



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

January 31, 2001

Lori Wrotenbery
Director
Oil Conservation Division

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

Administrative Order NSL-4115-A

Dear Ms. Anderson:

Reference is made to the following: (i) your application (*application reference No. pKRV0-202435151*) that was submitted to the New Mexico Oil Conservation Division (“Division”) on January 22, 2002; (ii) your telephone conversation with Mr. Michael E. Stogner, Engineer/Chief Hearing Officer in Santa Fe on Thursday, January 31, 2002; (iii) your telefax submittal of supplemental information on Thursday, January 31, 2002; and (iv) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-4115, dated August 20, 1998: all concerning Apache Corporation's (“Apache”) request for an unorthodox Paddock oil well location for its proposed Turner Well No. 19 to be drilled 1575 feet from the South line and 1450 feet from the East line (Unit J) of Section 22, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico. The NW/4 SE/4 of Section 22 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Paddock Pool (49210).

This application has been duly filed under the provisions of Division Rule 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.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox location into the Paddock interval will be at a more favorable geologic position to intersect a localized structural high than a well drilled at a location considered to be standard. Topographic conditions further restrict placement of a drilling pad in the southeastern portion of this unit.

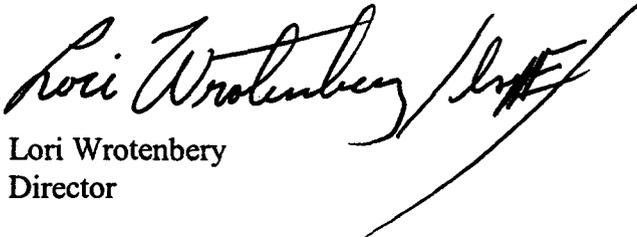
It is further understood that the entire S/2 of Section 22 is a single fee lease in which Apache is the lessee; therefore, there are no effected offsets to the subject 40-acre unit other than Apache.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Paddock oil well location is hereby approved.

Administrative Order NSL-4115-A
Apache Corporation
January 31, 2002
Page 2

IT IS FURTHER ORDERED THAT Division Administrative Order NSL-4115, which, in 1998, authorized Apache to drill its Turner Well No. 19 (API No. 30-025-34493) within the proposed 40-acre unit (Unit J) at an unorthodox Paddock oil well location 1610 feet from the South line and 1420 feet from the East line of Section 22, shall be placed in abeyance until further notice.

Sincerely



Lori Wrotenbery
Director

cc: New Mexico Oil Conservation Division - Hobbs
NSL-4115 /