



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

June 7, 1999

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

Administrative Order NSL-4304(SD)

Dear Ms. Anderson:

Reference is made to the following: (i) your application dated May 12, 1999; and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe: all concerning Apache Corporation's ("Apache") request for an unorthodox Tubb gas well location within an existing standard 160-acre gas spacing and proration unit ("GPU") for the Tubb Oil and Gas Pool comprising the SW/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU is currently dedicated to Apache's Owen "B" Well No. 2 (API No. 30-025-06997) located at an unorthodox gas well location 1980 feet from the South line and 420 feet from the West line (Unit L) of Section 34, which was "grandfathered" in as a standard Tubb gas well location for the subject 160-acre GPU pursuant to Rule 2 of the "Special Rules and Regulations for the Tubb Gas Pool," as promulgated by Division Order No. R-586, issued in Case No. 728 dated April 11, 1955.

It is our understanding that the subject well in this application, the Owen "B" Well No. 6 (API No. 30-025-34321), was drilled to a total depth of 7,500 feet and completed in the Wantz-Abo Pool at a standard oil well location 1980 feet from the South line and 2180 feet from the West line (Unit K) of Section 34. It is further understood that Apache now intends to recomplete this well up-hole into the Tubb Oil and Gas Pool.

Pursuant to Rule 2(b)1 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool," as promulgated by Division Order No. R-8170, as amended, the location of the Owen "B" Well No. 6 is considered to be unorthodox.

By authority granted me under the provisions of Rule 2(d) of the special rules for the Tubb Oil and Gas Pool, the unorthodox location of the Owen "B" Well No. 6 is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Tubb gas production from both the Owen "B" Wells No. 2 and 6. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion.

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

December 10, 2001

Lori Wrotenberg
Director
Oil Conservation Division

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

Telefax No. (713) 296-7156

Administrative Order NSP-1823-A (L) (SD)

Dear Ms. Anderson:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on November 20, 2001 (*application reference No. pKRV0-132546671*); and (ii) the records of the Division in Santa Fe, including the files on Division Administrative Orders NSP-1823 (L) (SD) and SD-01-03: all concerning Apache Corporation's request to reduce the acreage of the existing 120-acre non-standard gas spacing and proration unit ("GPU") in the Blinebry Gas Pool (72480) comprising the N/2 SW/4 and SE/4 SW/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, which was approved by Division Administrative Order NSP-1823 (L) (SD), dated July 6, 2000, as amended by a corrected order dated May 22, 2001, by omitting the 40 acres comprising the NW/4 SW/4 (Unit L) of Section 34 from this GPU.

This application has been duly filed under the provisions of: (i) Division Rules 104.F and 104.D (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; (ii) Division Rule 605; and (iii) the "*Special Rules and Regulations for the Blinebry Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended.

The aforementioned Division Administrative Order NSP-1823 (L) (SD) and Division Administrative Order SD-01-03, dated June 27, 2001, authorized the simultaneous dedication of this 120-acre GPU to Apache Corporation's: (i) Owen "B" Well No. 4 (API No. 30-025-06999), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 34; (ii) Owen "B" Well No. 6 (API No. 30-025-34321), located at an unorthodox gas well location [also approved by Division Administrative Order NSP-1823 (L) (SD)] 1980 feet from the South line and 2180 feet from the West line (Unit K) of Section 34; and (iii) Owen "B" Well No. 10 (API No. 30-025-35638) at a surface location 1137 feet from the South line and 495 feet from the West line (Unit M) of Section 34 and bottomhole location within the Blinebry formation at an unauthorized (see Division Administrative Order SD-01-03) unorthodox bottomhole gas well location that is 2222 feet from the South line and 706 feet from the West line (Unit L) of Section 34.

Administrative Order NSP-1823-A(L)(SD)
Apache Corporation
December 10, 2001
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It is our understanding that such reduction of acreage is necessary due to the classification of the Owen "B" Well No. 10 as a Blinebry oil completion, which bottomhole location is fortunately considered to be standard [see Rule 2 (b) 2 of the special Blinebry pool rules] for the resulting 40-acre oil spacing and proration unit comprising the NW/4 SW/4 (Unit L) of Section 34.

By the authority granted me under the provisions of Division Rules 104.F (2) and 104.D (2), as revised, Division Rule 605.B (2) (b), and the applicable provisions of the special pool rules governing the Blinebry Oil and Gas Pool, the following-described 80-acre non-standard stand-up gas spacing and proration unit and resulting unorthodox gas well location for the Owen "B" Well No. 6 are hereby approved:

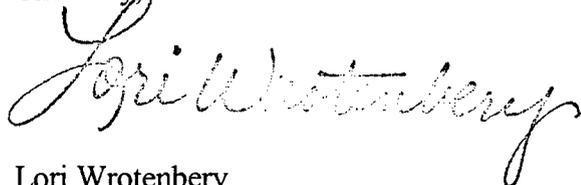
LEA COUNTY, NEW MEXICO
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 34: E/2 SW/4.

This newly established 80-acre non-standard gas spacing and proration unit is to be simultaneously dedicated to the above-described Owen "B" Wells No. 4 and 6, with allowable assigned thereto in accordance with Rule 5 of the special Blinebry Oil and Gas Pool rules based upon the unit size of 80 acres.

Further, this order shall serve to supersede both Division Administrative Orders NSP-1823 (L) (SD), as amended, and SD-01-03.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Lori Wrottenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-1823 (L) (SD) /
SD-01-03



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

June 27, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

RE: NMOCD Correspondence Reference No. SD-01-03: *Blinebry Oil and Gas Pool gas development within an existing non-standard 120-acre gas spacing and proration unit ("GPU") comprising the W/2 SW/4 and SE/4 SW/4 of Section 34, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.*

Dear Ms. Anderson:

Reference is made to your letter dated May 8, 2001 notifying the New Mexico Oil Conservation Division's ("Division") Santa Fe office of Apache Corporation's plans for further Blinebry gas development within the above-described 120-acre GPU, which was approved by Division Administrative Order NSP-1823 (L) (SD), dated July 6, 2000, as corrected by order dated May 22, 2001.

The rules currently governing directional drilling, spacing, well locations, and allowables for the Blinebry Oil and Gas Pool include, but not necessarily limited to:

- (a) *"Special Rules and Regulations for the Blinebry Oil and Gas Pool"*, as promulgated by Division Order No. R-8170, as amended; and
- (b) Division Rules 104, 605, 111.A (7), and 111.C (1).

It is our understanding that gas production attributed to the Blinebry Oil and Gas Pool within this 120-acre GPU is to be simultaneously dedicated to the following three wells:

- (1) the existing Owen "B" Well No. 4 (API No. 30-025-06999), located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 34;
- (2) the existing Owen "B" Well No. 6 (API No. 30-025-34321), located at an unorthodox gas well location [also approved by Division Administrative Order NSP-1823 (L) (SD)] 1980 feet from the South line and 2180 feet from the West line (Unit K) of Section 34; and

(3) the proposed Owen "B Well No. 10 to be directionally drilled from a surface 1137 feet from the South line and 495 feet from the West line (Unit M) of Section 34 to a targeted standard bottomhole gas well location that is to be approximately 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 34.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", is written over a horizontal line. The signature is fluid and cursive.

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Hobbs
File: NSP-1823 (L) (SD) /