



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

June 27, 2003

Lori Wrotenbery
Director
Oil Conservation Division

Apache Corporation
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87504

Administrative Order NSL-4908

Dear Mr. Bruce:

Reference is made to the following: (i) your initial application (*administrative application reference No. pKRV0-313329875*) that was submitted to the New Mexico Oil Conservation Division ("Division") on May 9, 2003; (ii) the Division's initial response by letter dated May 13, 2003 from Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe **denying** this application; (iii) yours and Mr. Stogner's meeting with various Apache Corporation representatives on Wednesday morning, May 14, 2003; (iv) your re-submittal of this application to the Division on May 28, 2003; (v) the supplemental data furnished the Division on June 3, 2003 to support this application; and (vi) the Division's records in Santa Fe: all concerning Apache Corporation's request for an unorthodox oil well location in the Blinebry Oil and Gas Pool (6660), Tubb Oil and Gas Pool (60240), and Drinkard Pool (19190) for its proposed Southland Royalty "A" Well No. 19 to be drilled 130 feet from the South line and 1270 feet from the East line (Unit X) of Irregular Section 4, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

The SE/4 SE/4 of Irregular Section 4, being a standard 40-acre oil spacing and proration unit for all three intervals, is to be dedicated to this well.

This application has been duly filed under the provisions of: (i) Division Rules 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended; and (iii) the "*Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

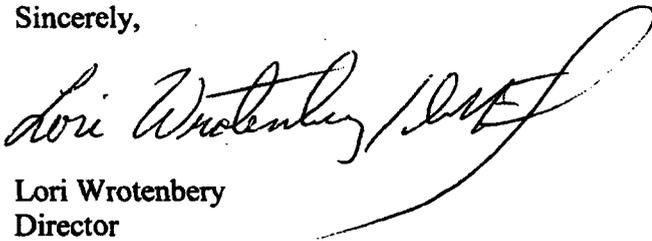
It is further understood that the S/2 SE/4 of Irregular Section 4 and the NE/4 of Section 9, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, is a single fee lease with common ownership in which Apache Corporation is the leasehold operator; therefore, there are no adversely affected interests to the proposed 40-acre oil spacing and proration unit within the Blinebry, Tubb, and Drinkard intervals.

Approval of the proposed unorthodox oil well location request should enable Apache Corporation to further develop and deplete the Blinebry, Tubb, and Drinkard intervals within its Southland Royalty "A" fee lease that might not otherwise be recovered.

By the authority granted me under the provisions of Division Rules 104.F (2), as revised, and the applicable provisions of the special pool rules governing both the Blinebry Oil and Gas Pool and Tubb Oil and Gas Pool, the above-described unorthodox oil well location of Apache Corporation's proposed Southland Royalty "A" Well No. 19 is hereby approved for the Blinebry Oil and Gas Pool, Tubb Oil and Gas Pool, and Drinkard Pool.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Lori Wrotenberg
Director

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

12/21/04 09:02:19
C-COMPG -TPRL

API Well No : 30 25 36311 Eff Date : 08-08-2003 WC Status : A
Pool Idn : 6660 BLINEBRY OIL AND GAS (OIL)
OGRID Idn : 873 APACHE CORP
Prop Idn : 23112 SOUTHLAND ROYALTY A

Well No : 019
GL Elevation: 3469

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Idn	:	P	4	21S	37E	PTG 130 F S PTG 1270 F E	A

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD :
CG61WCM

DRINKARD
INQUIRE WELL COMPLETIONS

12/21/04 09:02:25
OGOMBS -TPRL

API Well No : 30 25 36314 Eff Date : 08-08-2003 WC Status : A
Pool Idn : 19190 DRINKARD
OGRID Idn : 873 APACHE CORP
Prop Idn : 23112 SOUTHLAND ROYALTY A

Well No : 019
GL Elevation: 3469

	U/G	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.R. Locn	:	P	4	21S	37E	FTG 130 F S FTG 1270 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/P/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
OC6IWCP

ONGARD
INQUIRE WELL COMPLETIONS

12/21/04 09:02:27
OCOMBS -TFRI

API Well No : 30 25 36319 Eff Date : 08-08-2003 WC Status : A
Pool Idn : 60240 TUBB OIL AND GAS (OIL)
CURID Idn : 873 APACHE CORP
Prop Idn : 23112 SOUTHLAND ROYALTY A

Well No : 019
GL Elevation: 3469

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Lots	: P	4	21S	37E	FTG 130 F S	FTG 1270 F E	A

Lot Identifier:

Dedicated Area: 40.00

Lease Type : P

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD :
OGGIWCM

WISARD
INQUIRE WELL COMPLETIONS

12/21/04 09:02:25
OCCMRS -TPRL

API Well No : 30 25 36314 Eff Date : 08 08-2003 WC Status : P
Pool Idn : 86440 TUBB OIL & GAS (PRO GAS)
OGRIF Idn : 873 APACHE CORP
Prop Idn : 23112 SOUTHLAND ROYALTY A

Well No : 019
GL Elevation: 3469

	U/L	Sec	Township	Range	North/South	East/West	Prop/300(F/A)
B.H. Locn	: P	4	21S	37E	FTG 130 F S	FTG 1270 F E	P

Lot Identifier:

Dedicated Acre:

Lease Type : P

Type of consolidation (Comm. Unit, Forced Pooling - C/U/F/O) :

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC