

DATE IN <u>1-22-10</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>1-22-10</u>	TYPE <u>NSL</u>	PTGW APP NO. <u>1002228425</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Apache

OWenB #13

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]

NSL-5757

*add Wantz Bdo
Wantz Granite Wash*

- [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.

Michelle Hanson

Michelle Hanson

Landman

1/19/2010

Print or Type Name

Signature

Title

Date

Michelle.hanson@apachecorp.com
 e-mail Address



6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136

Central Region Land Department
(918) 491-4900
(918) 491-4854 (FAX)

January 19, 2010

Mark E. Fesmire, P. E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Fesmire,

Apache Corporation ("Apache") respectfully requests administrative approval to amend existing Administrative Order No. NSL-5757, concerning the Owen B Well No. 13, to include the ~~Wantz; Abo~~ and ~~Wantz; Granite Wash~~ zones. The proposed well is to be located at a surface location of 1120' FSL & 1650' FWL and at a bottom hole location of 1310 FSL & 1330 FWL, all in Section 35, Township 21 South, Range 37 East, Lea County, New Mexico (**Exhibit 1**).

The following table provides drainage areas of the offset wells calculated from log analysis.

		21S 37E		SophiH	Area	EUR	EUR
Oper.	Well	Loc	Reservoir	ft	ac	MBO	MMCFG
Apache	Owen B #6	K	Abo	3.073	7.6	16	235
Apache	Owen B #12	M	Abo	3.105	4.0	8	65

Reserves for the proposed location were calculated by averaging the offset drainage areas and applying it to the new location. Any competitive drainage is shared between the proposed well and the existing offset wells. The results are as follows:

		21S 37E		SophiH	Area	EUR	EUR
Oper.	Well	Loc	Reservoir	ft	ac	MBO	MMCFG
Apache	Owen B #13	N	Abo	3.085	9.4	20	150

The Owen B #6 well is the only offset well currently producing from the Abo formation and there is no Granite Wash production on the Owen B Lease. **Exhibit 2** displays cumulative and daily production values for the Owen B #6 well. The Owen B #12 well has been inactive as to the Abo formation since August 2006.

The proposed Owen B #13 well encroaches toward Apache operated wells only. Therefore, no other parties need to be notified.

Approval of this application will afford the interest owners an opportunity to recover oil and gas which would not otherwise be recovered and will do so without violating correlative rights.

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

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink that reads "Michelle Hanson". The signature is written in a cursive, flowing style.

