



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 9, 2005

Apache Corporation
Two Warren Place – Suite 1500
6120 South Yale
Tulsa, Oklahoma 74136-4224

Attention: Rick Crist
Production Engineer

Administrative Order NSL-4115-B

Dear Mr. Crist:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-509136055*) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 16, 2005; and (ii) the Division's records in Santa Fe, including the files on Division Administrative Orders NSL-4115 and NSL-4115-A: all concerning Apache Corporation's request to include the Grayburg formation within the well bore of your existing Turner Well No. 19 (API No. 30-025-35830), located at an unorthodox oil well location 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, Undesignated Penrose Skelly (Grayburg) Pool (50350), Lea County, New Mexico.

Your 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.

By Division Administrative Order NSL-4115-A, dated January 31, 200[2], Apache Corporation was granted authorization to drill and complete its Turner Well No. 19 at the above-described unorthodox oil well location in the Paddock Pool (49210) within the NW/4 SE/4 (Unit J) of Section 22, being a standard 40-acre oil spacing and proration unit for the Paddock interval.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described Turner Well No. 19, being the initial well within the same 40-acre tract, which is a standard oil spacing and proration unit for the Undesignated Penrose Skelly (Grayburg) Pool, also located at an unorthodox oil well location, is hereby approved.

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Division Administrative Order NSL-4115-B

Furthermore, Division Administrative Order NSL-4115-A shall remain in full force and affect until further notice.

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

Sincerely,

A handwritten signature in cursive script, reading "Mark E. Fesmire" followed by a stylized monogram or initials.

Mark E. Fesmire, P. E.
Director

MES/ms

cc: New Mexico Oil Conservation Division – Hobbs
Files: NSL-4115
NSL-4115-A ✓