

Application of Apache Corporation for administrative
approval of an unorthodox well location:

40 acres – 130' FSL & 1270' FEL
Section 4, Township 21 South, Range 37 East, NMPM
Lea County, New Mexico

PRIMARY OBJECTIVE: Blinebry, Tubb and Drinkard

In support:

1. Apache Corporation (Apache) is the operator of the proposed **Southland Royalty A #19** well (**Exhibit 1**).
2. The proposed unorthodox location encroaches toward the following wells which are, or have been productive from various combinations of the Blinebry, Tubb, and Drinkard (**Exhibit 2**). All four units are contained within one oil and gas lease, with common working and revenue interest owners. The unit in which it is proposed does not have a Blinebry, Tubb, and/or Drinkard well.

OPER	WELL	LOC	RESRVR	CUM B-T-D O/G/W	DAILY B-T-D O/G/W	CURRENT POOL
Apache	Southland Royalty A #7	9-A	B-T-D	202/1699/48	0/0/0	Penrose Skelly: Grayburg
Apache	Southland Royalty A #2	9-B	B-T-D	471/4953/77	0/3/0	Blinebry Oil and Gas AND Tubb Oil and Gas, AND Drinkard
Apache	Southland Royalty A #4	4-X	B-T-D	281/4787/48	0/0/0	Penrose Skelly: Grayburg
Apache	Southland Royalty A #8	4-W	B-T-D	164/3066/32	5/70/3	Blinebry Oil and Gas AND Tubb Oil and Gas, AND Drinkard

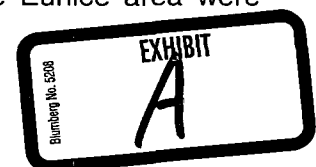
Oil in MBO
Gas in MMCFG
Water in MBW

BOPD
MCFGPD
BWPD

3. The proposed **Southland Royalty A #19** unorthodox Blinebry, Tubb, and Drinkard location of 130' from south line and 1270' from east line necessitated by geological and drainage considerations, as well as to prevent waste:

a. **Blinebry, Tubb and Drinkard**

The Blinebry, Tubb, and Drinkard Formations are members of the Yeso Group, Permian Leonardian in age. Portions of the Eunice area were



unitized by Shell in 1987 into the Northeast Drinkard Unit for waterflood operations. The unit is governed by the North Eunice Blinebry-Tubb-Drinkard Field Rules. The stratigraphic relationships, specifically top of Blinebry being 75' above the Blinebry Marker, and fluid contacts, specifically Blinebry GOC at -2255 and Drinkard OWC at -3225, employed by Shell have also been used here.

All three formations are shallow marine carbonates, consisting primarily of dolomite. The Tubb can have appreciable clastic content and the Drinkard becomes limey toward its base. Anhydrite can occur throughout the interval. Structure is significant in that it controls the fluid distribution. Any oil water contacts in these formations occur miles from this location.

Apache approached its evaluation by mapping the following on each of the four major reservoirs (Blinebry Gas Cap, Blinebry Oil Leg, Tubb, and Drinkard):

1. Structure (primarily to locate fluid contacts on logs and cross sections),
2. Clean carbonate (less than 40 APIU gamma ray),
3. Net to gross ratio using only modern logs from which a cross plotted porosity could be calculated,
4. Net pay (h) which was either picked from modern logs or calculated by multiplying the clean carbonate grid by the net to gross ratio grid (thus estimating net pay for wells without modern logging suites),
5. Average porosity (PhiA), using only modern logs from which a average porosity could be calculated,
6. Porosity*Feet (PhiH) which was either calculated from modern logs or calculated by multiplying the net pay (h) grid by the average porosity (PhiA) grid.

Reservoir engineering used the four PhiH maps to estimate drainage of each offsetting well in each reservoir. Recoverable reserves for this location are calculated as the volumetrics under a 20 A radius (less if the direct offsets were not capable of draining 20 A) with reduced reservoir pressure where drainage has occurred. Drainage offsetting this location is as follows:

SEC	LEASE NAME	WELL	PROD ZONE NAME	EUR			DRAINED
				OIL	WATER	GAS	ACRES
4	SOUTHLAND ROYALTY A	4	BLINEBRY GAS CAP	69,211	5,424	305,283	0
4	SOUTHLAND ROYALTY A	8	BLINEBRY GAS CAP	41,419	7,602	583,357	16
9	SOUTHLAND ROYALTY A	2	BLINEBRY GAS CAP	77,263	23,302	587,096	5
9	SOUTHLAND ROYALTY A	7	BLINEBRY GAS CAP	119,219	13,566	1,042,548	8
4	SOUTHLAND ROYALTY A	4	BLINEBRY OIL LEG	69,211	5,424	305,283	15
4	SOUTHLAND ROYALTY A	8	BLINEBRY OIL LEG	41,419	7,602	583,357	9
9	SOUTHLAND ROYALTY A	2	BLINEBRY OIL LEG	77,263	23,302	587,096	17

9	SOUTHLAND ROYALTY A	7	BLINEBRY OIL LEG	119,219	13,566	1,042,548	25
4	SOUTHLAND ROYALTY A	4	TUBB	35,274	4,092	3,699,969	165
4	SOUTHLAND ROYALTY A	8	TUBB	38,605	8,312	1,204,887	56
9	SOUTHLAND ROYALTY A	2	TUBB	38,101	19,031	3,423,424	166
9	SOUTHLAND ROYALTY A	7	TUBB	931	656	12,444	1
4	SOUTHLAND ROYALTY A	4	DRINKARD	177,285	9,651	781,800	64
4	SOUTHLAND ROYALTY A	8	DRINKARD	84,063	15,327	1,281,203	28
9	SOUTHLAND ROYALTY A	2	DRINKARD	302,112	34,523	943,428	106
9	SOUTHLAND ROYALTY A	7	DRINKARD	81,770	8,811	913,742	27

Volumetrics for this location are as follows:

			RESERVOIR	DRAINAGE	EUR	
		PROD ZONE NAME	PRESSURE	ACRES	OIL	GAS
SOUTHLAND ROYALTY A	19	BLINEBRY GAS CAP	2500	10	2,270	270
		BLINEBRY OIL LEG	2300	17	88,526	575
		TUBB	500	20	0	0
		DRINKARD	500	20	0	0
		TOTAL			90,796	845

Exhibit 3 is a stratigraphic cross section, hung on the top of the Blinebry, trending north to south; passing near several wells Apache is considering drilling. It illustrates several critical points:

1. Wireline logging suites vary greatly. Many wells do not have reliable gamma ray or porosity logs.
2. Tops are easily correlated, but the presence of tight dolomite/anhydrite and shale **compartmentalizes** the reservoir.
3. All the reservoirs are low porosity.

b. Blinebry Gas Cap (Exhibit 4)

Thickness of the Blinebry Gas Cap is related to the subsea top of the Blinebry. The higher the top, the thicker the gas cap. Using a 5% threshold, porosity averages 10.2% in 118 wells selected for analysis. PhiH at this location is expected to be 4.3'.

c. Blinebry Oil Leg (Exhibit 5)

Thickness of the Blinebry Leg is related to the subsea top of the Blinebry, the higher the top, the thinner the gas cap. Using a 5% threshold, porosity averages 8.4% in 146 wells selected for analysis. PhiH at this location is expected to be 10.8'.

c. Tubb (Exhibit 6)

Thickness of the Tubb varies little in the area, ranging mostly from 300' to 360'. Using a 5% threshold, porosity averages 8.4% in 145 wells selected for analysis. PhiH at this location is expected to be 3.7'.

d. Drinkard (Exhibit 7)

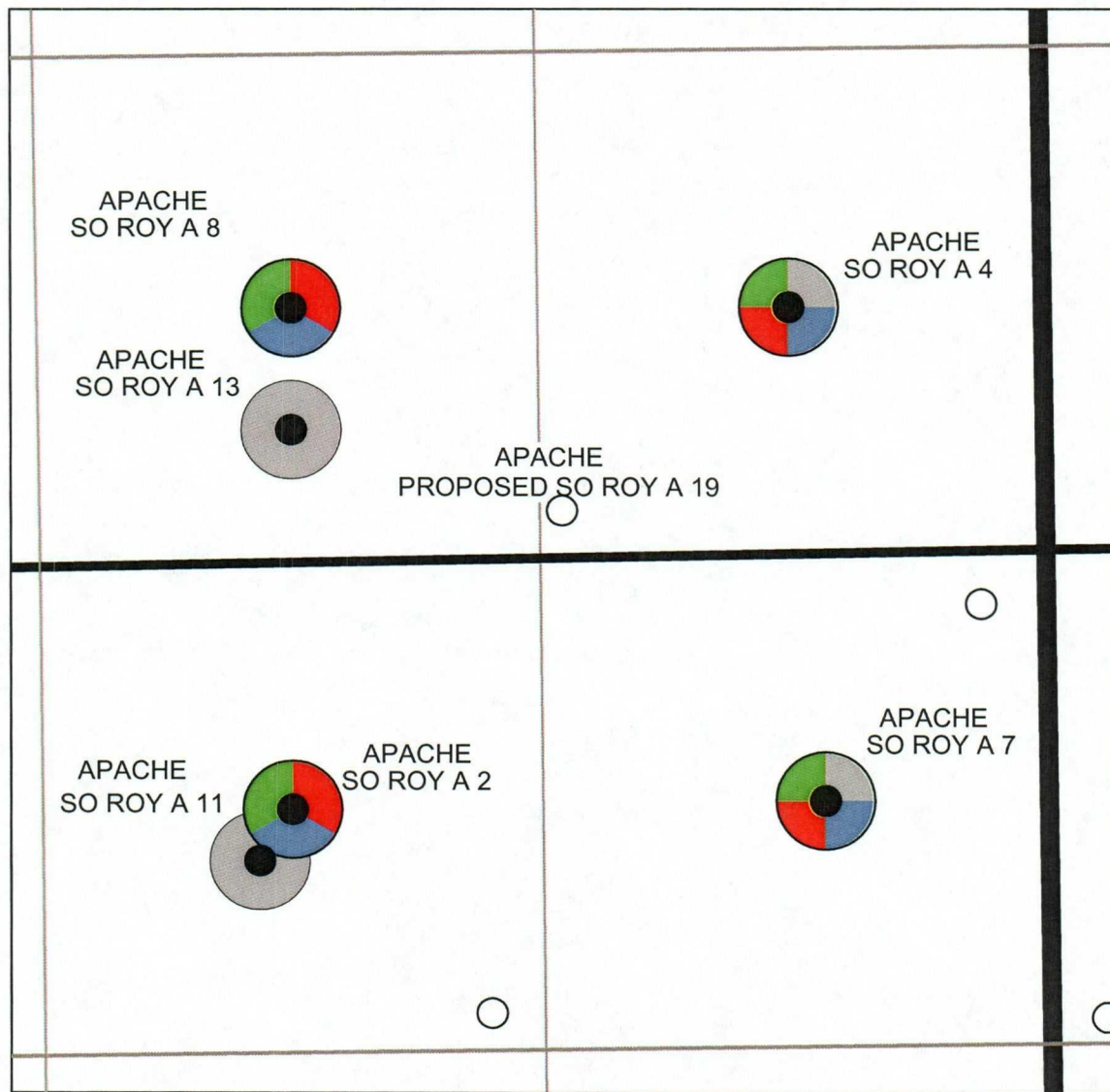
The thickness of the Drinkard is also related to its subsea position, the higher the top, the thicker the interval. Using a 5% threshold, porosity averages 9.3% in 128 wells selected for analysis. PhiH at this location is expected to be 5.8'.

e. B-T-D (Exhibit 8)

The expected PhiH in the combined interval is 24.6'.

4. Notice

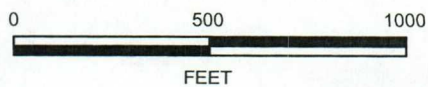
5. Approval of this application will afford the interest owners in this spacing unit an opportunity to recover oil and gas which would not otherwise be recovered and to do so without violating correlative rights.



BLINEBRY PRODUCER
 TUBB PRODUCER
 DRINKARD PRODUCER
 GRAYBURG PRODUCER

WELL SYMBOLS

- Location Only
- Oil Well



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

SO ROYALTY A 19

**T21S-R37E
LEA COUNTY, NEW MEXICO**

**EXHIBIT 1
WELL INFORMATION**

DATE: 4-16-03

DWG: SO ROY A19 EX1 (CURTIS)



POSTED WELL DATA

CUM OIL
CUM GAS
CUM WATER

DAILY OIL
DAILY GAS
DAILY WATER

WELL SYMBOLS

- Location Only
- Oil Well
- ☼ Gas Well



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

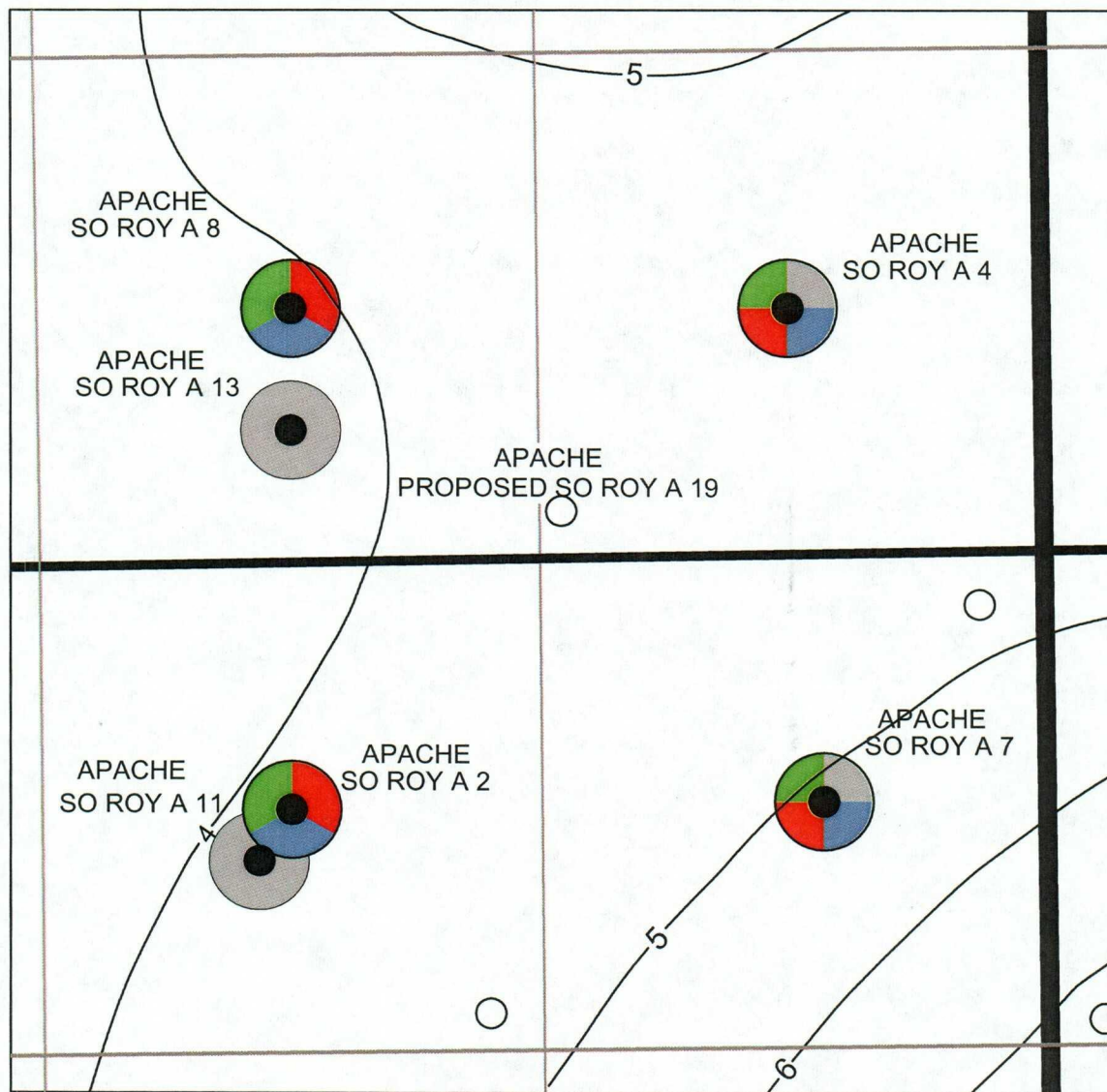
SO. ROYALTY A 19

**SEC 16-T21S-R37E
LEA COUNTY, NEW MEXICO**

**EXHIBIT 2
PRODUCTION**

DATE: 4-16-03

DWG: SO ROY A19 (CURTIS)



POSTED WELL DATA

PHIH ●

WELL SYMBOLS

- Location Only
- Oil Well



- BLINEBRY PRODUCER
- TUBB PRODUCER
- DRINKARD PRODUCER
- GRAYBURG PRODUCER



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

SO. ROYALTY A 19

**T21S-R37E
LEA COUNTY, NEW MEXICO**

**EXHIBIT 4
BLBY GAS CAP
CUTOFF: 5% DOLOMITE**

DATE: 4-16-03

DWG: SO ROY A19 EX3 (CURTIS)

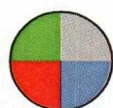


POSTED WELL DATA

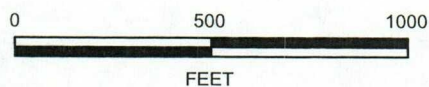
PHIH ●

WELL SYMBOLS

- Location Only
- Oil Well



- BLINEBRY PRODUCER
- TUBB PRODUCER
- DRINKARD PRODUCER
- GRAYBURG PRODUCER



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

SO. ROYALTY A 19

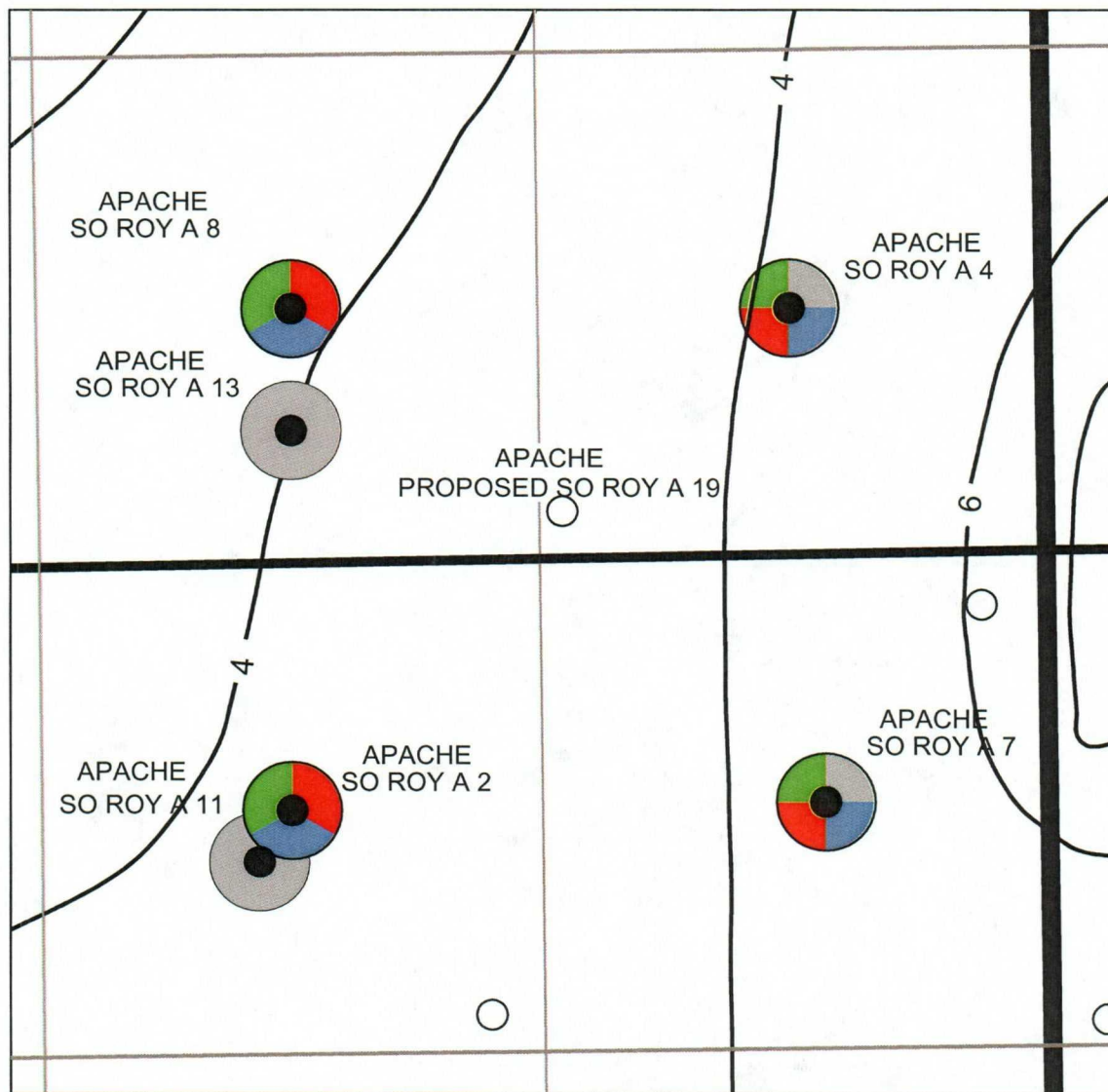
**T21S-R37E
LEA COUNTY, NEW MEXICO**

EXHIBIT 5

**BLBY OIL LEG
CUTOFF: 5% DOLOMITE**

DATE: 4-16-03

DWG: SO ROY A19 EX3 (CURTIS)



POSTED WELL DATA

PHIH ●

WELL SYMBOLS

- Location Only
- Oil Well



- BLINEBRY PRODUCER
- TUBB PRODUCER
- DRINKARD PRODUCER
- GRAYBURG PRODUCER



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

SO. ROYALTY A 19

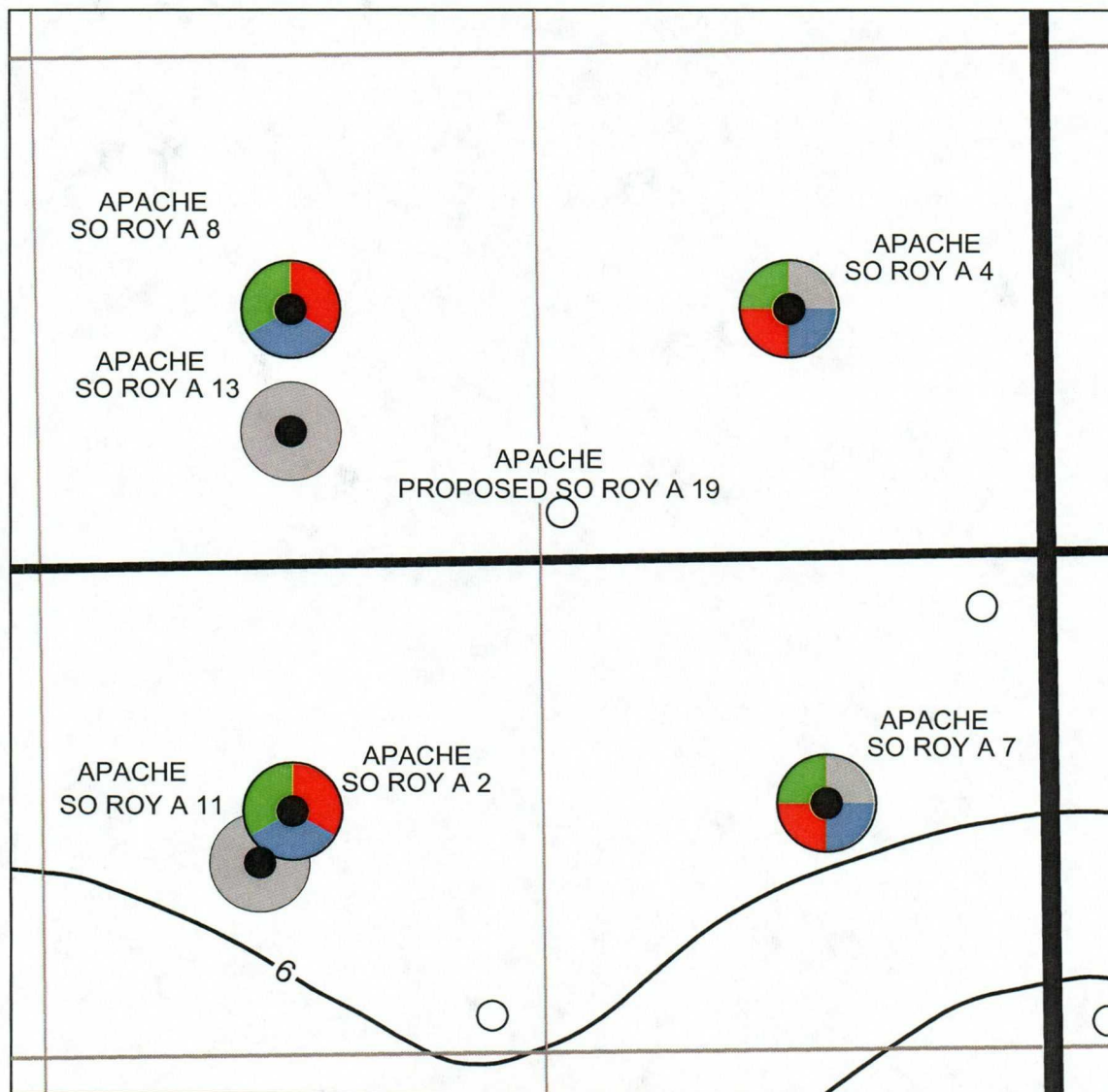
**T21S-R37E
LEA COUNTY, NEW MEXICO**

EXHIBIT 6

**TUBB PHIH
CUTOFF: 5% DOLOMITE**

DATE: 4-16-03

DWG: SO ROY A19 EX3 (CURTIS)



