

DATE IN 6-2-10	SUSPENSE	DB.	LOGGED IN 6-2-10	TYPE NSL	APP NO. 1015328737
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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

2010 JUN -1 A 11:18 Corrigan #22
30-025-39715

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
 * Add Eumont = Y = SP = Q = Post
 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 _____

NSL-6147

- [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

Landman

5/27/10

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)

May 27, 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-6147-A, concerning the H. Corrigan No. 22 Well, to include the **Eumont; Yates-7 Rivers-Queen (oil) Pool (Pool Code 22800)**. The proposed well was recently drilled at a surface location of 1550' FNL & 1280' FEL and to a bottom hole location of 1285' FNL & 1307' FEL, all in Section 4, Township 22 South, Range 37 East, Lea County, New Mexico (**Exhibit 1**).

There is no production from the Eumont; Yates-7 Rivers-Queen on the H. Corrigan Lease, which lease is owned 100% by Apache and covers the entire NE/4 of Section 4-T22S-R37E.

Further, since the H. Corrigan #22 well only encroaches toward 100% Apache owned acreage, no other parties were notified of this application.

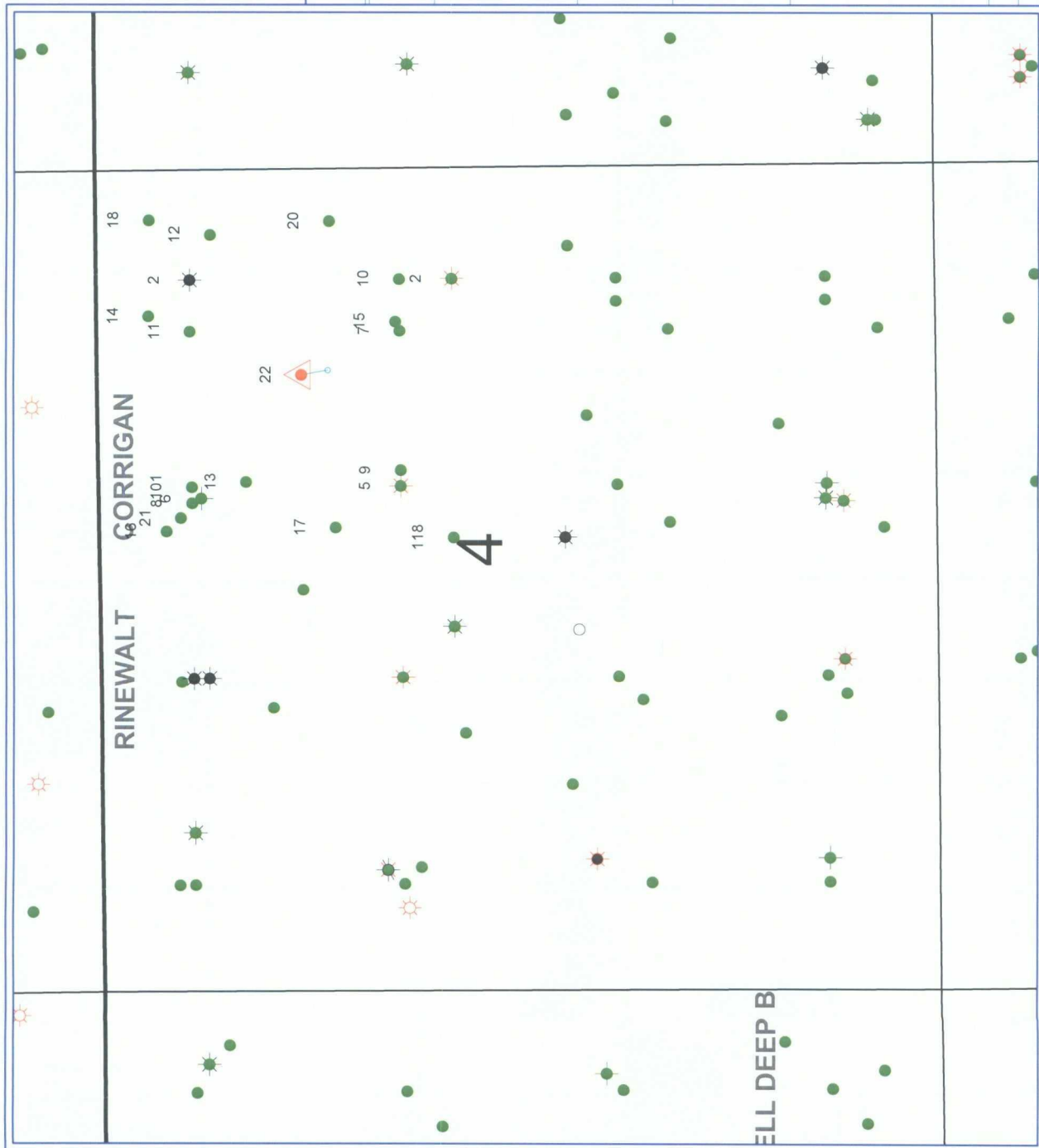
Approval of this application will afford the interest owners an opportunity to recover oil and gas which would not otherwise be recovered and will do so without violating correlative rights.