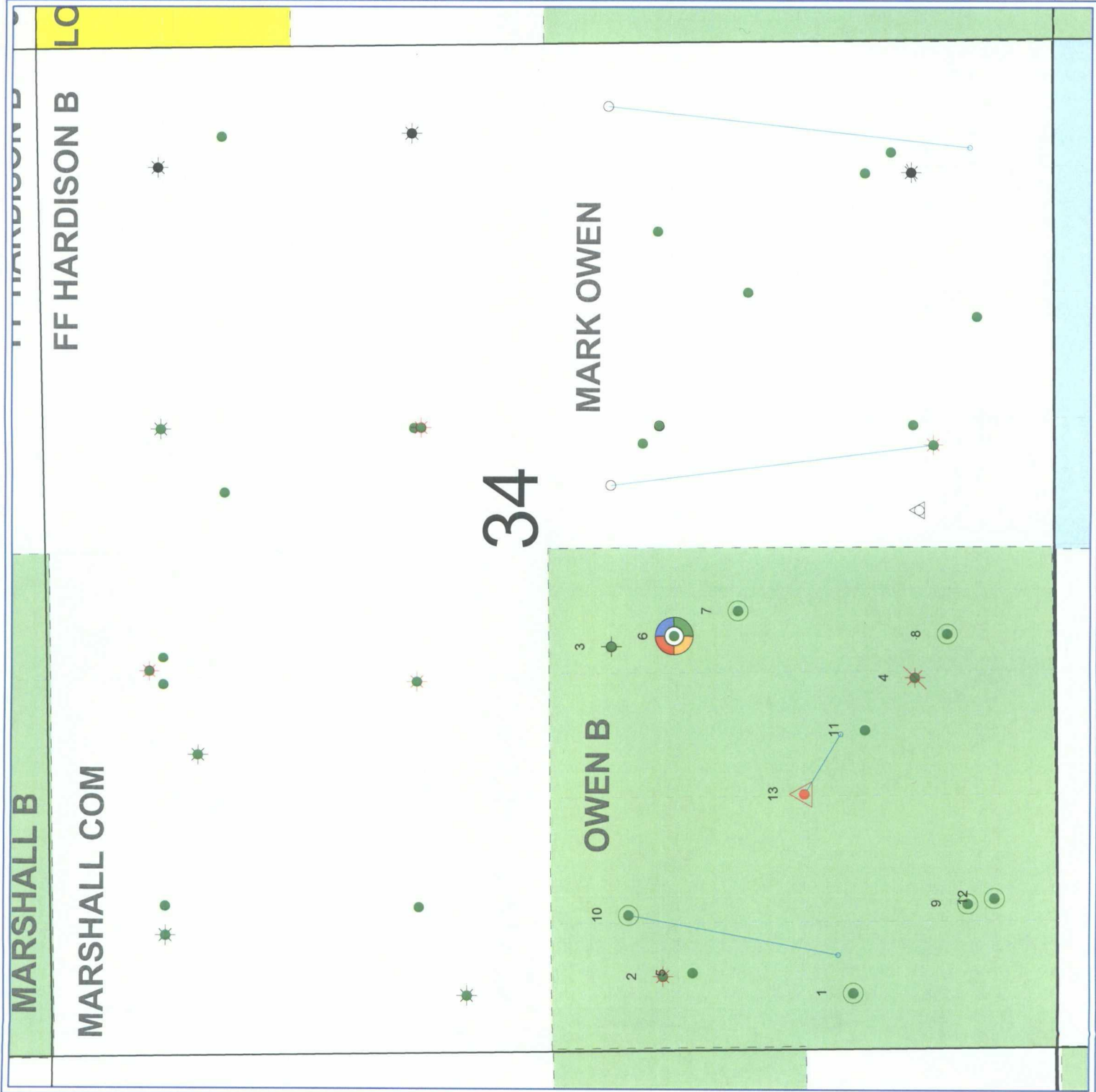
Michelle Hanson

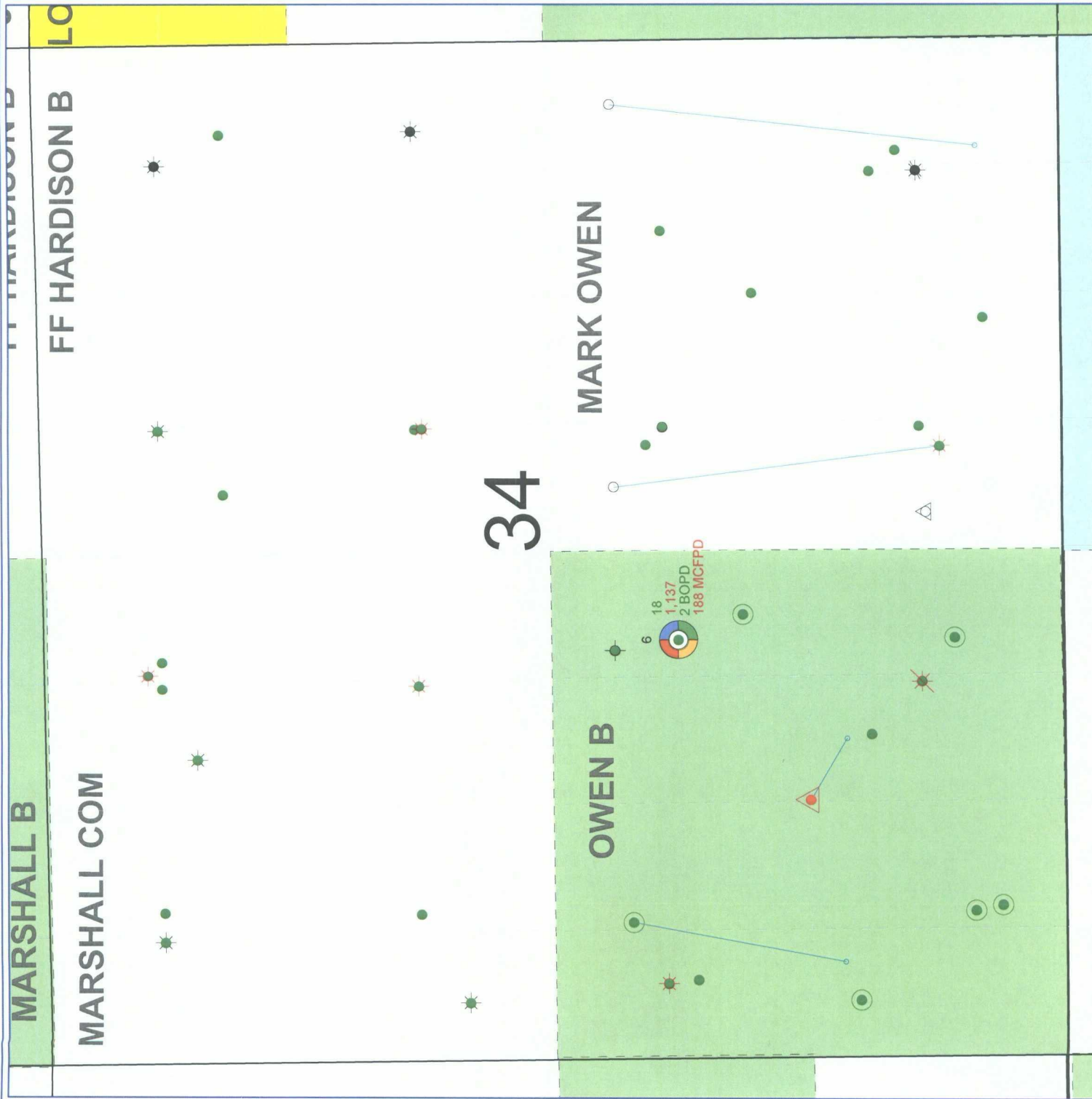
Landman

(918) 491-4838 direct

(918) 491-4854 fax

Michelle.hanson@apachecorp.com





Owen B #13	
EXHIBIT 2 to NSL Application	
BHL: 1310' FSL* & 1330' FWL	
Sec 34-T21S-R37E, Lea Co., NM	
<p>0 719 FEET</p>	<p>POSTED WELL DATA</p> <p>Well Number</p> <p>WELL - CLAMOR (RRLS) WELL - CLAMOR (RRLS) WELL - CLAMOR (RRLS) WELL - CLAMOR (RRLS) WELL - CLAMOR (RRLS)</p>
<p>ATTRIBUTE MAP</p> <p>BLINEBRY DRINKARD ABO</p>	
<p>WELL SYMBOLS</p> <p>Abandoned Well</p> <p>Dry Hole</p> <p>Gas Well</p> <p>Location</p> <p>Proposed Drilling Location</p> <p>Oil & Gas Well</p> <p>Oil Well</p> <p>Active Gas Producer</p> <p>Temporary Abandoned Gas Well</p> <p>Active Producer</p> <p>Service Well</p>	
<p>By: Michelle Hanson</p> <p>January 19, 2010</p>	

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Monday, February 08, 2010 9:51 AM
To: 'Hanson, Michelle'
Subject: FW: NSL Applications: EW Walden #16; H Corrigan #22; Chesterfield #3; Owen B #13

From: Brooks, David K., EMNRD
Sent: Monday, February 08, 2010 9:48 AM
To: 'Hanson, Michelle'
Subject: NSL Applications: EW Walden #16; H Corrigan #22; Chesterfield #3; Owen B #13

Dear Ms. Hanson

Upon receiving your email from Friday concerning the JG Hare, I checked several other applications on my desk, and noted that, as you say, you have addressed the notice issue in each of these applications with the statement that the units toward which the locations encroach are operated by Apache.

As in the case of the JG Hare, I need you to confirm specifically:

Re the EW Walden #16 application, that working interest ownership is identical throughout the SW/4 of Section 15-22S-37E;

Re the H Corrigan #22 application, that working interest ownership is identical throughout the NE/4 of Section 4-22S-37E;

Re the Chesterfield #3 application, that working interest ownership is identical for the SE/4 NE/4 and the NE/4 SE/4 of Section 14-20S-38E;

Re the Owen B application, that working interest ownership is identical throughout the SW/3 of Section 35-21S-37E.

Additionally, it would be helpful to me in future NSL applications if you would include with your application a copy of the Form C-102 for the proposed well.

Sincerely

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Hanson, Michelle [Michelle.Hanson@apachecorp.com]