POSTED WELL DATA

PHIH ●

WELL SYMBOLS

- Location Only
- Oil Well



- BLINEBRY PRODUCER
- TUBB PRODUCER
- DRINKARD PRODUCER
- GRAYBURG PRODUCER



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

SO. ROYALTY A 19

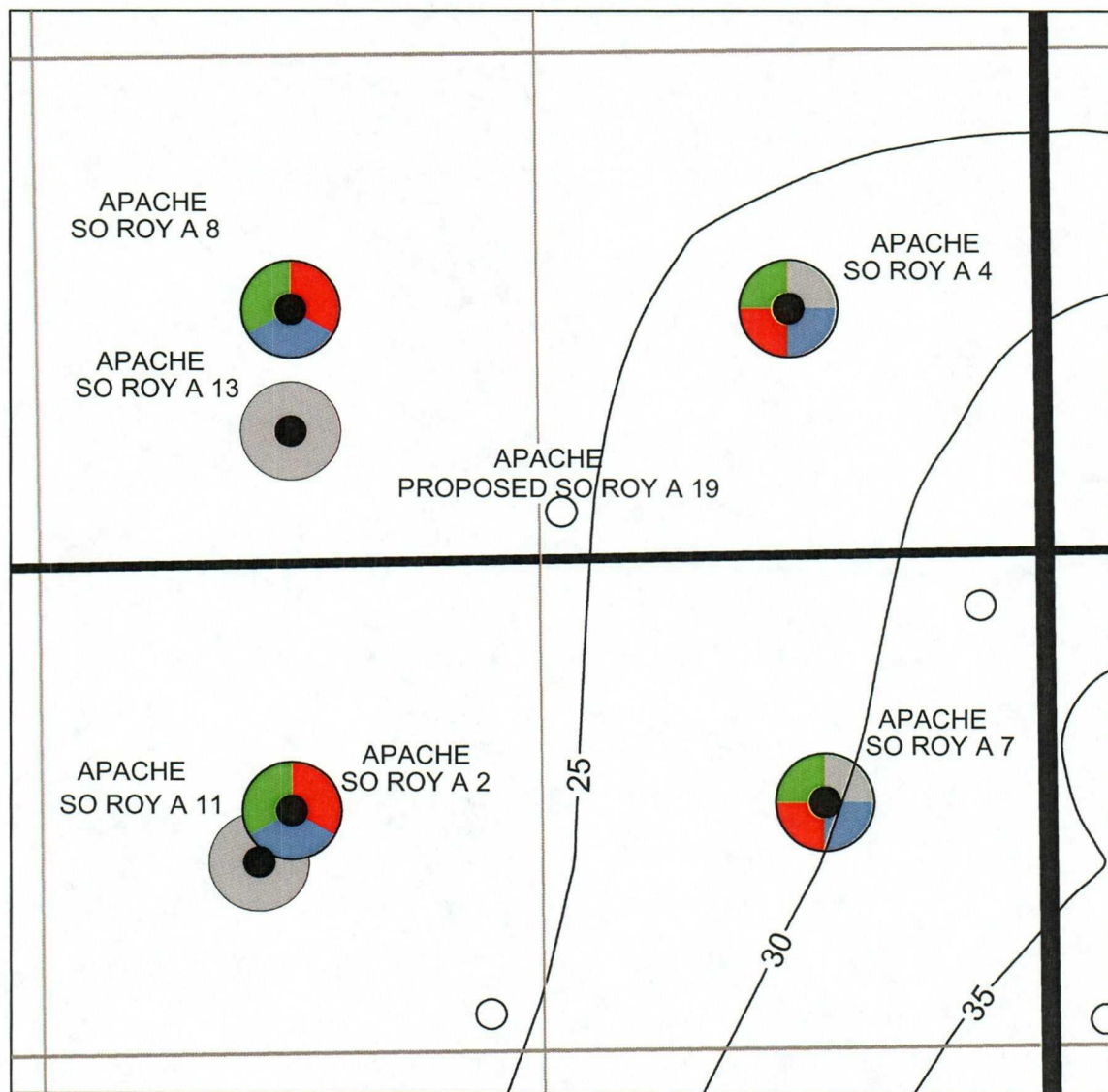
**T21S-R37E
LEA COUNTY, NEW MEXICO**

EXHIBIT 7

**DRKD PHIH
CUTOFF: 5% DOLOMITE**

DATE: 4-16-03

DWG: SO ROY A19 EX3 (CURTIS)



POSTED WELL DATA

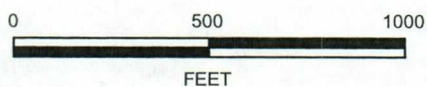
PHIH ●

WELL SYMBOLS

- Location Only
- Oil Well



- BLINEBRY PRODUCER
- TUBB PRODUCER
- DRINKARD PRODUCER
- GRAYBURG PRODUCER



TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

SO. ROYALTY A 19

**T21S-R37E
LEA COUNTY, NEW MEXICO**

EXHIBIT 8

**B-T-D PHIH
CUTOFF: 5% DOLOMITE**

DATE: 4-16-03

DWG: SO ROY A19 EX3 (CURTIS)

ATTENTION: KEVIN MAYES
 FROM: DEBBIE MCKELVEY

The current well classification according to the OGD's ONGRD system is listed below.

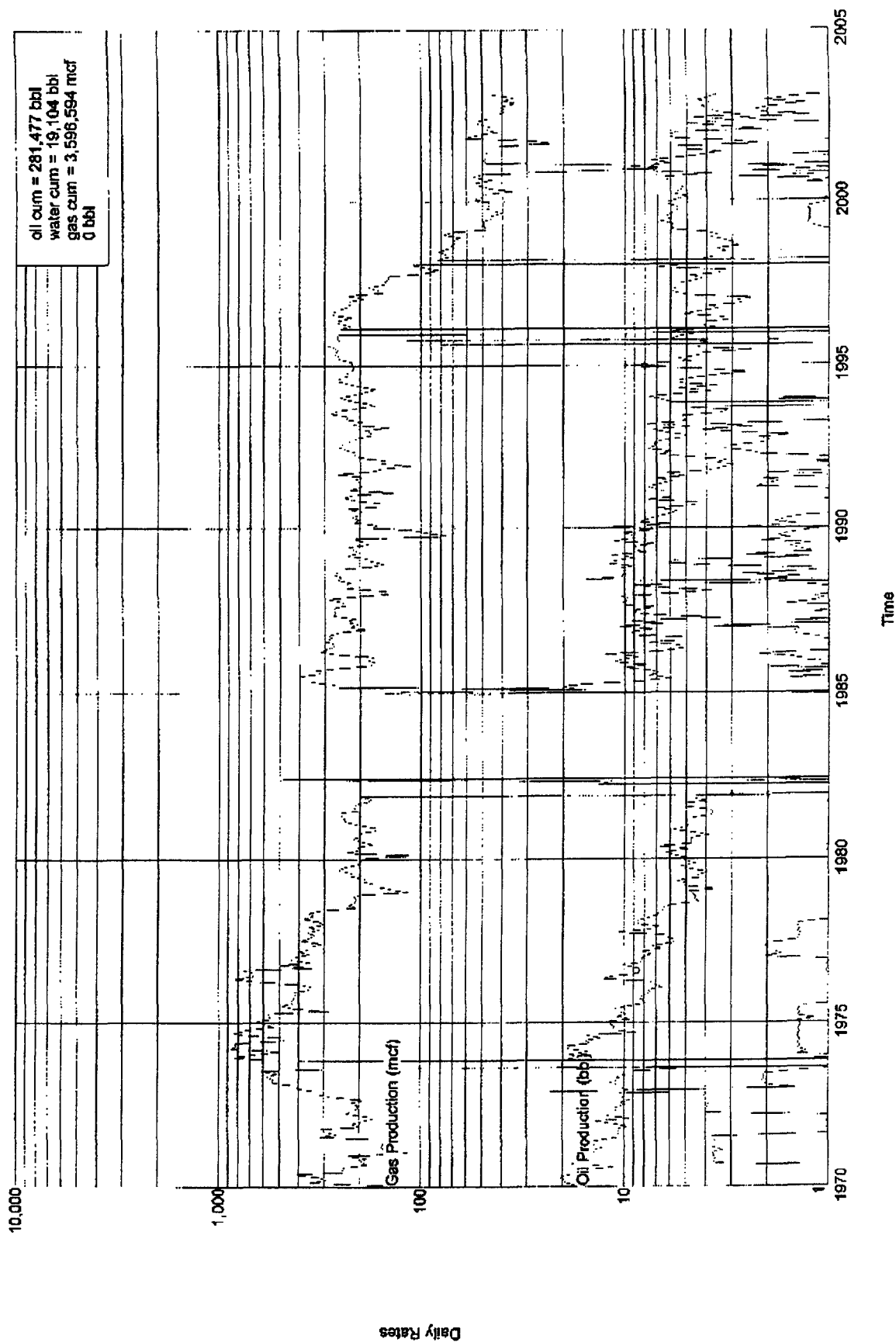
API	Well	Section	Unit	Original Well Classific	Current Well Classific	Comments
3002506629	State C Tract 12 #7	16	D		OIL	
3002506627	State C Tract 12 #6	16	C		OIL	Not currently producing
3002506628	State C Tract 12 #6 X&Y	16	C		OIL	
3002506626	State C Tract 12 #4	16	F		OIL	
3002506625	State C Tract 12 #3	16	E		OIL	
3002509910	Hawk B-1 #4	9	L		OIL	
3002509908	Hawk B-1 #5	9	K		OIL	
3002509907	Hawk B-1 #6	9	N		OIL	Not currently producing
3002506441	Hawk B-1 #9	9	M		OIL	
3002526957	Hawk A #8	8	A		OIL	
3002521225	Hawk A #5	9	D		OIL	Not currently producing
3002506440	Hawk A #9	9	E		OIL	
3002506432	Hawk A #2	8	H		OIL	
3002506445	Southland Royalty A #7	9	A		OIL	
3002506443	Southland Royalty A #2	9	B		OIL	
3002506396	Southland Royalty A #4	4	X		OIL	Not currently producing
3002520069	Southland Royalty A #8	4	W		OIL	
3002506442	Southland Royalty A #1	9	G		GAS	
3002506444	Southland Royalty A #6	9	H		OIL	

Dual completion
 B-T-D is oil



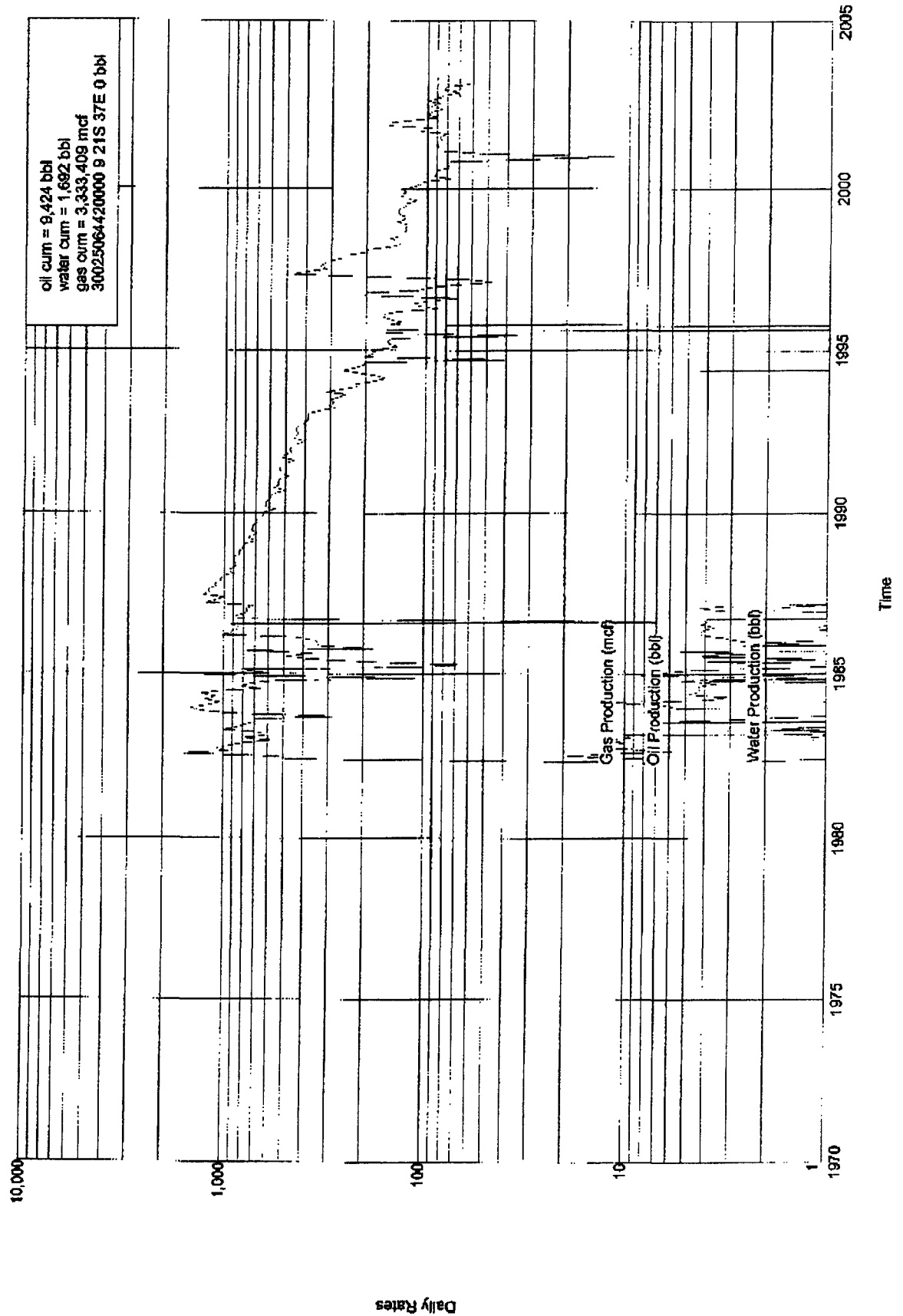
Lease Name: SOUTHLAND ROYALTY A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: MULTIPLE
Reservoir: MULTIPLE
Location:

