

DATE IN 1-12-10	SUSPENSE	ENGINEER Brooks	LOGGED IN 1-12-10	TYPE NSP	PTGW APP NO. 1001231328
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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

## 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]

MARSHALL B# 7

" # 9

" # 10

- [1] TYPE OF APPLICATION - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

30-025-09934

30-025-06826

30-025-29797

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 \_\_\_\_\_

DHC - 991  
DHC - 910  
DHC - 1046  
SD - 200909

- [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

Landman

1/11/2010

Print or Type Name

Signature

Title

Date

Michelle.hanson@apachecorp.com  
e-mail Address



Central Region Land Department

(918) 491-4900  
(918) 491-4854 (FAX)

RECEIVED OGD  
DEC 15 A 11:43

December 14, 2009

Mark E. Fesmire, P. E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

Dear Mr. Fesmire,

Apache Corporation respectfully requests administrative approval for several non-standard 40 acre gas well units in the Blinebry Oil and Gas Pool. The following wells, located in the SW $\frac{1}{4}$  of Section 27, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico (applicant's Marshall B Lease), are involved in this application:

- Marshall B #1, located 589 feet FSL and 2051 feet FWL N 30-025-09934
- Marshall B #9, located 2310 feet FSL and 1650 feet FWL - Currently Inactive K 30-025-06826
- Marshall B #10, located 634 feet FSL and 632 feet FWL M 30-025-29797

A plat of the Marshall B Lease, identifying the wells involved in this application, is attached as **Exhibit A**.

The above wells produce from the Blinebry and Tubb formations, among other formations. Under Division Order No. R-8170, as amended, spacing in both the Blinebry Oil and Gas Pool and Tubb Oil and Gas Pool is 160 acres for gas wells, and 40 acres for oil wells. The rules provide for non-standard gas well units of less than 160 acres. A gas well in each pool is defined as a well producing at a GOR of 50,000:1 or greater. Acreage dedicated to a gas well shall not be simultaneously dedicated to an oil well.

The wells involved in this application, the quarter-quarter sections in which the wells are located, their acreage dedications and current gas/oil status and their approximate YTD GOR's in the Blinebry and Tubb formations, are as follows:

	Marshall B 1 (SE $\frac{1}{4}$ SW $\frac{1}{4}$ )	Marshall B 9 (NE $\frac{1}{4}$ SW $\frac{1}{4}$ )	Marshall B 10 (SW $\frac{1}{4}$ SW $\frac{1}{4}$ )
Blinebry	160 acres (gas) 223,000	160 acres (gas) Inactive 07/2008	160 acres (gas) 210,000

Administrative Order No. NSP-1784 granted Well No. 1 a non-standard 40-acre gas spacing unit for the Blinebry Oil & Gas Pool. Applicant requests that all existing and future Blinebry wells be granted 40-acre gas spacing in the Blinebry Oil and Gas Pool. This will eliminate overlapping well units for oil and gas wells, and will facilitate further development of the Marshall B Lease. In addition, further GOR changes in the wells will not require a reclassification and well unit change. If granted, the following well units will be in effect:

	<b>Marshall B 1</b>	<b>Marshall B 10</b>
	<u>(SE<math>\frac{1}{4}</math>SW<math>\frac{1}{4}</math>)</u>	<u>(SW<math>\frac{1}{4}</math>SW<math>\frac{1}{4}</math>)</u>
Blinebry	40 acres (gas)	40 acres (gas)
	223,000	210,000

30-025-39551

Further, Applicant plans to drill and complete the Marshall B Well No. 14, located at an orthodox location, being 1845' FSL and 1765' FWL of Section 27, in the Blinebry, Tubb and Drinkard formations. As a result, Applicant seeks administrative approval for a non-standard 40-acre gas spacing unit for the Blinebry Oil & Gas Pool.

A land plat with a listing of the operators of all quarter sections offsetting the SW $\frac{1}{4}$  of Section 27 is marked **Exhibit B**. Notice was given to all operators by the letter attached as **Exhibit C**.

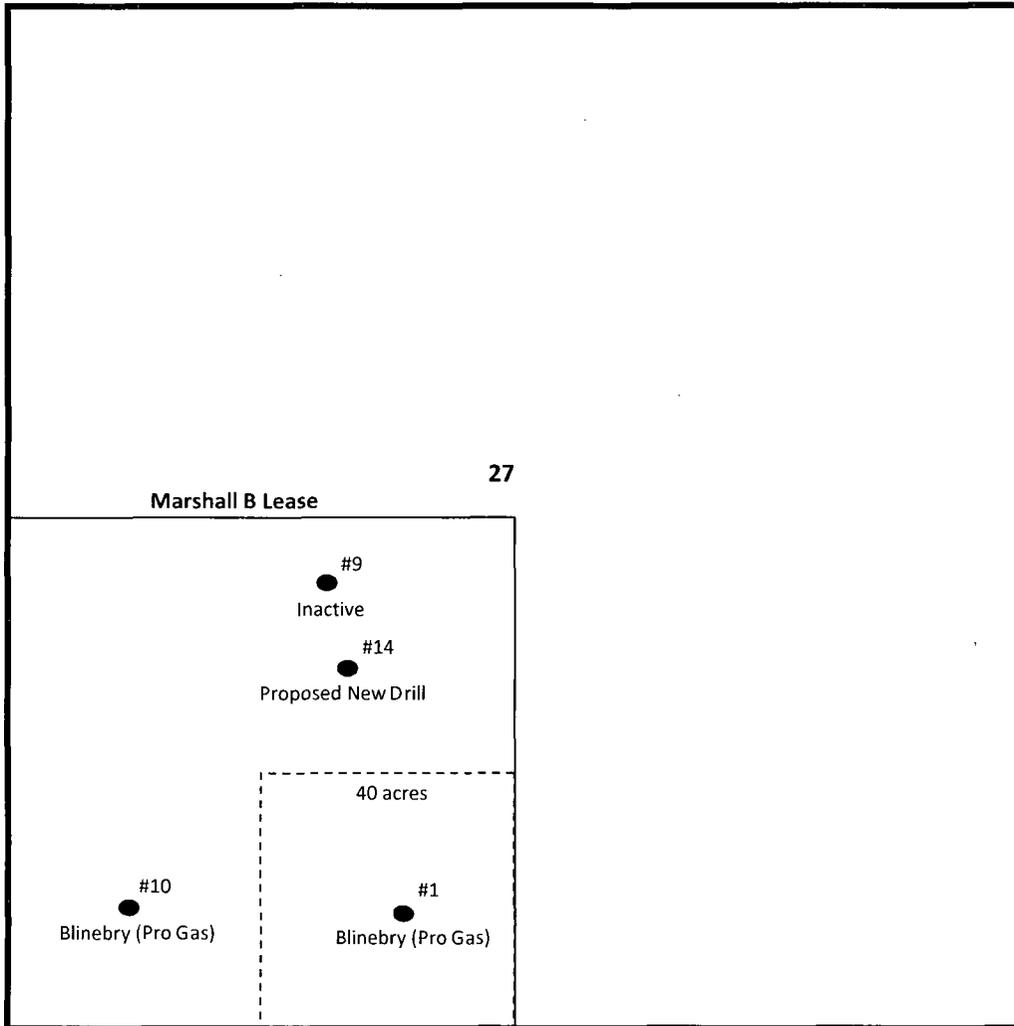
Interest ownership within the SW $\frac{1}{4}$  of Section 27 is common, so no one in the quarter section has been notified of this application.

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

Sincerely,  
APACHE CORPORATION



Michelle Hanson  
Landman  
(918) 491-4838 direct  
(918) 491-4854 fax  
[Michelle.hanson@apachecorp.com](mailto:Michelle.hanson@apachecorp.com)



**EXHIBIT A**



Marshall B Lease  
 No. 1 and No. 10  
 Non-Standard Proration Unit  
 Blinebry Oil & Gas Pool  
 Section 27-T21S-R37E  
 Lea County, New Mexico  
 Scale: 1" = 1000'

# Exhibit B

## OFFSET OPERATORS

Chevron U.S.A., Inc.  
Attn: NOJV Group  
1400 Smith Street  
Houston, TX 77002

ExxonMobil Coporation  
P.O. Box 4610  
Houston, TX 77210

ConocoPhillips Company  
Attn: Land Department  
600 N. Dairy Ashford  
Houston, TX 77079

Stephens & Johnson Operating Co.  
P.O. Box 568  
Strawn, TX 76475

Exhibit C



6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136

Central Region Land Department  
(918) 491-4900  
(918) 491-4854 (FAX)

December 14, 2009

**OFFSET OPERATORS**

RE: Administrative approval for  
Non-Standard Gas Spacing Units  
Blinebry Oil & Gas (Pro Gas) Pool  
Township 21 South, Range 37 East;  
Section 27: SW $\frac{1}{4}$  (Marshall B Lease)  
Lea County, New Mexico

Offset Operators,

This is to inform you as an offset operator that Apache Corporation ("Apache") has applied for administrative approval for several non-standard 40-acre gas spacing units in the Blinebry Oil & Gas (Pro Gas) Pool.

Further, Apache is planning to drill and complete the Marshall B Well No. 14 in the Blinebry Oil & Gas (Pro Gas). The location of the proposed new drill well will be Section 27, T21S, R37E, 1845' FSL & 1765' FWL, Lea County, New Mexico. Therefore, Apache has requested that this well be granted a non-standard 40-acre Blinebry gas spacing unit.

If you object to this application, you should file a written objection with the Oil Conservation Division's Santa Fe office within 20 days from the date of this letter. Otherwise, the application may be granted without further notice.

If you require additional information, please contact the undersigned at (918) 491-4838.

Sincerely,  
APACHE CORPORATION

A handwritten signature in cursive script that reads "Michelle Hanson".

Michelle Hanson  
Landman  
(918) 491-4854 fax  
[Michelle.hanson@apachecorp.com](mailto:Michelle.hanson@apachecorp.com)

# Exhibit B

This document is a detailed land survey map, likely a plat or a section of a larger survey. It features a grid of land parcels, each containing various annotations and data. The parcels are labeled with tract numbers (e.g., Tr. 16, Tr. 17, Tr. 18, Tr. 19, Tr. 20, Tr. 21, Tr. 22, Tr. 23, Tr. 24) and are associated with numerous company names and individuals, including Chevron, Marathon, BP, and others. The map also includes various symbols, such as stars and circles, and text indicating ownership, acreage, and other legal details. The overall layout is highly organized and contains a vast amount of information, typical of a professional land survey document.

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Wednesday, January 13, 2010 9:18 AM  
**To:** 'Hanson, Michelle'  
**Subject:** RE: Marshall B ##1, 9, 10 and 14; Blinebry NSP application

Dear Ms. Hanson

Thanks for sending me the copy of Midland Map Company map segment for the area that is the subject of this application.

Unfortunately, Midland Map Company maps are extremely difficult to read, and one has no way to know if they are current. Therefore I would greatly appreciate your providing me, in either plat or list form, a statement of who you have noticed as the operator or owner of each of the tracts offsetting the SW/4 of Section 27.

Thanks  
David K. Brooks  
Legal Examiner

---

**From:** Hanson, Michelle [mailto:Michelle.Hanson@apachecorp.com]  
**Sent:** Tuesday, January 12, 2010 3:10 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Marshall B ##1, 9, 10 and 14; Blinebry NSP application

David,  
Attached is the plat for the Marshall B Lease (SW/4 Sec 27-21S-37E). I must have had several things on my mind the day I sent this out because I had also forgotten to provide the Checklist. Thanks for your patience.

*Michelle Hanson*  
Landman  
**Apache Corporation**  
6120 S. Yale Ave., Suite 1500  
Tulsa, OK 74136  
(918) 491-4838 office  
(918) 491-4854 fax  
[michelle.hanson@apachecorp.com](mailto:michelle.hanson@apachecorp.com)

**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Tuesday, January 12, 2010 2:51 PM  
**To:** Hanson, Michelle  
**Subject:** Marshall B ##1, 9, 10 and 14; Blinebry NSP application

Dear Ms. Hanson

This application states that "a land plat with a listing of the operators of all quarter sections offsetting the SW/4 of Section 27 is marked Exhibit B. However the attachment marked is Exhibit B is only a list of the offset operators, and no plat is attached.

Please furnish a plat showing the operators of each adjoining unit. I believe you probably furnished this with the former application, but I would very much appreciate receiving another copy to make it easier to process this one, as the prior file is in process of being scanned.

Sincerely  
David K. Brooks  
Legal Examiner

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**Brooks, David K., EMNRD**

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**From:** Hanson, Michelle [Michelle.Hanson@apachecorp.com]  
**Sent:** Wednesday, January 13, 2010 9:57 AM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Marshall B ##1, 9, 10 and 14; Blinebry NSP application

Oh ok. I will get that to you asap.

*Michelle Hanson*

Landman

**Apache Corporation**

6120 S. Yale Ave., Suite 1500

Tulsa, OK 74136

(918) 491-4838 office

(918) 491-4854 fax

[michelle.hanson@apachecorp.com](mailto:michelle.hanson@apachecorp.com)

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**From:** Brooks, David K., EMNRD [mailto:david.brooks@state.nm.us]  
**Sent:** Wednesday, January 13, 2010 10:18 AM  
**To:** Hanson, Michelle  
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David K. Brooks

Legal Examiner

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*Michelle Hanson*

Landman

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David K. Brooks  
Legal Examiner

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**Marshall "B" NSP & SD Application**

**Township 21 South, Range 37 East, Lea County, New Mexico**

**Tracts adjoining the SW/4 of Section 27**

Section 27:

