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

May 11, 2000

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

Administrative Order NSP-824-A

Dear Ms. Anderson:

Reference is made to the following: (i) your application dated April 17, 2000; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Apache Corporation's request for a 40-acre non-standard gas spacing and proration unit consisting of the following acreage in the Blinebry Oil and Gas Pool:

LEA COUNTY, NEW MEXICO TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM Section 19: SE/4 SW/4.

This unit is to be dedicated to Apache Corporation's existing State "CK" Well No. 3 (API No. 30-025-20540), located at a standard gas well location for this size and shape unit 330 feet from the South line and 1549 feet from the West line (Unit N) of Section 19.

By authority granted me under the provisions of Rule 2(d) of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry Oil and Gas Pool," as promulgated by Division Order No. R-8170, as amended, the above-described 40-acre GPU is hereby approved. Also, you are hereby permitted to produce the allowable assigned the subject GPU, in accordance with Rule 5 of the pool rules based upon a unit size of 40 acres.

It is further ordered that Division Administrative Order NSP-824, dated March 5, 1970, which order established an 80-acre non-standard Blinebry gas spacing and proration unit comprising the E/2 SW/4 of Section 19 and approved the unorthodox location of this well within

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the 80-acre unit, shall now be placed in abeyance until further notice.

Sincerely,

Lori Wrotenbery

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs

New Mexico State Land Office - Santa Fe

File: NSP-824

<u>REMARKS</u>: Rule 2 (a) 3 of the special rules and regulation governing

the Blinebry Oil and Gas Pool prohibits the simultaneous dedication of acreage assigned to Blinebry oil wells with acreage ascribed to Blinebry gas wells. Please be aware of this rule and plan accordingly for any further development of the Blinebry Oil and Gas Pool within the E/2 SW/4 of

Section 19.