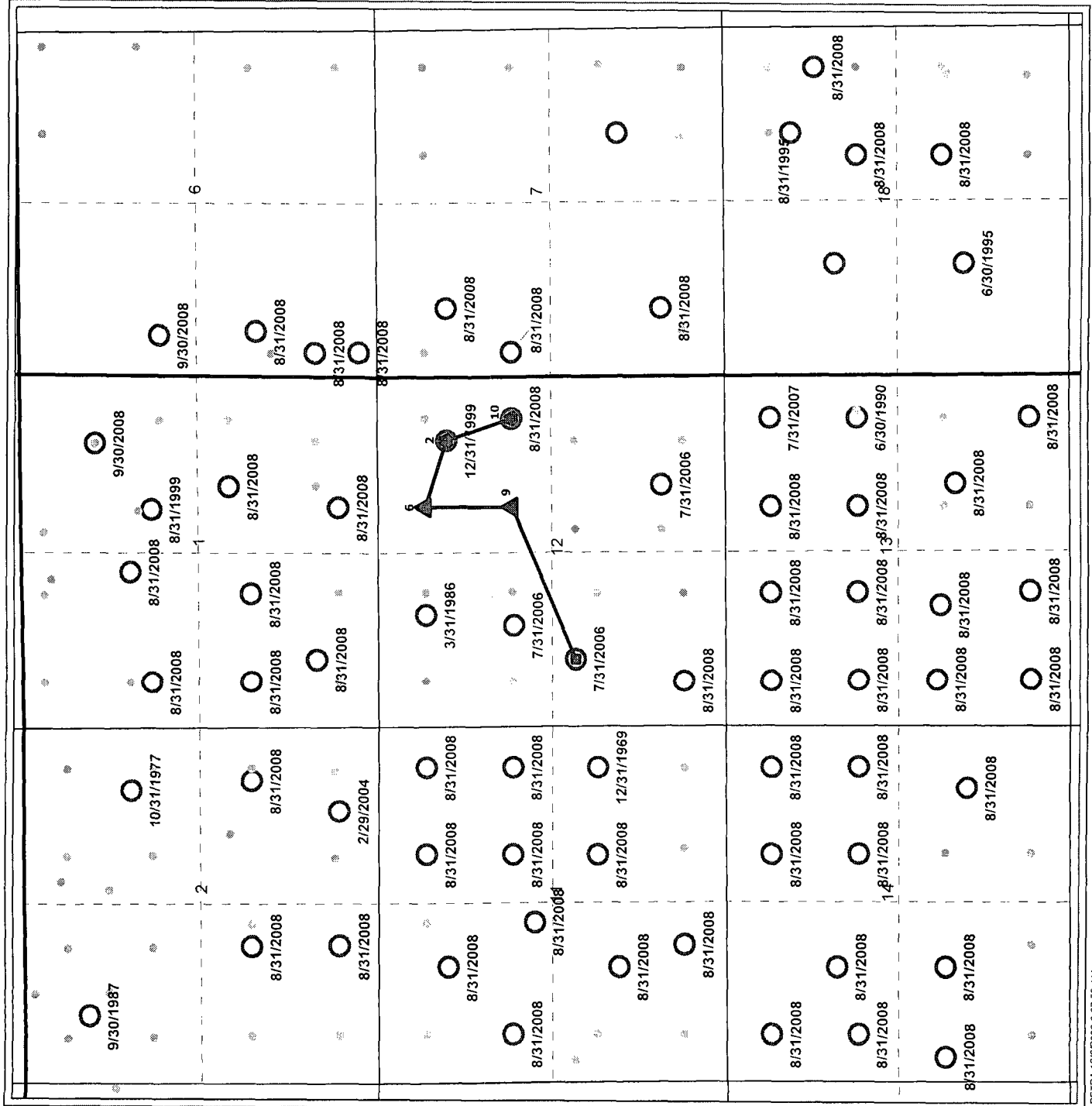
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT

2



Apache Corporation  
Date of Last Jalmat Prod

Jalmat Gas Well

E-3

Exhibit 3

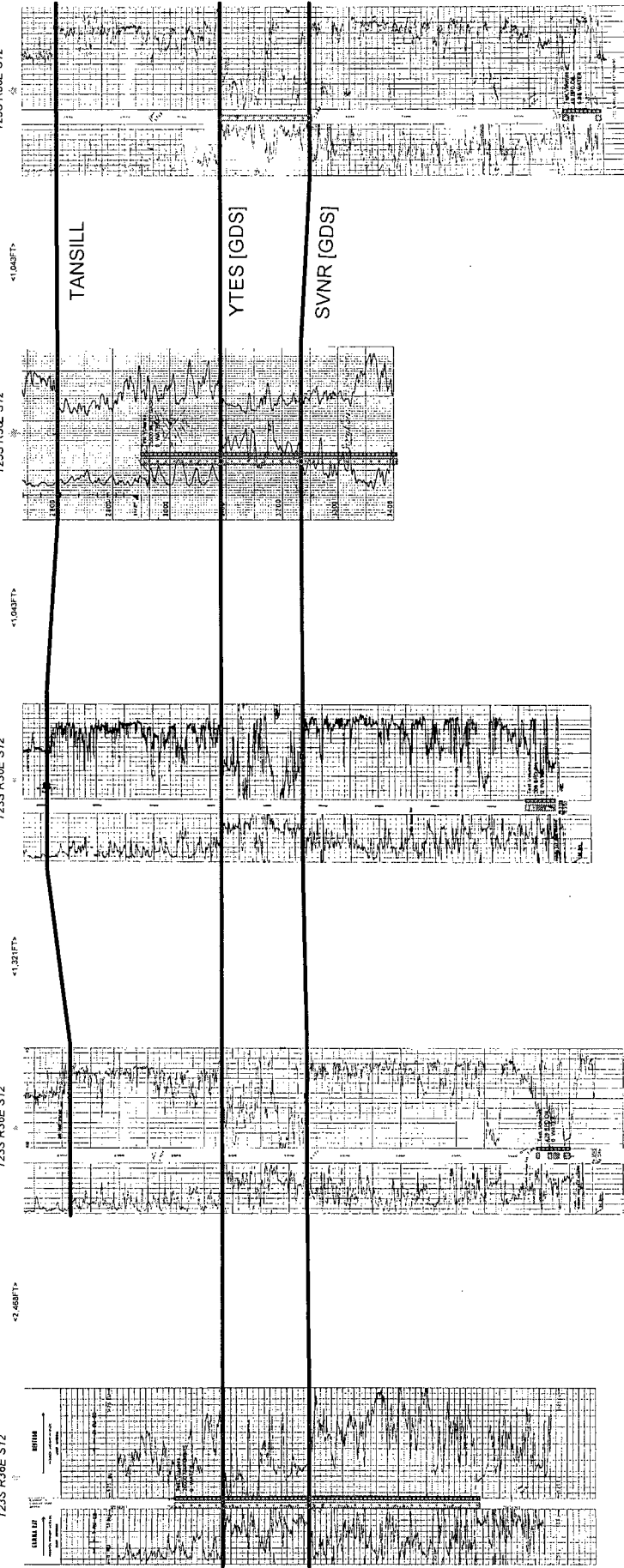
PRIMAL ENERGY CORPORATION  
E F KING 1  
2310 FSL 990 FWL  
7235 R30E S12

APACHE CORPORATION  
STEVENS-FED B12 9  
1980 FNL 1980 FWL  
7235 R30E S12

APACHE CORPORATION  
STEVENS B-12 8  
660 FNL 1980 FWL  
7235 R30E S12

APACHE CORPORATION  
STEVENS B-12 2  
950 FNL 1980 FWL  
7235 R30E S12

APACHE CORPORATION  
STEVENS-FED B-12 10  
1980 FNL 1980 FWL  
7235 R30E S12



