

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. pKRV0-313329445

Dear Mr. Stogner:

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

<u>Well:</u>	Hawk A Well No. 19
<u>Location:</u>	1420 feet FNL & 150 feet FEL
<u>Well Unit:</u>	SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8, 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 E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 8. However, that listing omitted the two wells in the W $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 8. 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 Mancus

FAX COVER SHEET

DATE: 5/29/03

TO: Jim Bruce

COMPANY NAME: _____

FAX NUMBER: (505) 982-2151

NUMBER OF PAGES INCLUDING COVER PAGE: _____



COMMENTS:

- Info on 4 wells you requested:
- ① Gulf Hill #1 ^{1980 FS, 1980 FE Sec 4} Abandoned Blinbry ^(No Tubbs) 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 ^{Classified} 0.1
 - ③ Hawk "A" #6 ^{1980 FN, 1980 FE Sec 8} Current rate Blin+Drink = 4/4/20 (olw/g) 5,000 GOR ^{Classified} 0.1
 - ④ Hawk "A" #9 ^{660 FN, 1980 FE Sec 8} Current rate Blin+Drink = 3/3/10 (olw/g) 6,000 GOR ^{Classified} 0.1

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

Thanky.
Kevin

Stogner, Michael

From: JamesBruc@aol.com
Sent: Monday, July 21, 2003 6:44 AM
To: mstogner@state.nm.us
Subject: Apache Corporation

Mike: Three of the five locations I submitted on Apache's behalf still need approval. Due to rig scheduling, I need them ASAP. If you don't have time (which I understand), could you give me verbal approval? Sorry to bother you, but I'm getting some heat. Thanks.

Jim
982-2043

JAMES BRUCE
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504
Telephone: (505) 982-2043
Fax: (505) 982-2151

FAX COVER SHEET

DELIVER TO: Michael E. Stogner
COMPANY: Oil Conservation Division
CITY: Santa Fe, New Mexico
FAX NUMBER: (505) 476-3162
NUMBER OF PAGES: 1 (Including Cover Sheet)
DATE SENT: 6/4/03

MEMO: Mike: Regarding the 5 unorthodox location applications I submitted on behalf of Apache Corporation, the first wells to be drilled will be the State C Tract 12 Well No. 14 and the two Southland Royalty wells. The other two are on federal land, so it will take another couple weeks to get the APDs for those well approved by the BLM.

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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