Southland Royalty A #1 - Blinbry, Tubb & Drinkard



Lease Name: SOUTHLAND ROYALTY A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: WANTZ
Reservoir: ABO
Location: 9 21S 37E

SOUTHLAND ROYALTY A #1 - ABO /SH/





**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

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

ADMINISTRATIVE ORDER DHC-2477

RECEIVED

OCT 18 1999

**WESTERN REGION
PRODUCTION DEPT**

Apache Corporation
2000 Post Oak Blvd.
Suite 100
Rm. 365A
Houston, Texas 77056-4400

Attention: Ms. Debra J. Anderson

*Southland Royalty "A" No. 1
API No. 30-025-06442
Unit G, Section 9, Township 21 South, Range 37 East, NMPM,
Lea County, New Mexico.
Blinebry Oil & Gas (Oil - 06660),
Tubb Oil & Gas (Oil - 60240),
Drinkard (Oil - 19190) and
Wantz-Abo (Oil - 62700) Pools*

Dear Ms. Anderson:

Reference is made to your recent application for an amendment to Division Order No. R-7537, which order authorized the downhole commingling of Blinebry Oil & Gas, Tubb Oil & Gas, and Drinkard Pool production within the Southland Royalty "A" Well No. 1. It is our understanding that the Wantz-Abo Pool is proposed to be added as the fourth commingled zone within the wellbore.

It appearing that the subject well qualifies for approval for such amendment pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C., the daily allowable producing rates from the well are hereby established as follows:

Oil 107 B/D

Gas 428 MCF/D

Water 214 B/D

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

Administrative Order DHC-2477

Apache Corporation

October 12, 1999

Page 2

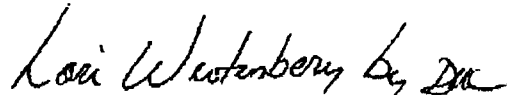
Blinebry Oil & Gas Pool	Oil-44%	Gas-15%
Tubb Oil & Gas Pool	Oil-13%	Gas-12%
Drinkard Pool	Oil-43%	Gas-7%
Wantz-Abo Pool	Oil-0%	Gas-66%

REMARKS: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

Pursuant to Rule 303.H., the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 12th day of October, 1999.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

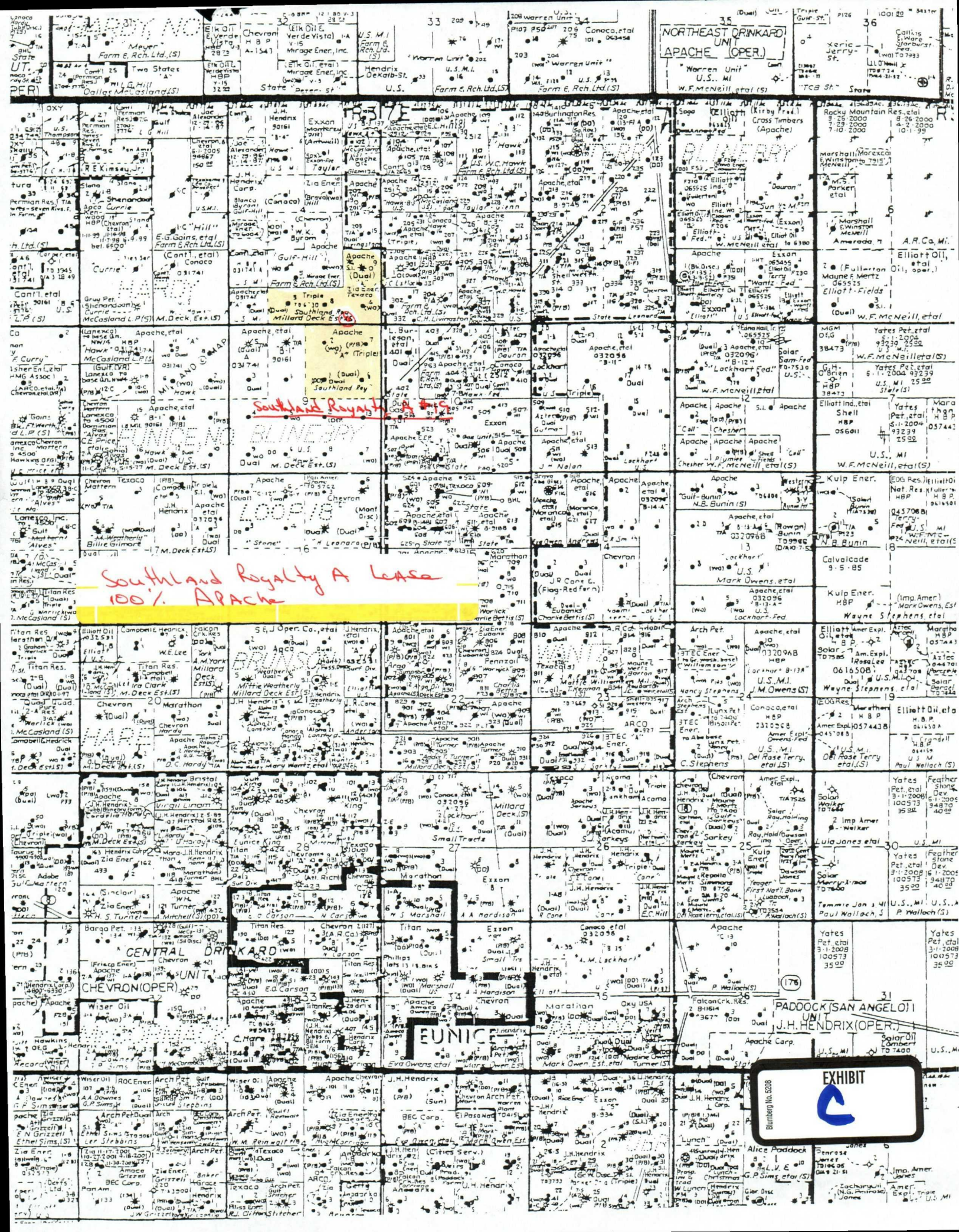


LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

May 13, 2003

Lori Wrotenbery
Director
Oil Conservation Division

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

Re: *Administrative applications on behalf of Apache Corporation for the following five unorthodox Blinebry, Tubb, and Drinkard oil well locations in Township 21 South, Range 37 East, NMPM, Lea County, New Mexico: (i) Hawk "B-1" Well No. 34 to be drilled 1270' FSL & 1220' FWL (Unit M) of Section 9 (administrative application reference No. pKRV0-313329552); (ii) Southland Royalty "A" Well No. 19 to be drilled 130' FSL & 1270' FEL (Unit P) of Section 4 (administrative application reference No. pKRV0-313329875); (iii) State "C" Tract 12 Well No. 14 to be drilled 1240' FNL & 1270' FWL (Unit D) of Section 16 (administrative application reference No. pKRV0-313329659); (iv) Southland Royalty "A" Well No. 16 to be drilled 1210' FNL & 1470' FEL (Unit B) of Section 9 (administrative application reference No. pKRV0-313329766); and (v) Hawk "A" Well No. 19 to be drilled 1420' FNL & 150' FEL (Unit H) of Section 8 (administrative application reference No. pKRV0-313329445).*

Dear Mr. Bruce:

Per your request this morning, Tuesday, May 13, 2003, the first application listed above for Apache Corporation's proposed Hawk "B-1" Well No. 34 is hereby dismissed and is being returned to you at this time.

After our telephone conversation this morning I gave the remaining four applications cursory reviews, whereby it quickly became apparent that these applications could not be approved as requested. Apache Corporation in all five applications is seeking location exceptions under the special pool rules governing the North Eunice-Blinebry-Tubb-Drinkard Pool (22900), as promulgated by Division Order No. R-8539, as amended. The North Eunice-Blinebry-Tubb-Drinkard Pool was created specifically and concurrently at the time the Northeast Drinkard Unit Area (see Division Order No. R-8540, issued in Case No. 9231 on November 9, 1987) and Northeast Drinkard Unit Waterflood Project (see Division Order No. R-8541, as amended) were established. Within all five of Apache Corporation's proposed well locations, the Blinebry interval is within the boundary of the Blinebry Oil and Gas Pool (72480), the Drinkard interval is within the Drinkard Pool (19190), and the Tubb interval is within the Tubb Oil and Gas Pool (86440). The Drinkard Pool is governed under the Division's statewide spacing and well location rules [see Rule 104.B (1)]; however, both the Blinebry and Tubb pools have special rules governing the respective zones.

Since the Division cannot process the four remaining applications listed above, they are hereby **denied** and are being returned to you along with the application for the proposed Hawk "B-1" Well No. 34.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 476-3465. Thank you.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

cc: New Mexico Oil Conservation Division - Hobbs
NMOCD, Santa Fe - Attention: Kathy Valdes