JALMAT\_CUMGAS : 2.625

JALMAT\_CUMGAS : 5.776

JALMAT\_CUMGAS : 352

E-4

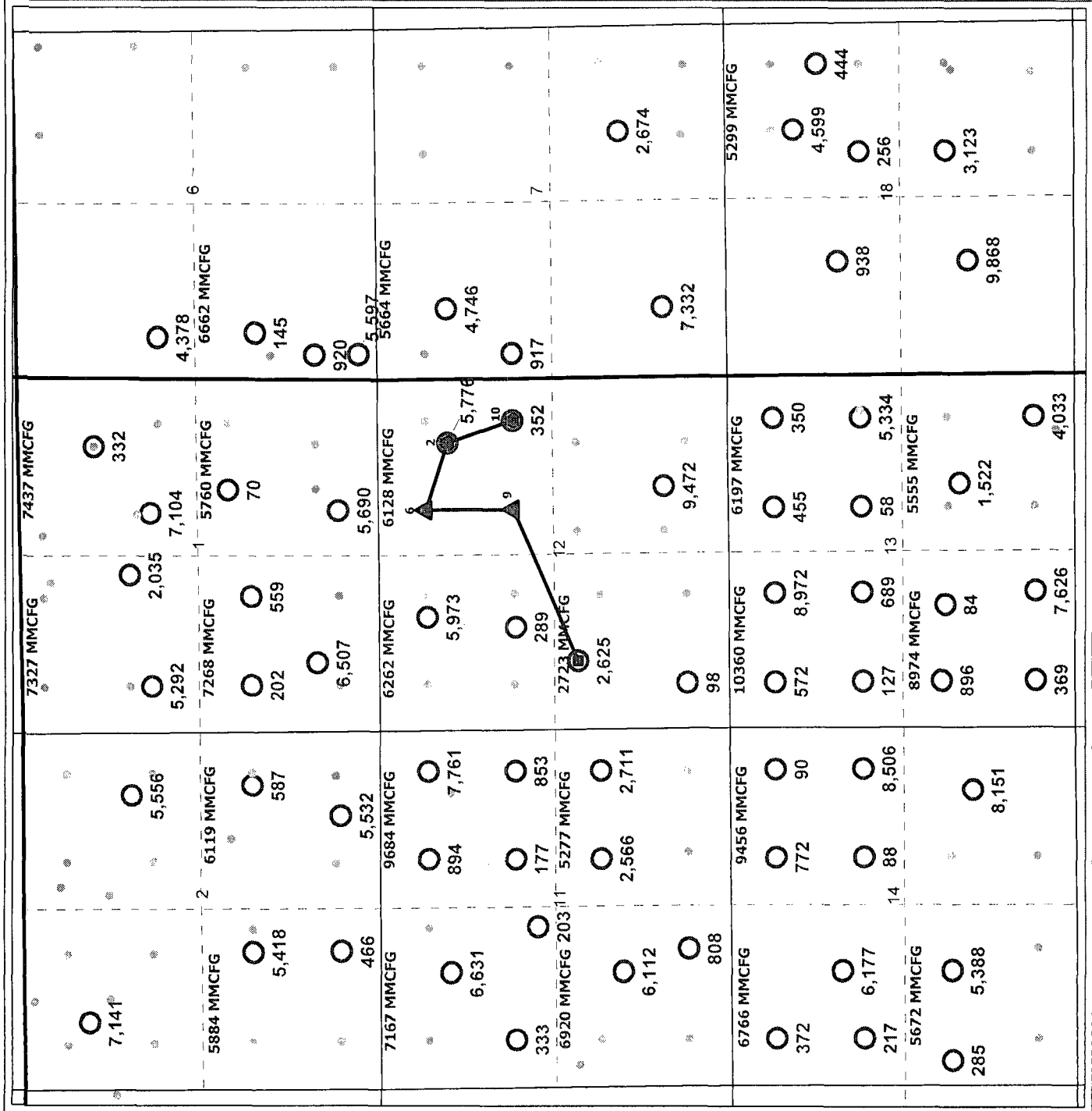
Exhibit 4

Apache Corporation  
Jalmat CUMGAS

○ Jalmat Gas Well



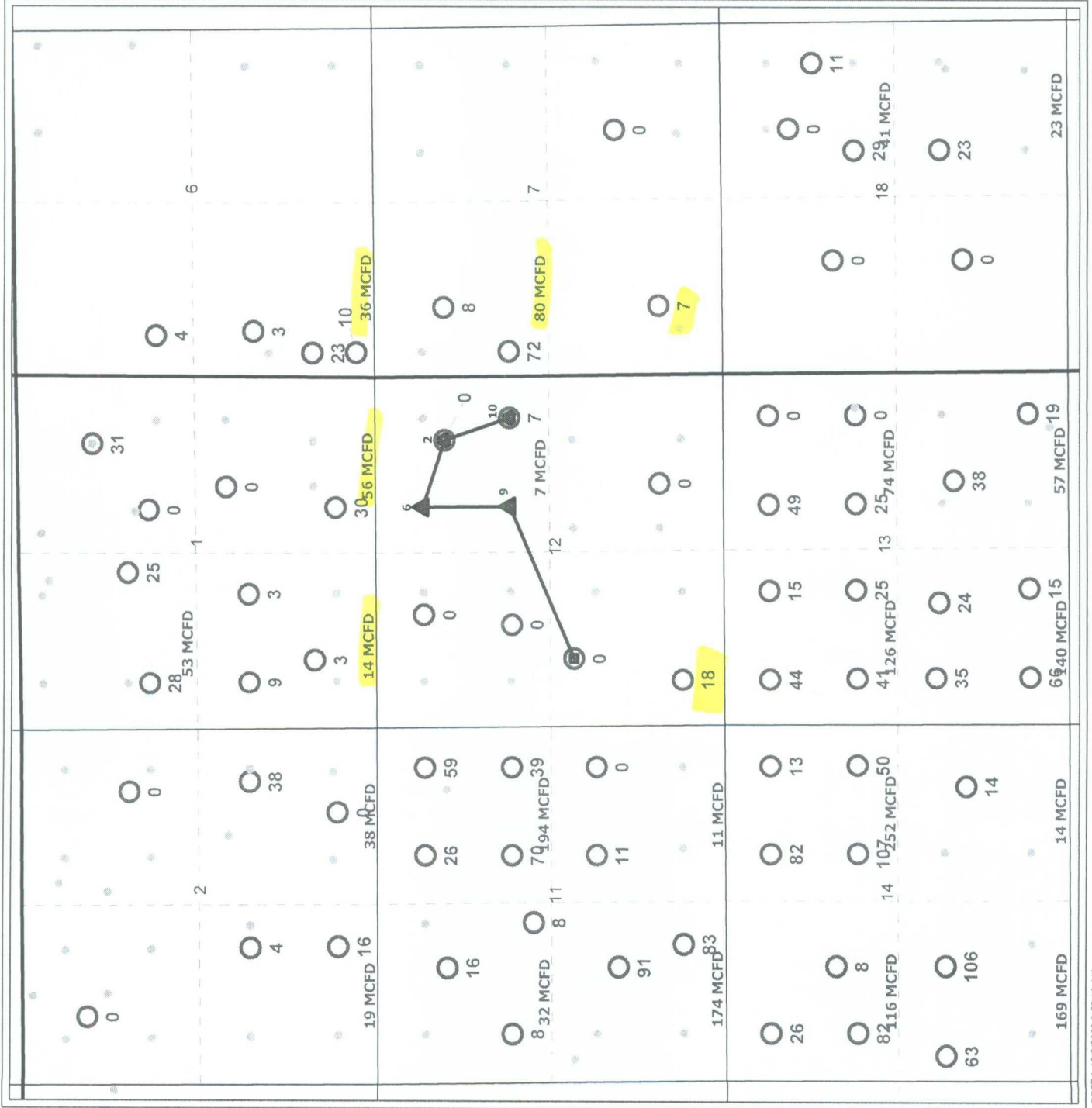
Exhibit 5



# Apache Corporation Jalmat Daily Gas

○ Jalmat Gas Well

3-6  
Exhibit 6



**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](mailto:jamesbruc@aol.com)

December 9, 2008

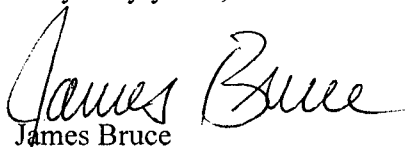
CERTIFIED MAIL – RETURN RECEIPT REQUESTED

To: Persons on Exhibit A

Ladies and gentlemen:

Enclosed is a copy of application, filed with the New Mexico Oil Conservation Division by Apache Corporation, seeking approval of simultaneous dedication for three wells in the Jalmat Gas Pool in the NE¼ of Section 12, Township 23 South, Range 36 East, NMPM, Lea County, New Mexico. If you object to the application, you must notify the Division in writing within 20 days of the date of this letter (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 later date.

