



New Mexico Energy, Minerals and Natural Resources Department

**Bill Richardson**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
**Reese Fullerton**  
Deputy Cabinet Secretary

**Mark Fesmire**  
Division Director  
Oil Conservation Division



October 14, 2009

Apache Corporation  
Attn: Mr. David Catanach  
6120 S. Yale  
Suite 1500  
Tulsa, OK 74136

**Administrative Order NSL-6101**

**Re: Livingston Well No. 26**  
**API No. 30-025-39526**  
**350 feet FSL and 2500 feet FWL**  
**Unit N, Section 3-21S-37E**  
**Lea County, New Mexico**

Dear Mr. Catanach:

Reference is made to the following:

(a) your application (**administrative application reference No. p09-26138321**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on September 18, 2009, and

(b) the Division's records pertinent to this request.

Apache Corporation (Apache) has requested to drill the above-referenced well at an unorthodox oil well location, described above in the caption of this letter. The SE/4 SW/4 (geographically the SE/4 SW/3) of irregular Section 3 will be dedicated to this well in order to form a standard 40-acre spacing unit in the Penrose Skelly-Grayburg Pool (50350). This pool is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from the eastern unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for geologic reasons.

Oil Conservation Division \* 1220 South St. Francis Drive

\* Santa Fe, New Mexico 87505

\* Phone: (505) 476-3440 \* Fax (505) 476-3462\* <http://www.emnrd.state.nm.us>



October 14, 2009

Page 2

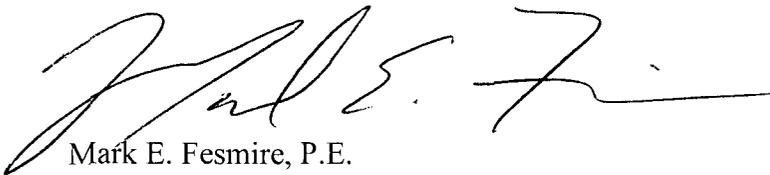
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location 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,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.  
Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs