

DATE IN 3-10-10	SUSPENSE	ENGINEER DB	LOGGED IN 3-10-10	TYPE NSL	PTG-w APP NO. 1006957117
-----------------	----------	-------------	-------------------	----------	-----------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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



RECEIVED
Apache
2010 MAR 13 PM 1:23
H. Corrigan #22
6147-A

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

* Revised BHL

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

3/9/2010

Print or Type Name

Signature

Title

Date

Michelle.hanson@apachecorp.com
e-mail Address



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

March 9, 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 to revise the non-standard bottom-hole location of the H. Corrigan #22 well to **1285' FNL & 1307' FEL (Unit Letter A) of Section 4, Township 22 South, Range 37 East, Lea County, New Mexico**. The current non-standard bottom-hole location (1330' FNL & 1330' FEL, Unit Letter G, of same Section 4) for the H. Corrigan #22 was approved via Administrative Order No. NSL-6147, dated February 8, 2010, covering the Blinebry, Tubb, Drinkard and Abo formations.

However, the currently approved non-standard bottom-hole location is in the same proration unit as Apache's H. Corrigan Blinebry Gas Com #9 well, which is currently producing as a gas well. The #9 well is the only Blinebry gas well in the NE/4 of Sec 4. The rest of the Blinebry producers in the NE/4 are producing as oil wells. Therefore, Apache has requested, under separate cover, administrative approval to create a non-standard 40-acre Blinebry gas spacing unit to be dedicated to the #9 well. Creating the 40-acre non-standard gas spacing unit (being Unit Letter G) would then prohibit Apache from drilling its proposed H. Corrigan #22 well at the currently approved bottom-hole location. As a result, Apache must move the bottom-hole location of the proposed well to the revised location set forth above in this amendment.

Apache owns 100% leasehold interest as to the Blinebry, Tubb, Drinkard and Abo formations in the entire NE/4 of said Section 4-T22S-R37E. Therefore, no other parties will need to be notified of this change.

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'.

Michelle Hanson
Landman
(918) 491-4838 direct
(918) 491-4854 fax
Michelle.hanson@apachecorp.com



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 8, 2010

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

Administrative Order NSL-6147

Re: H. Corrigan Well No. 22
API No. 30-025
1550 feet FNL and 1280 feet FEL
Unit H, Section 4-22S-37E
Lea County, New Mexico

Dear Ms. Hanson:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-02053742**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 20, 2010, and

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

Apache Corporation [OGRID 873] (Apache) has requested to drill the above-referenced well as a directional well to the Blinberry, Tubb, Drinkard and Abo formations, at a location that will be unorthodox under Division Rule 16.14.B. The proposed surface and bottom-hole locations of the well are as follows:

Surface Location: 1550 feet from the North line and 1280 feet from the East line
(Unit H) of Section 4, Township 22S, Range 37E, NMPM,
Lea County, New Mexico

Terminus 1330 feet from the North line and 1330 feet from the East line
(Unit G) of said section



The SW/4 NE/4 of Section 4 will be dedicated to the proposed well to form standard 40-acre oil spacing and proration units in the Blinebry Oil and Gas (Oil) Pool (6660), the Tubb Oil and Gas (Oil) Pool (60240), the Drinkard Pool (19190) and the Wantz-Abo Pool (62700). Spacing in the Blinebry and Tubb pools is governed by the Special Rules and Regulations for the Blinebry Oil and Gas Pool and the Special Rules and Regulations for the Tubb Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986. Spacing in the Drinkard Pool and the Wantz-Abo Pool is governed by statewide Rule 15.9. However, in all of these pools, the applicable rules provide for 40-acre oil 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 eastern unit boundaries.

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

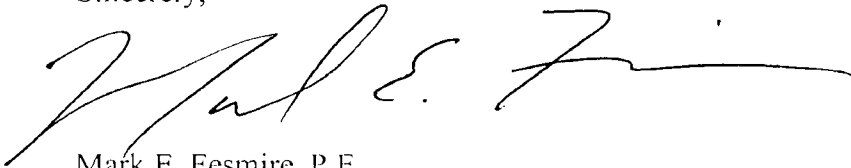
It is our understanding that you are seeking this location for engineering reasons, in order to efficiently drain the reserves in these reservoirs underlying the NE/4 of Section 4. It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved PROVIDED, HOWEVER, that nothing in this Order shall authorize the simultaneous dedication of any unit or acreage to both a gas well and an oil well in the same formation.

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