

DATE IN <u>11/30/09</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>11/30</u>	TYPE <u>NSL</u>	APP NO. <u>0933456675</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Apache
873

RECEIVED

MARK OWEN 2009 NOV 30
30-025-39558

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- [D] Other: Specify _____

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
 [B] ☐ Offset Operators, Leaseholders or Surface Owner
 [C] ☐ Application is One Which Requires Published Legal Notice
 [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
 [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
 [F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Michelle Hanson

Michelle Hanson
Signature

Landman

11/25/09

Print or Type Name

Title

Date

Michelle.hanson@apachecorp.com
e-mail Address

RECEIVED OGD
2009 NOV 30 A 10:14

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

40 and 160 acres – Bottom Hole: 1,355' FSL & 1,355' FWL
Section 35, Township 21 South, Range 37 East, NMPM
Lea County, New Mexico

PRIMARY OBJECTIVES: Blinebry, Tubb, Drinkard, Abo and Granite Wash

In support:

1. Apache Corporation (Apache) is the operator of the proposed **Mark Owen #5** well (**Exhibit 1**).
2. Pool rules that apply to the proposed location is the Blinebry Oil and Gas (Oil), Tubb Oil and Gas (Pro Gas), Drinkard, Wantz; Abo and Wantz; Granite Wash. The proposed unorthodox location encroaches on spacing units 35K, 35L, 35M and 35N which currently have five wells producing from the aforementioned zones (**Exhibit 1**). The cumulative and daily production values are displayed on **Exhibit 2**.

API					Cum thru 7-09	Daily
30025	Op.	Well	Loc	Pool	O/G/W	O/G/W
07037	Apache Corp	Mark Owen #1	L	Paddock-49210; Tubb Oil and Gas (Pro Gas)-86440; Drinkard-19190	256 / 4,190 / 12	0 / 167 / 0
07038	Apache Corp	Mark Owen #2	M	Blinebry Oil and Gas (Gas)-72480; Drinkard-19190	184 / 7,242 / 5	1 / 177 / 0
07039	Apache Corp	Mark Owen #3	N	Blinebry Oil and Gas (Gas)-72480; Tubb Oil and Gas (Pro Gas)-86440; Drinkard-19190	183 / 7,870 / 8	3 / 362 / 0
07040	Apache Corp	Mark Owen #4	K	Blinebry Oil and Gas (Gas)-72480; Drinkard-19190; Wantz; Abo-62700	272 / 3,928 / 26	7 / 117 / 0
25130	Apache Corp	Mark Owen #7	N	Penrose Skelly; Grayburg-50350 Eunice South; San Andres-24170 Wantz; Abo-62700 Wantz; Granite Wash-62730	200 / 5,853 / 20	TA'd as to Abo & GW zones
25481	Apache Corp	Mark Owen #8	M	Tubb Oil and Gas (Pro Gas)-86440; Wantz; Abo-62700; Wantz; Granite Wash-62730	179 / 13,035 / 27	4 / 327 / 0

API					Cum thru 7-09	Daily
30025	Op.	Well	Loc	Pool	O/G/W	O/G/W
29768	Apache Corp	Mark Owen #9	L	Penrose Skelly; Grayburg-50350 Blinbry Oil and Gas (Oil)-6660; Wantz; Abo-62700	70 / 541 / 22	TA'd as to Blinbry & Abo zones
					MBO MMCFG MBW	BOPD MCFGPD BWPD

3. The proposed Mark Owen #5 unorthodox location of 1460' from south line and 1510' FWL, surface hole location, and 1,355' from south line and 1,355' from west line, bottom hole location, is based upon drainage considerations.

Location and Drainage

The proposed Mark Owen #5 is a "true" 20 Acre infill location between existing Blinbry, Tubb, Drinkard and Abo producers. It is approximately equidistant from those wells and should encounter an undrained reservoir volume.

The following table provides drainage areas of the offset wells calculated from SophiH taken off contoured isopach maps or from log calculations.

		21S 37E		SophiH	Area	EUR	EUR
Oper.	Well	Loc	Reservoir	ft	ac	MBO	MMCFG
Apache	Mark Owen #1 & #9	L	B-T-D, Abo	25.26	19.35	325	5165
Apache	Mark Owen #2 & #8	M	B-T-D, Abo, GW	29.93	18.24	363	22886
Apache	Mark Owen #3 & #7	N	B-T-D, Abo, GW	22.43	25.68	383	14746
Apache	Mark Owen #4	K	B-T-D-Abo	23.43	17.91	279	4038

Reserves for the proposed location were calculated by averaging the offset drainage areas and SophiH and applying it to the new location. Any competitive drainage is shared between the proposed well and the existing offset wells. The results are as follows:

				SophiH	Area	EUR	EUR
Oper.	Well	Loc	Reservoir	ft	ac	MBO	MMCFG
Apache	Mark Owen #5	K	B-T-D, ABO, GW	25.26	20.29	341	3410

4. Notice

The proposed **Mark Owen #5** only encroaches toward Apache operated Bli-Tubb-Dri-Abo-GW wells.

5. This interest ownership is common among the Bli-Tubb-Dri-Abo-GW zones and is common as to the entire SW/4 of Section 35. Approval of this application will afford the interest owners in these spacing units an opportunity to recover oil and gas which would not otherwise be recovered and will do so without violating correlative rights.

LOCKHART A-35

LOCKHART B-35

35

18 MARK OWEN

OWEN



Mark Owen Well No. 5

EXHIBIT 1 to Application for NSL
BHL: 1355 FSL & 1355 FWL
Section 35-121S-R37E, Lea Co., NM



POSTED WELL DATA



WELL SYMBOLS

By: Michelle Hanson
November 25, 2009

LOCKHART A-35

LOCKHART B-35

35

MARK OWEN

OWEN

1



256
4,190
0 BOPD
167 MCFPD

4



272
3,928
7 BOPD
117 MCFPD

2



179
13,035
4 BOPD
327 MCFPD
184
7,242
1 BOPD
177 MCFPD

3



183
7,870
3 BOPD
362 MCFPD



Mark Owen Well No. 5

EXHIBIT 2 to Application for NSL
BHL 1355 FSL & 1355 FML
Section 35-121S-R37E, Lea Co., NM



POSTED WELL DATA



ATTHIBUTE MAP
BLINBERRY
DINKARD
ABO
GRANITE WASH

WELL SYMBOLS

Oil Well
Gas Well
Oil & Gas Well
Well Derrick
Dry Hole
Location

By Michelle Hanson
November 25, 2009