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".

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



H. Corrigan No. 22 Well

EXHIBIT 1 to NSL Application

BHL: 1285' FNL & 1307' FEL

Sec 4-T22S-R37E, Lea Co., NM



POSTED WELL DATA
Well Number

- WELL SYMBOLS
- Abandoned Well
 - Dry Hole, With Show of Oil
 - Dry Hole
 - Gas Well
 - Location
 - Proposed Drilling Location
 - Oil & Gas Well
 - Oil Well

By: Michelle Hanson

May 27, 2010

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Wednesday, June 02, 2010 3:26 PM
To: 'Hanson, Michelle'
Subject: H Corrigan Well #22; Application for amended NSL approval

Dear Ms. Hanson

I have received the referenced application in which you request that the NSL approval for the referenced well be amended to include the Eumont.

Are the footages given for the bottom hole location (1285 FSL and 1307 FEL) also the correct footages for the completion location in the Eumont?

Sincerely

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Hanson, Michelle [Michelle.Hanson@apachecorp.com]
Sent: Wednesday, June 02, 2010 3:46 PM
To: Brooks, David K., EMNRD
Subject: RE: H Corrigan Well #22; Application for amended NSL approval

Hi David,

Excellent question! I will not assume anything and will get with my production guys on this. I will get back to you asap.

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: Wednesday, June 02, 2010 4:26 PM
To: Hanson, Michelle
Subject: H Corrigan Well #22; Application for amended NSL approval

Dear Ms. Hanson

I have received the referenced application in which you request that the NSL approval for the referenced well be amended to include the Eumont.

Are the footages given for the bottom hole location (1285 FSL and 1307 FEL) also the correct footages for the completion location in the Eumont?

Sincerely

David K. Brooks
Legal Examiner

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Brooks, David K., EMNRD

From: Hanson, Michelle [Michelle.Hanson@apachecorp.com]
Sent: Thursday, June 03, 2010 9:54 AM
To: Brooks, David K., EMNRD
Subject: RE: H Corrigan Well #22; Application for amended NSL approval
Attachments: SDOC0919.pdf

Good morning David,

Attached is a replacement NSL Application for the H. Corrigan #22 Well (without the Exhibit 1). I have included the depth at which we encounter the top of the Queen formation, which is the zone from which Apache wishes to produce from, as well as the corresponding footage location.

Please let me know if you need anything else. Thank you.

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: Wednesday, June 02, 2010 4:26 PM
To: Hanson, Michelle
Subject: H Corrigan Well #22; Application for amended NSL approval

Dear Ms. Hanson

I have received the referenced application in which you request that the NSL approval for the referenced well be amended to include the Eumont.

Are the footages given for the bottom hole location (1285 FSL and 1307 FEL) also the correct footages for the completion location in the Eumont?

Sincerely

David K. Brooks

Legal Examiner

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

May 27, 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-6147-A, concerning the H. Corrigan No. 22 Well, to include the **Eumont; Yates-7 Rivers-Queen (oil) Pool (Pool Code 22800)**. The proposed well was recently drilled at a surface location of 1550' FNL & 1280' FEL and to a bottom hole location of 1285' FNL & 1307' FEL, all in Section 4, Township 22 South, Range 37 East, Lea County, New Mexico (Exhibit 1). The top of the Queen formation, which is the formation from which Apache wishes to produce, in the H. Corrigan No. 22 Well is at a measured depth of 3,368' which said depth is estimated to be located 1522' FNL & 1268' FEL of same Section 4.

There is no production from the Eumont; Yates-7 Rivers-Queen on the H. Corrigan Lease, which lease is owned 100% by Apache and covers the entire NE/4 of Section 4-T22S-R37E.

Further, since the H. Corrigan #22 well only encroaches toward 100% Apache owned acreage, no other parties were notified of this application.

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

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



March 12, 2010

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

Administrative Order NSL-6147-A

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:

This Order replaces Administrative Order NSL-6147 in its entirety.

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-06957117**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 10, 2010, and

(b) the Division's records pertinent to this request, including the Division's records pertinent to Administrative Order NSL-6147.

Apache Corporation [OGRID 873] (Apache) has requested to drill the above-referenced well as a directional well to the Blinbry, 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 1285 feet from the North line and 1307 feet from the East line



(Unit A) of said section

The NE/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 southern 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 NE/4 of Section 4, and that you are requesting the above location, in lieu of that provided in Order NSL-6147 because there is an existing, producing Blinebry gas well in Unit G of Section 4.

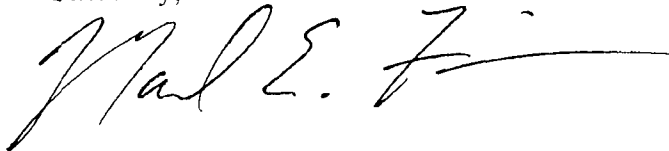
It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

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