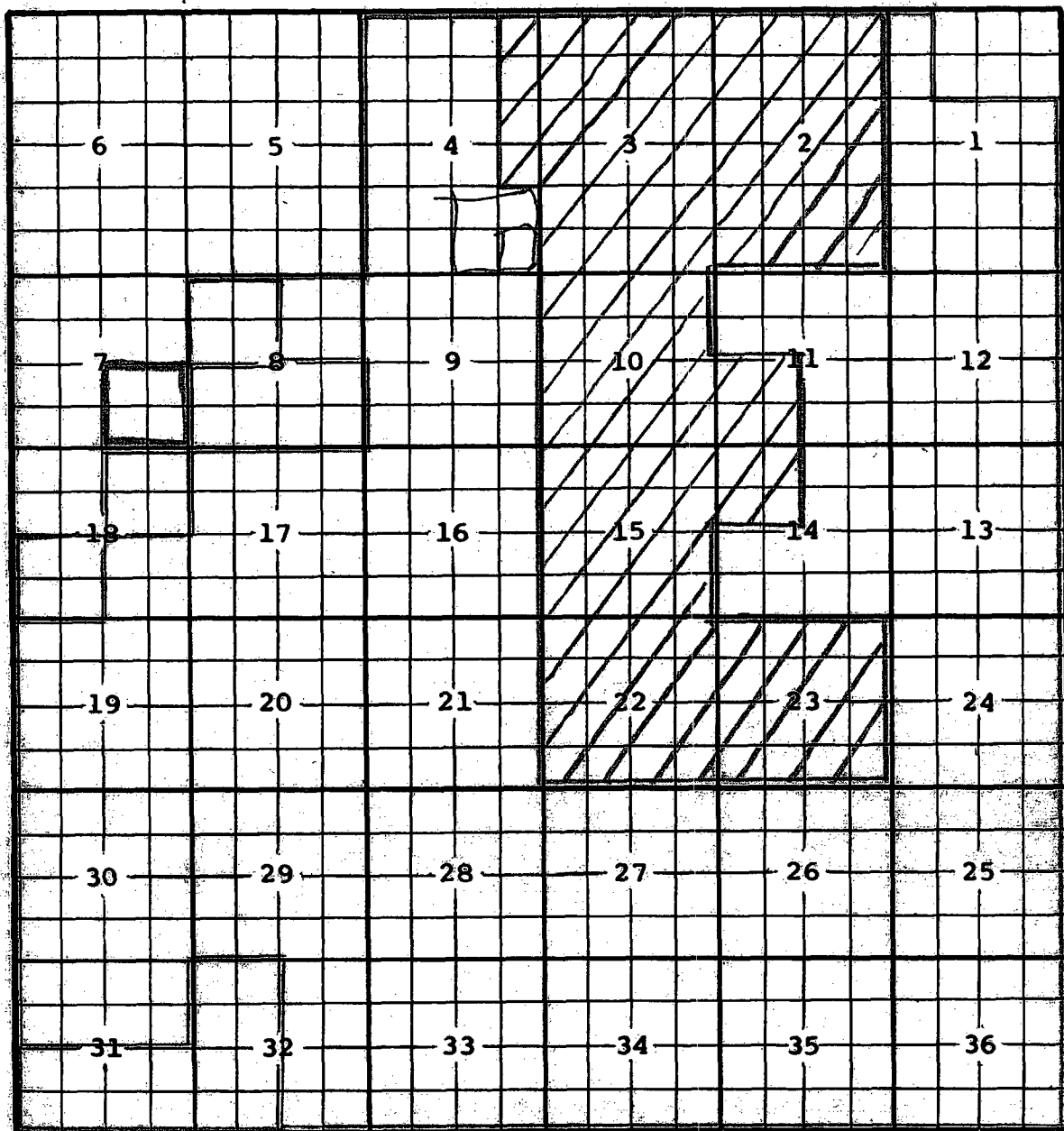
COUNTY Lea

POOL Blinebry Oil and Gas

TOWNSHIP 21 South

RANGE 37 East

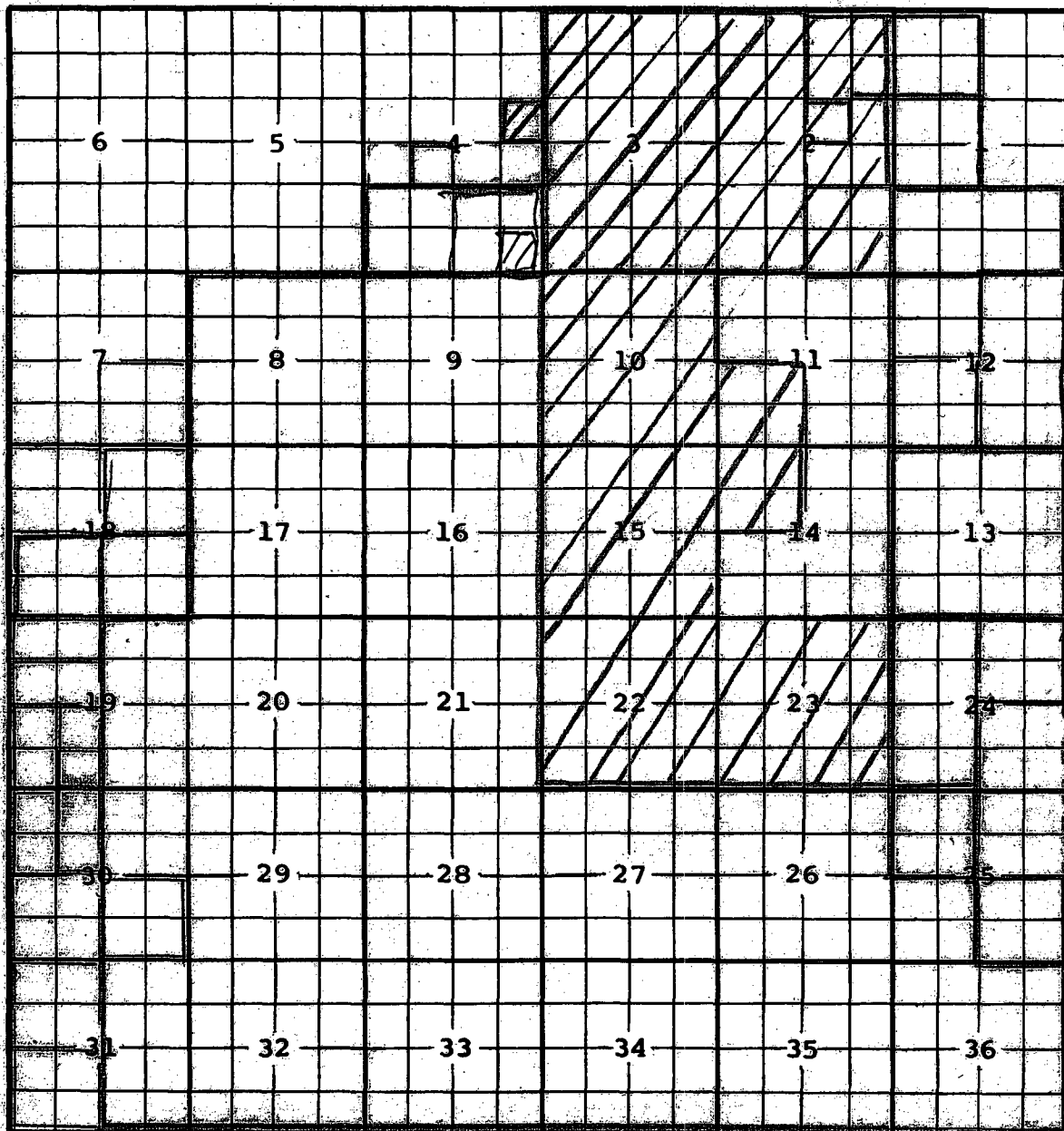
NMPM



Description: Lots 4, 5 & 9 thru 16 & $\frac{5}{2}$ Sec 1, All Secs. 2 thru 4, $\frac{NE}{4}$ Sec 8,
 All Secs 9 thru 17, $\frac{SE}{4}$ Sec 18, All Sec 19 thru 30, $\frac{N}{2}$ Sec 31,
 $\frac{E}{2}$ Sec 32, All Secs 33 thru 36 (R-1670-N, 1-1-74)
 Ext: $\frac{S}{2}$ Sec 31, $\frac{W}{2}$ Sec 32 (R-5215, 6-1-76)
 Ext: $\frac{NE}{4}$ Sec 18 (R-5338, 1-1-77) Ext: $\frac{S}{2}$ Sec 8 (R-5911, 2-1-79)
 Ext: $\frac{SW}{4}$ Sec 18 (R-6211, 12-3-79) Ext: $\frac{NW}{4}$ Sec. 8 (R-6536, 12-1-80)
 Ext: Sec. 7, $\frac{SE}{4}$ (R-7114, 10-19-82) DEL: ALL SEC. 2; ALL SEC. 3; LOTS
 1, 8, 9, 16 SEC. 4; ALL SEC. 10; $\frac{SW}{4}$ SEC. 11; $\frac{NW}{4}$ SEC. 14; ALL SEC. 15; ALL SEC. 22; ALL SEC. 23
 (R-8539 11/9/87)

COUNTY *Lea*POOL *Drinkard*TOWNSHIP *21 South*RANGE *37 East*

NMPM



Description: $\frac{NW}{4}$ Sec. 2; All Sec. 3 (850, Redefined)

Ext: All Sec. 8, 9, 10, 11, 14, 15, 16, 17; $\frac{E}{2}$ Sec. 19; All Sec. 20 thru 23; $\frac{SW}{4}$ Sec. 25;

All Sec. 26 thru 29; $\frac{E}{2}$ Sec. 30; $\frac{E}{2}$ Sec. 31; All Sec. 32 thru 36 (R-92)

$\frac{S}{2}$ Sec. 4 (R-136) - All Sec. 13 (R-393) - $\frac{W}{2}$ Sec. 24 (R-511) - $\frac{NW}{4}$ Sec. 12 (R-1999, 7-1-61)

- Lot 14 Sec. 4 (R-2419, 12-1-61) - $\frac{SE}{4}$ $\frac{SW}{4}$ Sec. 19 - $\frac{E}{2}$ $\frac{NW}{4}$ Sec. 30 (R-21873, 1-62)

- $\frac{NE}{4}$ $\frac{SW}{4}$ Sec. 19; $\frac{W}{2}$ $\frac{NW}{4}$ Sec. 30 (R-2241, 6-1-62) - $\frac{SE}{4}$ Sec. 22 (R-2313, 10-1-62) - Lot 10 Sec. 2;

$\frac{W}{2}$ $\frac{SW}{4}$ Sec. 19 (R-2393, 1-1-63) - $\frac{S}{2}$ $\frac{NW}{4}$ Sec. 19 (R-2427, 3-1-63) - Lot 9 Sec. 4 (R-2639, 2-1-64)

- $\frac{N}{2}$ $\frac{NW}{4}$ Sec. 19 (R-2879, 4-1-65) - $\frac{NW}{4}$ Sec. 28 (R-3231, 5-1-62) - $\frac{S}{2}$ Sec. 1; $\frac{SE}{4}$ Sec. 25 (R-3818, 8-1-69)

- $\frac{SE}{4}$ Sec. 18 (R-4351, 8-1-72), Ext: $\frac{SW}{4}$ Sec. 12 (R-4665, 12-1-72)

Ext: $\frac{SW}{4}$ Sec. 31 (R-4969, 4-1-75) Ext: $\frac{NW}{4}$ Sec. 31 (R-5015, 6-1-75)

Ext: $\frac{NE}{4}$ Sec. 18 (R-5124, 12-1-75) Ext: $\frac{SW}{4}$ Sec. 30 (R-5171, 7-1-76)

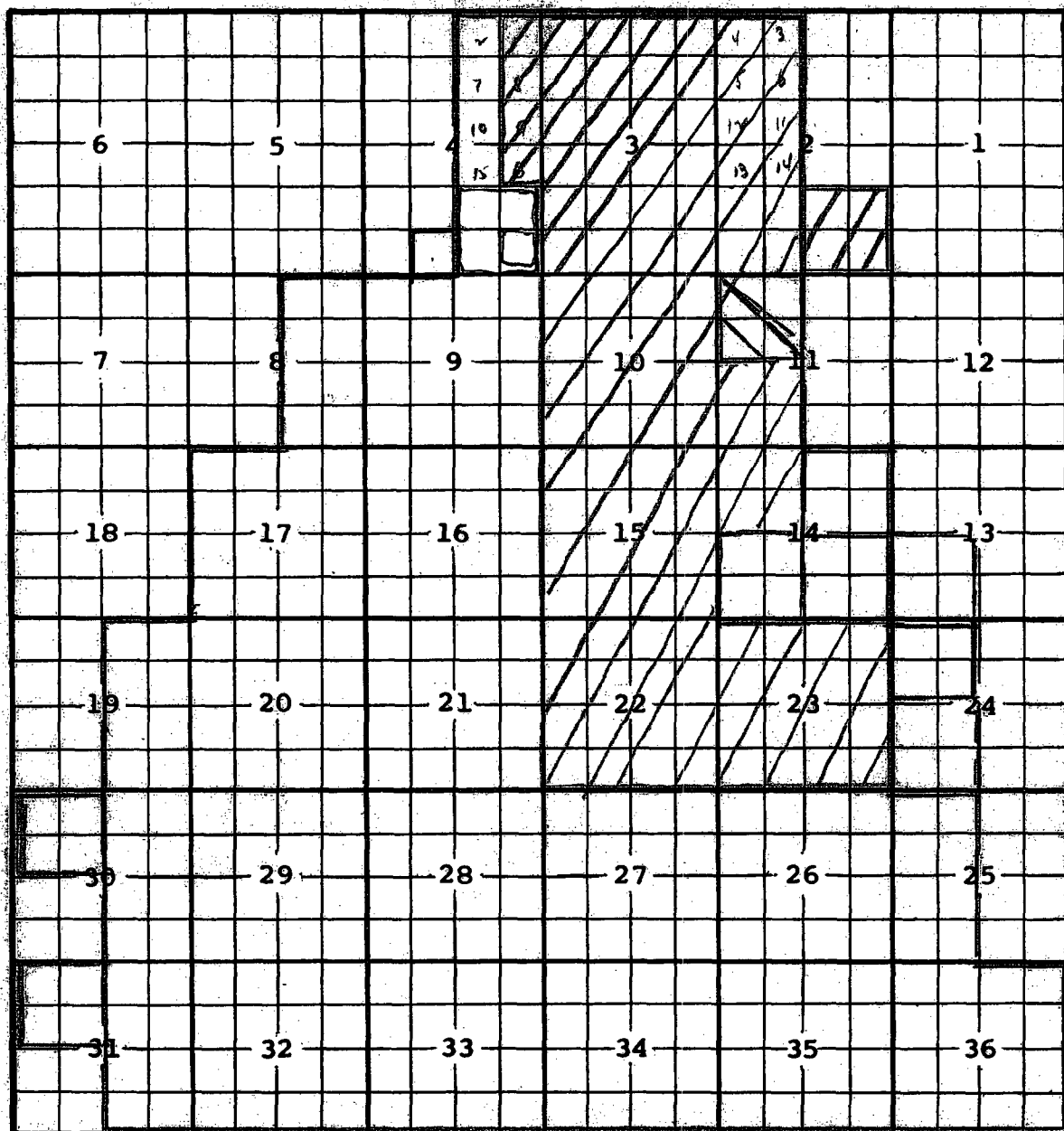
Ext: $\frac{SE}{4}$ Sec. 7 (R-5226, 7-1-76) Ext: $\frac{SW}{4}$ Sec. 18 (R-6169, 11-1-79)

COUNTY LeaPOOL Tubb

OIL AND GAS

TOWNSHIP 21 SouthRANGE 32 East

NMFM



Description: $\frac{SW}{4}$ of Lots 3, 4, 5, 6, 11, 12, 13 & 14 Sec. 2; All Sec. 3; $\frac{SE}{4}$ of Lots 1, 2, 7, 8, 9, 10, 15 & 16 Sec. 4; $\frac{E}{2}$ Sec. 8; All Sec. 9 & 10; $\frac{NW}{4}$ Sec. 11; $\frac{W}{2}$ Sec. 14; All Secs. 15, 16, and 17; $\frac{E}{2}$ Sec. 19; All Sec. 20 thru 23; $\frac{W}{2}$ Sec. 25; All Sec. 26 thru 29; $\frac{E}{2}$ Sec. 30; $\frac{E}{2}$ Sec. 31; All Sec. 32 thru 36 (R-264, 2-17-53)
 Ext: $\frac{SE}{4}$ $\frac{SW}{4}$ Sec. 4 (R-738, 1-12-56) - $\frac{SE}{4}$ Sec. 14 (R-1129, 3-1-58)
 - $\frac{NE}{4}$ Sec. 14 (R-1238, 9-1-58) - Extend vertical limits to include entire interval from 100' above Tubb marker to top of Drinkard (R-4635, 10-1-73) Ext: $\frac{SE}{4}$ Sec. 2 (R-4969, 4-1-75) CHANGE FROM TUBB GAS TO TUBB OIL + GAS (R-6012, 9-1-79) Ext: $\frac{NW}{4}$ Sec. 31 (R-6211, 12-31-79)
 Ext: $\frac{NW}{4}$ Sec. 24 (R-7334, 8-19-83) Ext: $\frac{SW}{4}$ Sec. 13 (R-7917, 5-13-85)
 Ext: $\frac{SW}{4}$ Sec. 24 (R-8299, 9-4-86) DELE: $\frac{NW}{4}$ Sec. 11 (R-8533, 10/28/87).
 DELE: LOTS 3-6, 11-14, $\frac{5}{2}$ SEC 2; ALL SEC. 3; LOTS 1, 8, 9, 16 SEC. 4; ALL SEC. 10; $\frac{SE}{4}$ SEC. 11;
 (R-8533, 11/6/87)

JAMES BRUCE
ATTORNEY AT LAW

POST OFFICE BOX 1056
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (PHONE)
(505) 982-2151 (FAX)

jamesbruc@aol.com

June 3, 2003

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: SUPPLEMENTAL INFORMATION
Administrative application reference no. pKRV0-313329875

Dear Mr. Stogner:

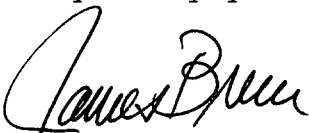
Apache Corporation previously applied for administrative approval of an unorthodox oil well location for the following well:

<u>Well:</u>	Southland Royalty A Well No. 19
<u>Location:</u>	130 feet FSL & 1270 feet FEL
<u>Well Unit:</u>	SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico

Attached as Exhibit B to the application is a listing of other Blinebry/Tubb/Drinkard wells in the S $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4. However, that listing omitted the two wells in the N $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 4. Exhibit 1 attached hereto lists those wells, and shows that they are oil wells. Thus, the infill well will not violate the special pool rules for the Blinebry Oil & Gas Pool and Tubb Oil & Gas Pool by having an unauthorized simultaneous gas well/oil well dedication.

Please call me if you need any further information on this matter.

Very truly yours,



James Bruce

Attorney for Apache Corporation



TULSA OFFICE

RESERVOIR ENGINEERING, GEOLOGICAL & GEOPHYSICAL DEPARTMENTS

FAX: (918) 491-4877

Confirmation: (918) 491-4941

FROM: Kevin Mancos

FAX COVER SHEET

DATE: 5/29/03TO: Jim Bruce

COMPANY NAME: _____

FAX NUMBER: (505) 982-2151

NUMBER OF PAGES INCLUDING COVER PAGE: _____

EXHIBIT

1

COMMENTS:

Info on 4 wells you requested:

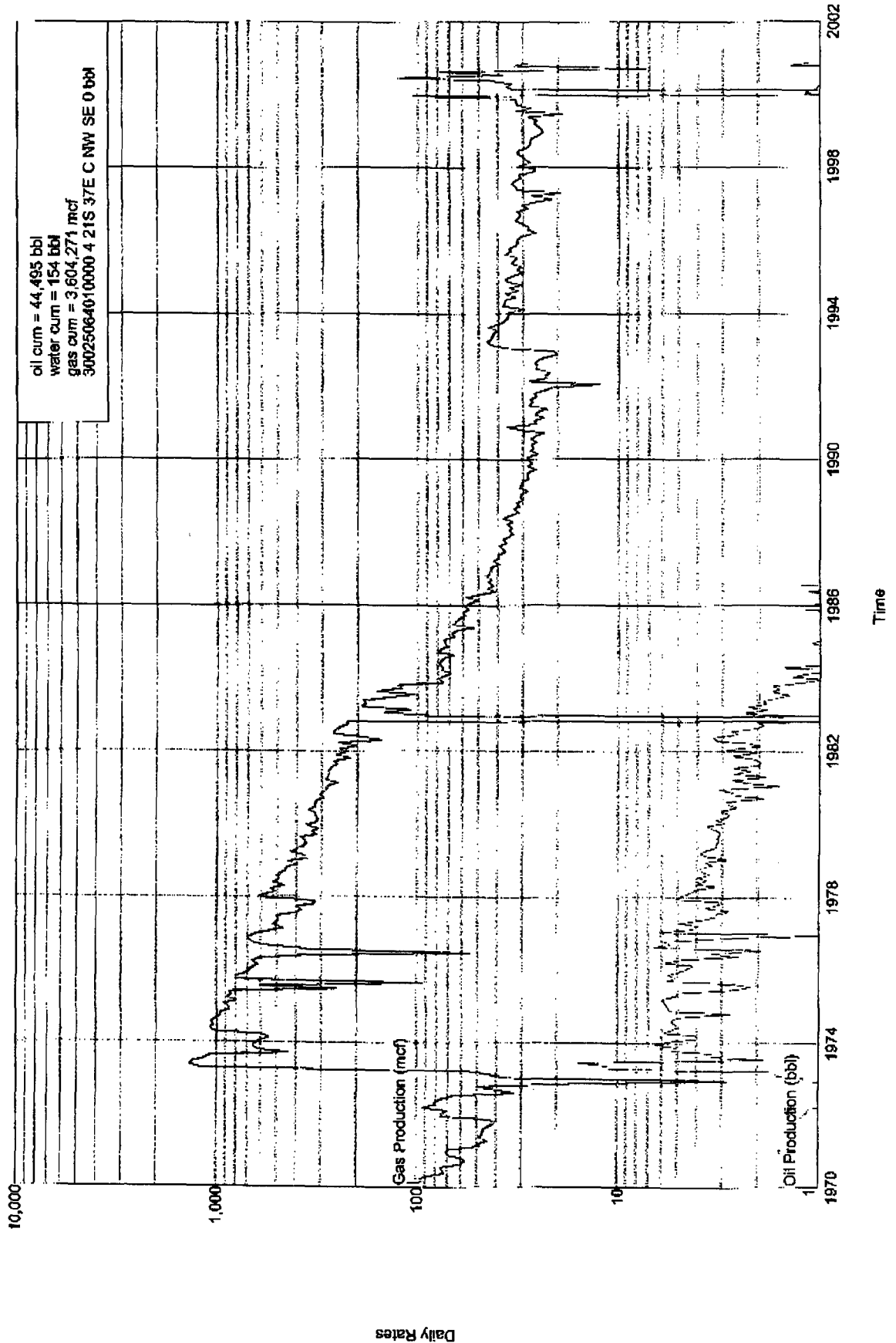
- ① Gulf Hill #1 ^{1980 FS, 1980 FE Sec 4} Abandoned Blinley - Tubbs - Drilled in 2001 to make Grayburg Comp
- ② S.R. #5 ^{1980 FS, 660 FE Sec 4} Current rate Blin + Drink = 5/5/50 (olw/g) 10,000 GOR 0.1 Classified
- ③ Hawk "A" #6 ^{1980 FN, 1980 FE Sec 8} Current rate Blin + Drink = 4/4/20 (olw/g) 5,000 GOR 0.1 Classified
- ④ Hawk "A" #9 ^{660 FN, 1980 FE Sec 8} Current rate Blin + Drink = 3/3/10 (olw/g) 6,000 GOR 0.1 Classified

All the production curves are attached. Please let me know if this information finishes "covering the bases".

Thank you.
Kevin

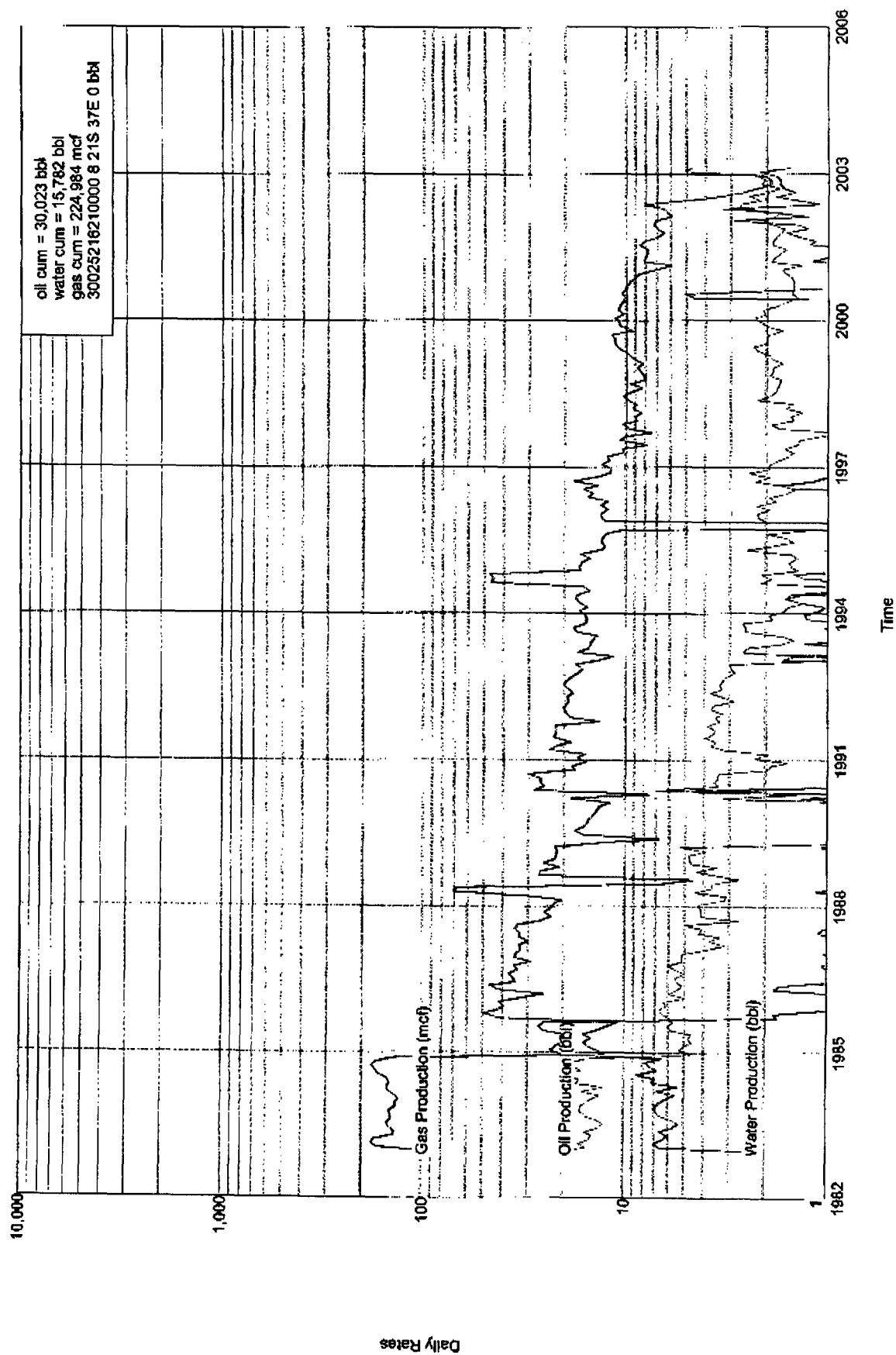
Lease Name: GULF HILL
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: BLINEBRY
Reservoir: BLINEBRY
Location: 4 21S 37E C NW SE

