



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

June 7, 1999

Apache Corporation
2000 Post Oak Boulevard -- Suite 100
Houston, Texas 77056-4400
Attention: Debra Anderson

Administrative Order NSL-4304(SD)

Dear Ms. Anderson:

Reference is made to the following: (i) your application dated May 12, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Apache Corporation's ("Apache") request for an unorthodox Tubb gas well location within an existing standard 160-acre gas spacing and proration unit ("GPU") for the Tubb Oil and Gas Pool comprising the SW/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU is currently dedicated to Apache's Owen "B" Well No. 2 (API No. 30-025-06997) located at an unorthodox gas well location 1980 feet from the South line and 420 feet from the West line (Unit L) of Section 34, which was "grandfathered" in as a standard Tubb gas well location for the subject 160-acre GPU pursuant to Rule 2 of the *"Special Rules and Regulations for the Tubb Gas Pool,"* as promulgated by Division Order No. R-586, issued in Case No. 728 dated April 11, 1955.

It is our understanding that the subject well in this application, the Owen "B" Well No. 6 (API No. 30-025-34321), was drilled to a total depth of 7,500 feet and completed in the Wantz-Abo Pool at a standard oil well location 1980 feet from the South line and 2180 feet from the West line (Unit K) of Section 34. It is further understood that Apache now intends to recomplete this well up-hole into the Tubb Oil and Gas Pool.

Pursuant to Rule 2(b)1 of the *"General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool,"* as promulgated by Division Order No. R-8170, as amended, the location of the Owen "B" Well No. 6 is considered to be unorthodox.

By authority granted me under the provisions of Rule 2(d) of the special rules for the Tubb Oil and Gas Pool, the unorthodox location of the Owen "B" Well No. 6 is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Tubb gas production from both the Owen "B" Wells No. 2 and 6. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion.

Sincerely,



Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs