



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 9, 2010

Apache Corporation
Attn: Ms. Michelle Hanson
6120 S. Yale, Suite 1500
Tulsa, OK 74136

Administrative Order NSL-5757-A

Re: Owen B Well No. 13
API No. 30-025
1120 feet FSL and 1650 feet FWL
Unit N, Section 34-21S-37E
Lea County, New Mexico

Dear Ms. Hanson:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-02228425**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 22, 2010, and

(b) the Division's records pertinent to this request, including the Division's records pertinent to Administrative Order NSL-5757.

Administrative Order NSL-5757, issued on January 9, 2008, approved the unorthodox bottom-hole location proposed for this directional well in the Blinbry, Tubb and Drinkard formations. Apache Corporation [OGRID 873] (Apache) has requested that Order NSL-5757 be amended to also authorize completion of this well at the same proposed bottom-hole location in the Abo and Granite Wash formations.

The proposed surface location and bottom-hole locations of the well are as follows:

Surface Location: 1120 feet from the South line and 1650 feet from the West line
(Unit N) of Section 34, Township 21S, Range 37E, NMPM,
Lea County, New Mexico



Terminus 1310 feet from the South line and 1330 feet from the West line
 (Unit N) of said section

The SE/4 SW/4 of Section 34 will be dedicated to the proposed well to form standard 40-acre oil spacing and proration units in the Wantz-Abo Pool (62700) and the undesignated Wantz-Granite Wash Pool (62730). Spacing in these pools is governed by statewide Rule 15.9 which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because the bottom-hole location will be less than 330 feet from the northern and western unit boundaries.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

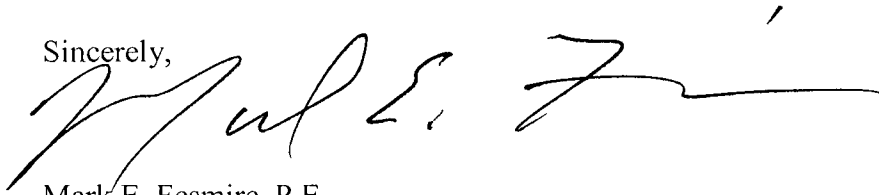
It is our understanding that you are seeking this location for engineering reasons, in order to efficiently drain the reserves in these reservoirs underlying the SW/4 of Section 34. It is further understood that notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location in the Abo and Granite Wash formations is hereby approved. Except as modified by this Order, Administrative Order NSL-5757 shall remain in full force and effect.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case 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', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs