



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

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Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



January 7, 2009

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order SD-200901

Re: Apache Corporation

Stevens B Well No. 6
API No. 30-025-10709
660 feet FNL and 1980 feet FEL
Unit B, Section 12-23S-36E

Stevens B Well No. 9
API No. 30-025-09330
1980 feet FNL and 1980 feet FEL
Unit G, Section 12-23S-36E

Stevens B Well No. 10
API No. 30-025-09331
1980 feet FNL and 660 feet FEL
Unit H, Section 12-23S-36E

Lea County, New Mexico

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative simultaneous dedication [SD] application reference No. pKAA08-34461143**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Apache Corporation (Apache), on December 9, 2008, and

(c) the Division's records pertinent to your request.



The NE/4 of Section 12, Township 23 South, Range 36 East, in Lea County, New Mexico (the Unit) is an existing non-standard gas spacing unit in the Jalmat-Tansil/Yates/Seven Rivers Gas Pool (79240). It is presently dedicated to the Stevens B Well No. 10. Apache proposes to re-complete the Stevens B Well No. 6 and the Stevens B Well No. 9 from the Langlie-Mattix Pool to the Jalmat Gas Pool, and accordingly requests approval for simultaneous dedication of the Unit to all three of the referenced wells.

Division approval of simultaneous dedication is required because Rule 3(C) of the Special Pool Rules for the Jalmat Gas Pool, as provided in Order R-8170-P, prohibits the dedication of more than one gas well per 160 acres in that pool.

Your application on behalf of Apache has been duly filed under the provisions of Division Rules 15.11.C and 4.12.A, and Rule 4(B) of the Special Pool Rules for the Jalmat Gas Pool.

It is our understanding that you are seeking simultaneous dedication of this unit to the three wells described for geological reasons, in order to prevent waste and maximize production from this unit. As required by Rule 4(B) of the applicable pool rules, you have furnished evidence to support your conclusion that the granting of this application will prevent waste and will not impair correlative rights.

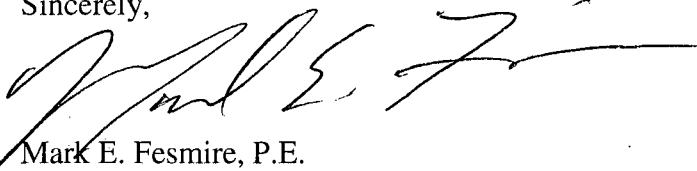
We also understand that you have given due notice of this application to all "affected persons," as defined in Rule 4.12.A(2)(a), in all existing spacing units in the Jalmat adjoining the proposed unit.

Pursuant to the provisions of Division Rule 15.11.C and Rule 4(B) of the Special Pool Rules for the Jalmat Gas Pool, the above-described simultaneous dedication is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

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

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs
United States Bureau of Land Management - Carlsbad