Sent: Monday, February 08, 2010 10:13 AM
To: Brooks, David K., EMNRD
Subject: RE: NSL Applications: EW Walden #16; H Corrigan #22; Chesterfield #3; Owen B #13

Hi David,

Apache owns 100% leasehold working interest in the SW/4 of Section 15-22S-37E (EW Walden Lease), as to the Blinebry, Tubb, Drinkard and Abo formations.

Apache owns 100% leasehold working interest in the NE/4 of Section 4-22S-37E (H Corrigan Lease), as to the Blinebry, Tubb, Drinkard and Abo formations.

Apache owns 100% leasehold working interest in the SE/4 NE/4 and NE/4 SE/4 of Section 14-20S-38E (Chesterfield & Lucky Strike Leases), as to the Blinebry, Tubb and Drinkard formations.

Apache owns 100% leasehold working interest in the SW/4 of Section 34-21S-37E (Owen B Lease), as to the Blinebry, Tubb, Drinkard, Abo and Granite Wash formations.

Further, I will be sure to include a Form C-102 for the proposed well with any future submitted NSL applications. Thank you very much for your guidance in this matter.

Michelle Hanson

Landman

Apache Corporation

6120 S. Yale Ave., Suite 1500

Tulsa, OK 74136

(918) 491-4838 office

(918) 491-4854 fax

michelle.hanson@apachecorp.com

From: Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]
Sent: Monday, February 08, 2010 10:48 AM
To: Hanson, Michelle
Subject: NSL Applications: EW Walden #16; H Corrigan #22; Chesterfield #3; Owen B #13

Dear Ms. Hanson

Upon receiving your email from Friday concerning the JG Hare, I checked several other applications on my desk, and noted that, as you say, you have addressed the notice issue in each of these applications with the statement that the units toward which the locations encroach are operated by Apache.

As in the case of the JG Hare, I need you to confirm specifically:

Re the EW Walden #16 application, that working interest ownership is identical throughout the SW/4 of Section 15-22S-37E;

Re the H Corrigan #22 application, that working interest ownership is identical throughout the NE/4 of Section 4-22S-37E;

Re the Chesterfield #3 application, that working interest ownership is identical for the SE/4 NE/4 and the NE/4 SE/4 of Section 14-20S-38E.

Additionally, it would be helpful to me in future NSL applications if you would include with your application a copy of the Form C-102 for the proposed well.

Sincerely

David K. Brooks
Legal Examiner

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