Very truly yours,

  
James Bruce

Attorney for Apache Corporation

EXHIBIT 

EXHIBIT A

Sahara Operating Company  
P.O. Box 4130  
Midland, Texas 79704

Roca Production, Inc.  
P.O. Box 10139  
Midland, Texas 79702

Enervest Operating, LLC  
Suite 800  
1001 Fannin Street  
Houston, Texas 77002

Cimarex Energy Co. of Colorado  
Suite 600  
600 North Marienfeld  
Midland, Texas 79701

Primal Energy Corporation  
Suite 227  
211 Highland Cross  
Houston, Texas 77073

ConocoPhillips Company  
P.O. Box 2197  
Houston, TX 77252



**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Tuesday, January 06, 2009 9:10 AM  
**To:** 'JamesBruc@aol.com'  
**Subject:** Apache Corp; Stevens B ##6,9 and 10; SD Application

Dear Jim

You state in this application that the NE/4 of Section 12 was approved as a gas unit in 1953. Do you happen to have an order number?

Also I would appreciate identification of the affected persons by tract, so that the record will establish that notice has been given to affected persons in all offsetting units.

Thanks

David

**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](mailto:jamesbruc@aol.com)

RECEIVED

2009 JAN 7 PM 1 04

January 6, 2009

Via e-mail and U.S. Mail

David K. Brooks  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Apache Corporation  
Stevens B Well Nos. 6 (Unit B), 9 (Unit G), and 10 (Unit H)  
NE¼ of Section 12, Township 23 South, Range 36 East, N.M.P.M.  
Lea County, New Mexico

Dear David:

Regarding your e-mail this morning:

1. The original well in the well unit, the Stevens B Well No. 2, was drilled in 1950 or 1951, and was subsequently placed in the Langmat Pool. The Langmat Pool was created by Order No. R-264, dated February 17, 1953. It was a gas pool spaced on statewide rules, so spacing was 160 acres. Exhibit A attached to the application is the original acreage dedication plat. The well unit was standard when formed.

The Jalmat Pool was created by Order No. R-520, effective September 1, 1954, by the combination of the Jalco Pool and the Langmat Pool. That order also increased spacing in the Jalmat Pool to 640 acres. I could not locate an NSP order number for the NE¼ of Section 12, although I believe it was standard practice (as it is today) to grandfather-in existing non-standard well units when spacing is increased. Therefore, I do not believe an NSP order number was ever assigned to the well unit.

2. The offset operators are as follows:

SW $\frac{1}{4}$  §6-23S-37E

Cimarex Energy Co. of Colorado (f/k/a Gruy Petroleum Management Co.)

SE $\frac{1}{4}$  §1-23S-36E

Enervest Operating LLC

SW $\frac{1}{4}$  §1-23S-36E

Sahara Operating Company

NW $\frac{1}{4}$  §12-23S-36E

Primal Energy Corporation

N $\frac{1}{2}$ SW $\frac{1}{4}$  §12-23S-36E

Primal Energy Corporation

S $\frac{1}{2}$ SW $\frac{1}{4}$  §12-23S-36E

Apache Corporation

SE $\frac{1}{4}$  §12-23S-36E

Roca Production, Inc.

NW $\frac{1}{4}$  §7-23S-37E

Roca Production, Inc.

S $\frac{1}{2}$  §7-23S-37E

Conoco Phillips Company

This data is based on the Division's records of operators of existing Jalmat well units.

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

Very truly yours,

A handwritten signature in black ink, appearing to read "James Bruce". The signature is fluid and cursive, with the first name "James" being more prominent than the last name "Bruce".

James Bruce

Attorney for Apache Corporation