GULF HILL #1 - APACHE CORPORATION - BLINEBRY



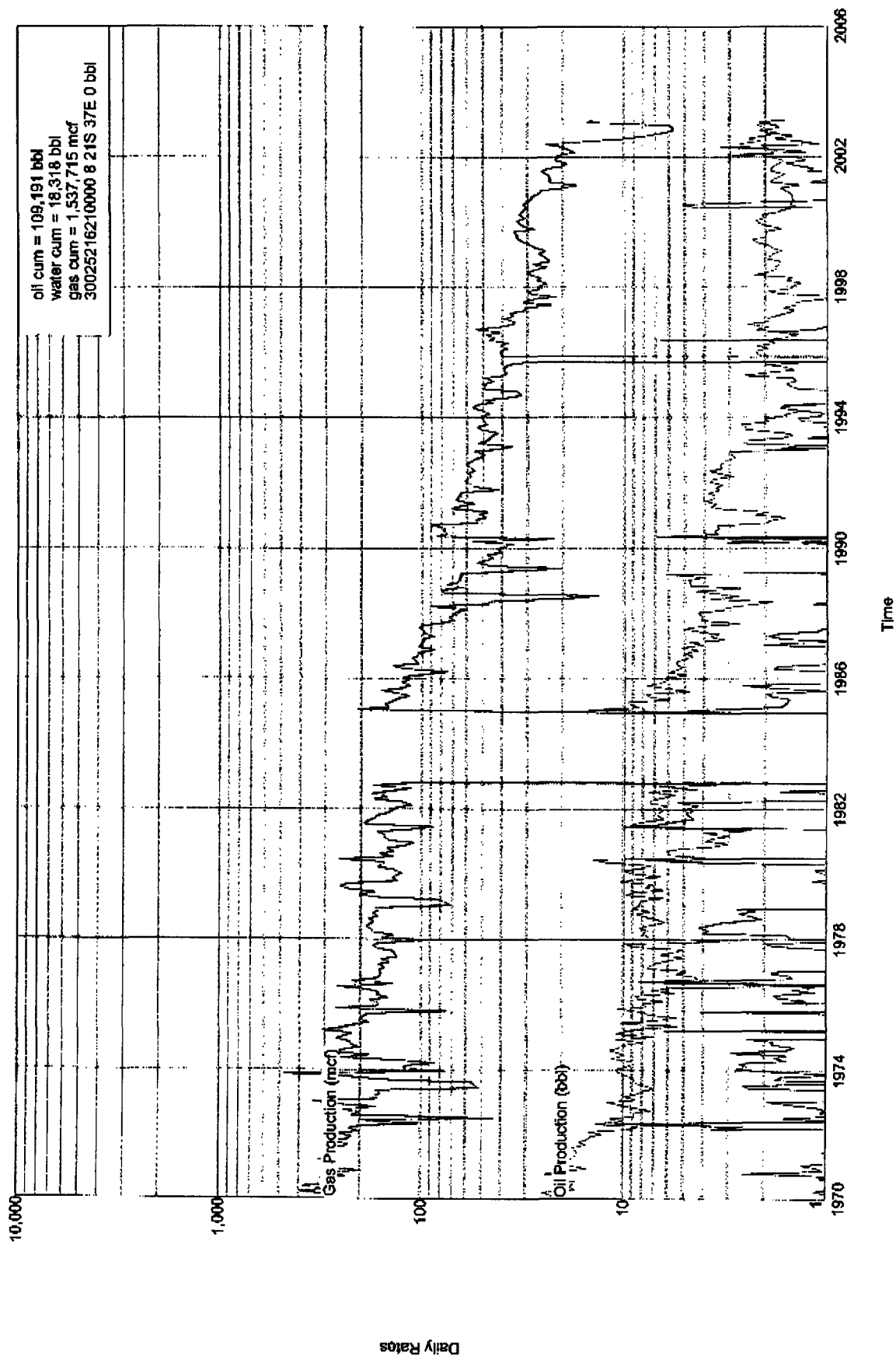
Lease Name: HAWK A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: BLINEBRY
Reservoir: BLINEBRY
Location: 8 21S 37E

HAWK A # 6 - APACHE CORPORATION - BLINEBRY



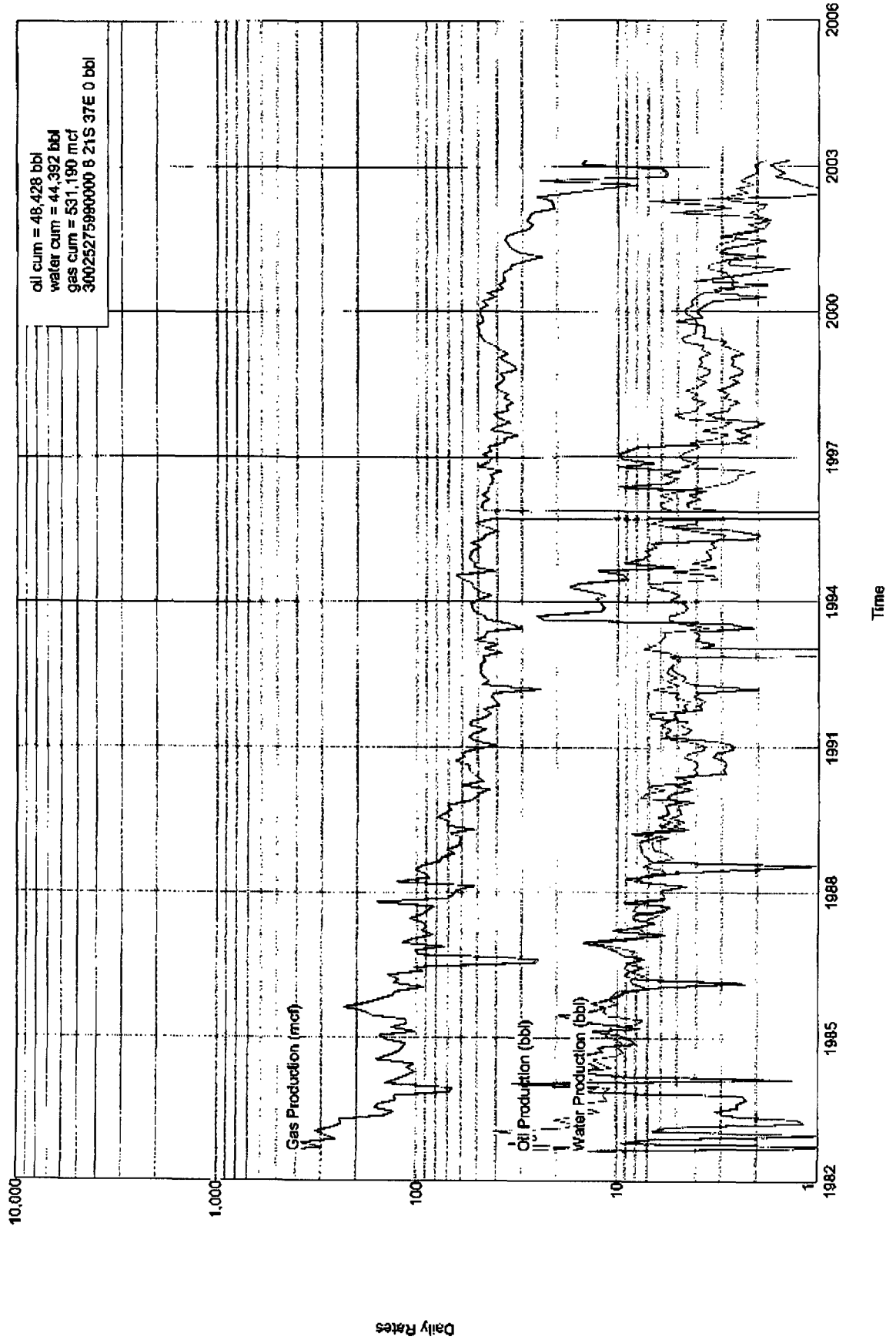
Lease Name: HAWK A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: DRINKARD
Reservoir: DRINKARD
Location: 8 21S 37E

HAWK A # 6 - APACHE CORPORATION - DRINKARD



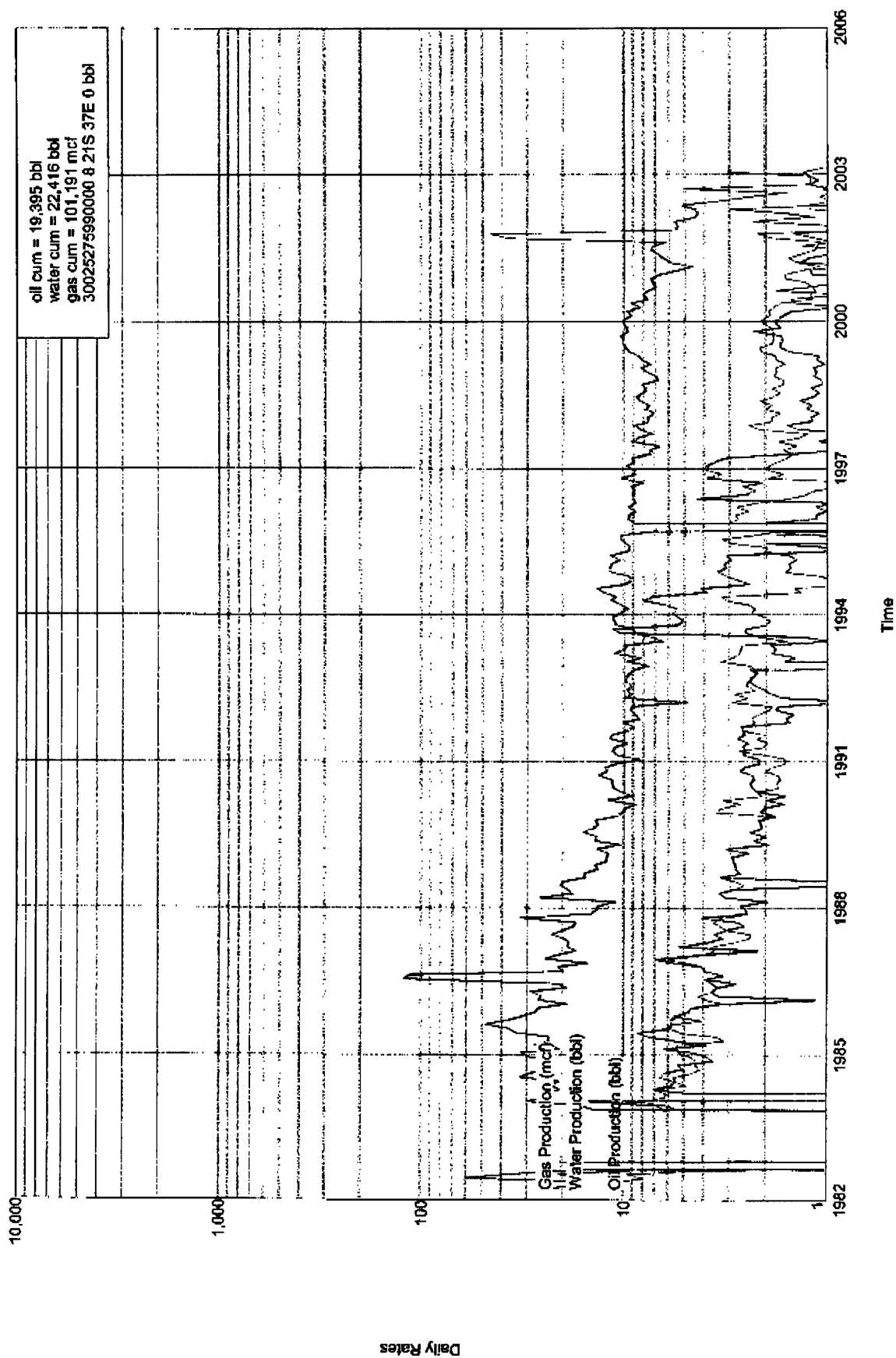
Lease Name: HAWK A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: BLINEBRY
Reservoir: BLINEBRY
Location: 8 21S 37E

HAWK A # 9 - APACHE CORPORATION - BLINEBRY



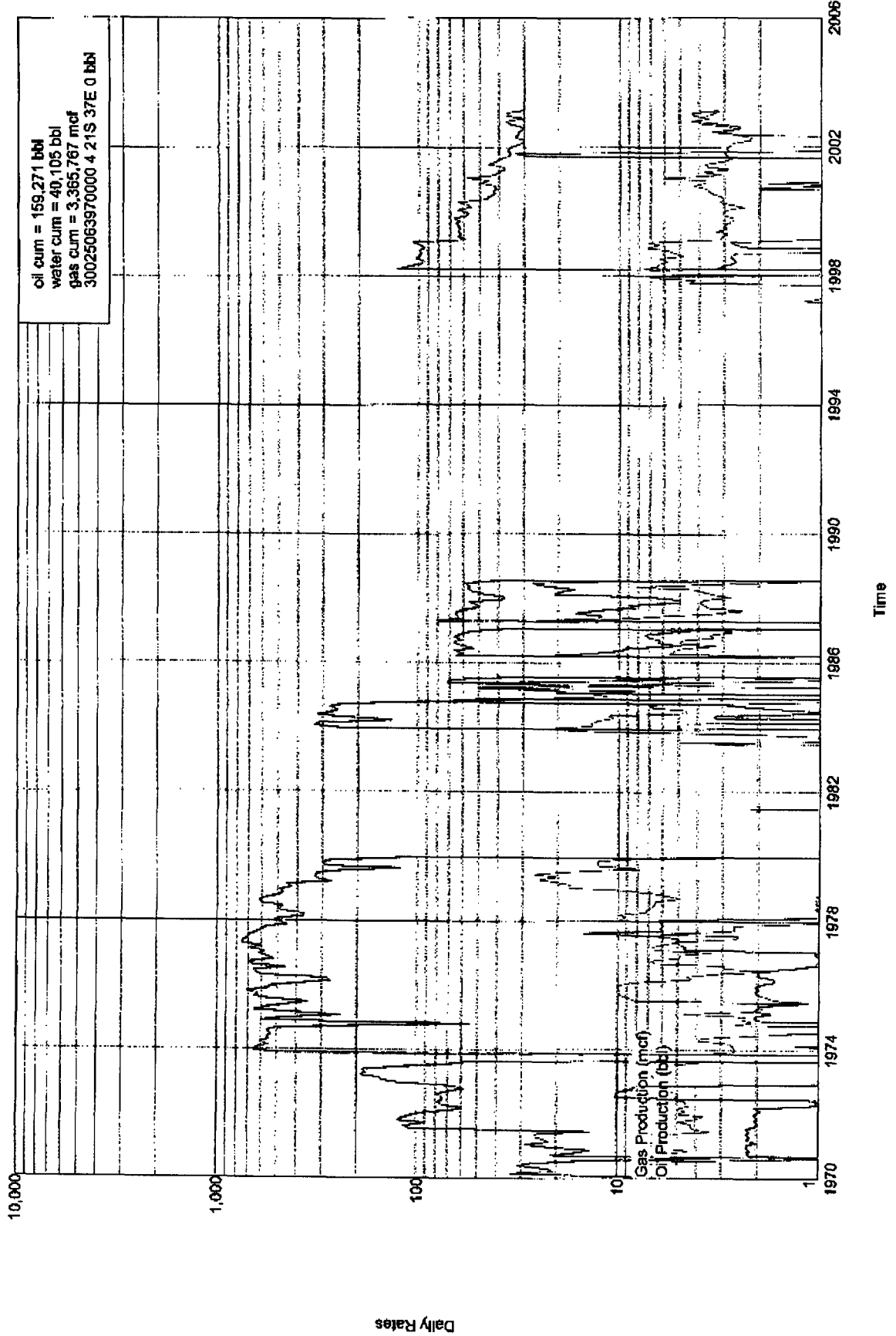
Lease Name: HAWK A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: DRINKARD
Reservoir: DRINKARD
Location: 8 21S 37E

HAWK A #9 - APACHE CORPORATION - DRINKARD



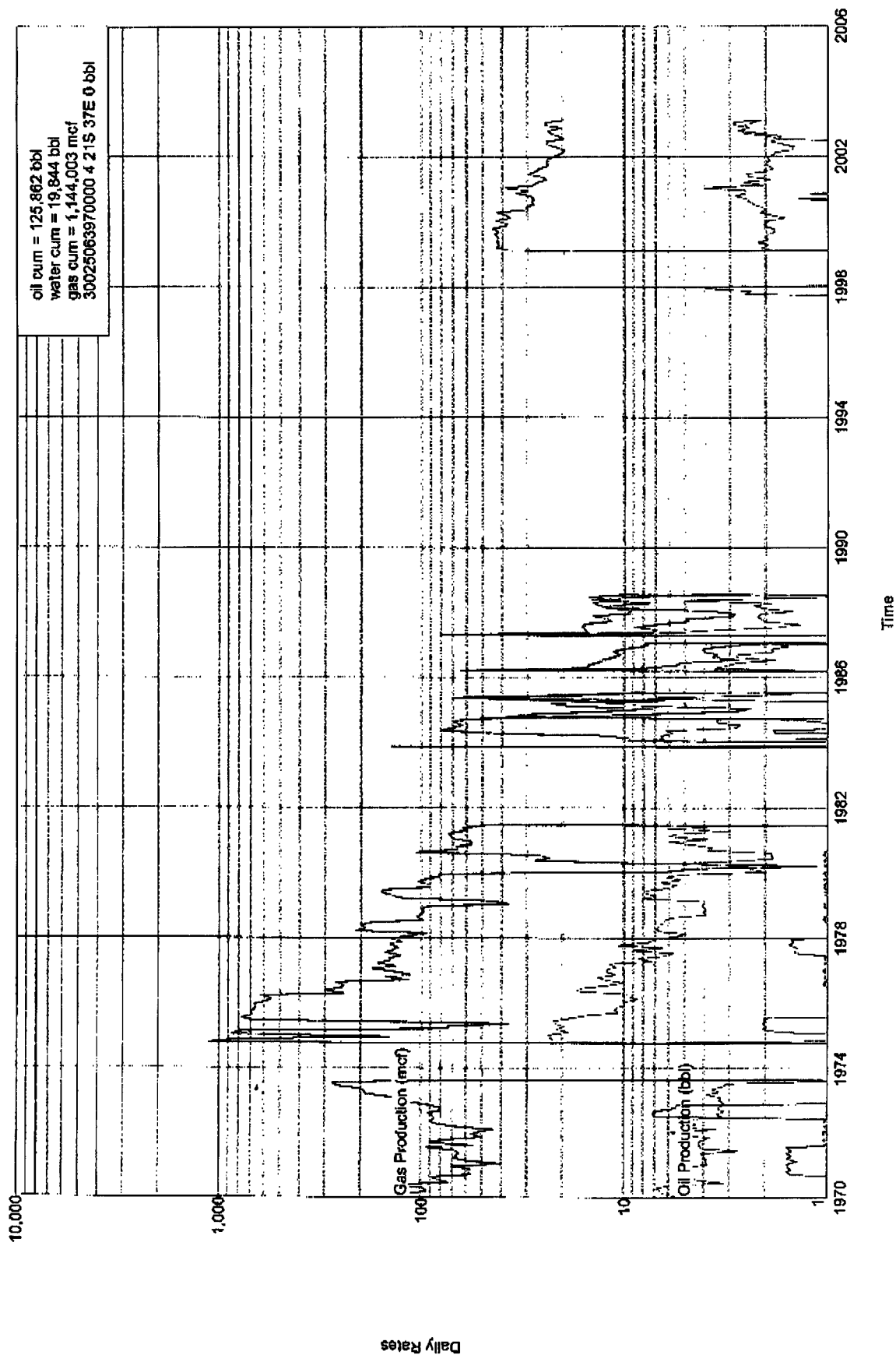
Lease Name: SOUTHLAND ROYALTY A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: BLINEBRY
Reservoir: BLINEBRY
Location: 4 21S 37E

SOUTHLAND ROYALTY A # 5 - APACHE CORPORATION - BLINEBRY



Lease Name: SOUTHLAND ROYALTY A
County, State: LEA, NM
Operator: APACHE CORPORATION
Field: DRINKARD
Reservoir: DRINKARD
Location: 4 21S 37E

SOUTHLAND ROYALTY A # 5 - APACHE CORPORATION - DRINKARD



1F 4 21S37E	2931 P		11882	113153	7971	281799	EUMONT YATES S*CONTINENTAL *HILL	* P
102H 4 21S37E	371 F	2674	3604	151745	17202	2909106	BLINEBRY OIL A*JOHN H HENDR*HAWK B 4	* F
13I 4 21S37E				4073	4723	23253	EUNICE-BL-TB-D*SHELL WESTER*NORTHEAST DRINKA	* P
13I 4 21S37E				1907	2007	8107	FOLLOWING WELL ZONE ABANDONED	
13I 4 21S37E			29	1343	195	15477	BLINEBRY OIL A*SHELL WESTER*LIVINGSTON	* P
202I 4 21S37E				1614	47996	15477	FOLLOWING WELL RECOMPLETED TO WANTZ ABO	
201I 4 21S37E				33978	119	401611	DRINKARD *SHELL WESTER*LIVINGSTON	* P
1J 4 21S37E	534 P		7565	71663	5498	2794940	WANTZ ABO *SHELL WESTER*LIVINGSTON	* P
1K 4 21S37E	P			89851	6910	337456	FOLLOWING WELL PLUGGED AND ABANDONED 1992	
2N 4 21S37E				2058	720	1858	EUNICE-BL-TB-D*SHELL WESTER*NORTHEAST DRINKA	* P
2N 4 21S37E	1021 P	431	9403	63708	5102	1548212	S EUNICE-BL-TB-D*SHELL WESTER*NORTHEAST DRINKA	* P
30 4 21S37E	2438 F		56056	70665		3352777	BLINEBRY OIL A*CARR WELL SE*HILL	* P
10P 4 21S37E				30256	4513	3044	S BLINEBRY OIL A*CONOCO, INC.*E C HILL	* P
203P 4 21S37E				140602	78269	2151998	FOLLOWING WELL ZONE ABANDONED	
5Q 4 21S37E	P			151485	35457	3264139	WANTZ ABO *SHELL WESTER*LIVINGSTON	* P
5Q 4 21S37E	P			122194	18643	1099111	FOLLOWING WELL PLUGGED AND ABANDONED 1992	
1R 4 21S37E	75 F		14634	43689		3521829	EUNICE-BL-TB-D*SHELL WESTER*NORTHEAST DRINKA	* P
4S 4 21S37E				2838		305585	BLINEBRY OIL A*AMOCO PRODUC*SOUTHLAND ROYALT	* P
4S 4 21S37E				9073	42	393688	DRINKARD *AMOCO PRODUC*SOUTHLAND ROYALT	* P
4S 4 21S37E				7482		566376	BLINEBRY OIL A*JOHN H HENDR*GULF HILL	* P
5S 4 21S37E				984		1141664	FOLLOWING WELL PLUGGED AND ABANDONED 1975	
5S 4 21S37E				3694	200	34100	WANTZ ABO *SUMMIT ENER*GULF HILL	* P
5S 4 21S37E	799 P	550	10405	12619	8840	157917	FOLLOWING WELL RECOMPLETED TO BLINEBRY OIL AND GAS	
4U 4 21S37E	1207 P	731	6274	33994	21070	193490	DRINKARD *BLANCO ENGIN*GULF HILL	* P
4U 4 21S37E	210 P	120	2395	19392	12062	110887	BLINEBRY OIL A*MIRAGE ENER*GULF HILL	* P
3V 4 21S37E	907 P	159	12252	9352	4015	127742	BLINEBRY OIL A*CONOCO, INC.*HAWK A	* F
3V 4 21S37E	882 P	156	5907	142596	20349	795704	DRINKARD *CONOCO, INC.*HAWK A	* F
3V 4 21S37E	266 P	45	11451	40764	6783	321519	BLINEBRY OIL A*AMOCO PRODUC*SOUTHLAND ROYALT	* P
8W 4 21S37E	326 P	41	4536	38508	7218	502341	DRINKARD *AMOCO PRODUC*SOUTHLAND ROYALT	* P
8W 4 21S37E	657 P	85	9061	78427	14524	1152461	TUBB OIL AND G*AMOCO PRODUC*SOUTHLAND ROYALT	* P
8W 4 21S37E	324 P	41	4839	35839	7843	1141664	BLINEBRY OIL A*AMOCO PRODUC*SOUTHLAND ROYALT	* P
4X 4 21S37E				69211	5424	305283	FOLLOWING WELL ZONE ABANDONED	
4X 4 21S37E	F			177285	9651	781800	BLINEBRY OIL A*AMOCO PRODUC*SOUTHLAND ROYALT	* P
4X 4 21S37E				35274	4092	3699969	DRINKARD *AMOCO PRODUC*SOUTHLAND ROYALT	* P
26C 5 21S37E	474 P	1313		124258	251145	16733	T TUBB OIL AND G*AMOCO PRODUC*SOUTHLAND ROYALT	* P
27D 5 21S37E				100349	79	30190	EUMONT YATES S*LYNX PETROLE*EUMONT HARDY UNI*UP	*UP
							I EUMONT YATES S*LYNX PETROLE*EUMONT HARDY UNI*UP	*UP