N/2: ConocoPhillips Company  
SE/4: ExxonMobil Coporation

Section 28:

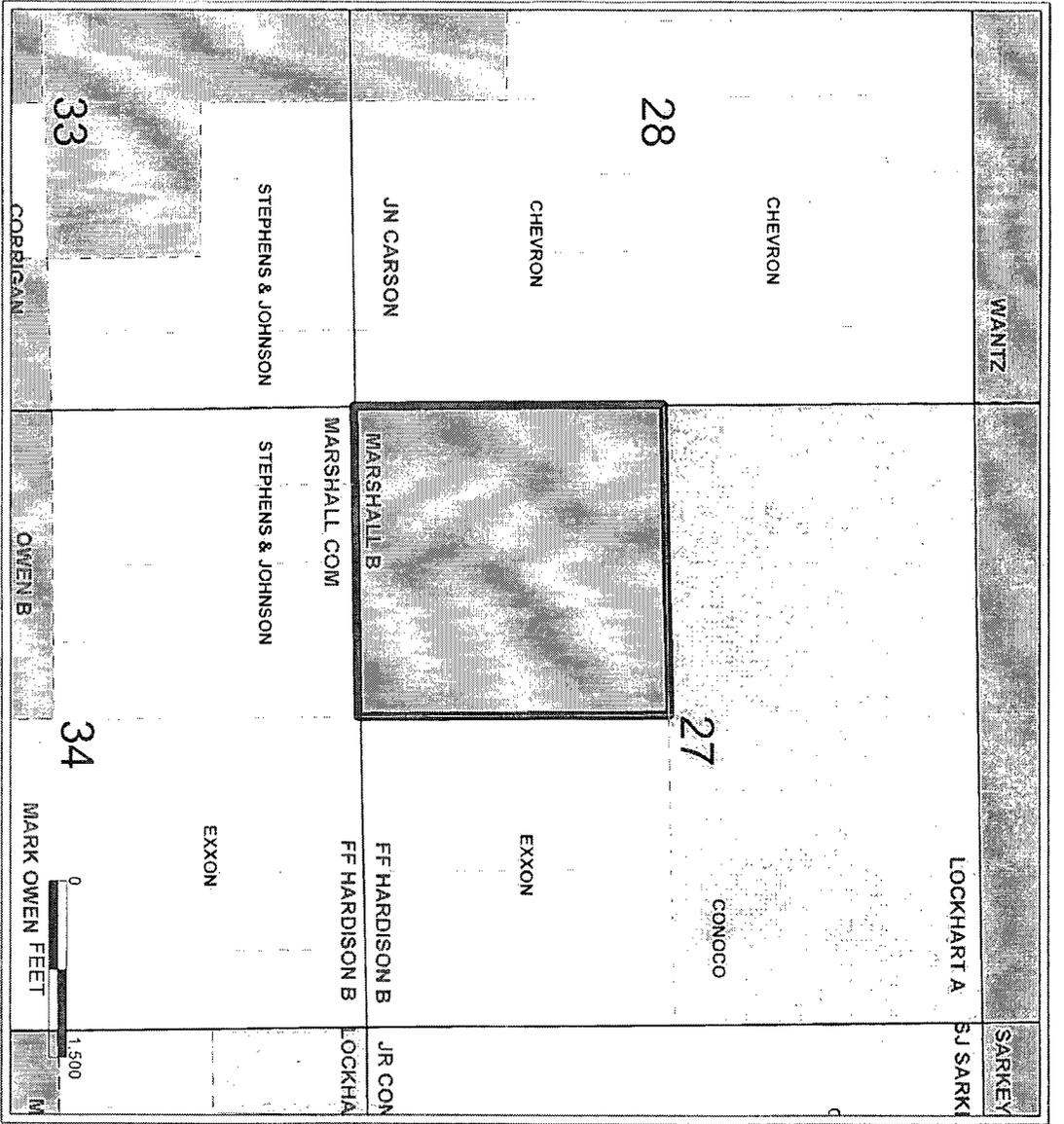
E/2 Chevron U.S.A., Inc.

Section 33:

NE/4: Stephens & Johnson Operating Co.

Section 34:

NW/4: Stephens & Johnson Operating Co.  
NE/4: ExxonMobil Coporation



T215-R37E  
Lea Co., NY

**Brooks, David K., EMNRD**

---

**From:** Brooks, David K., EMNRD  
**Sent:** Thursday, January 28, 2010 11:13 AM  
**To:** 'Hanson, Michelle'  
**Cc:** Kautz, Paul, EMNRD; 'llrwb@austin.rr.com'  
**Subject:** Apache Corporation - Marshall B Wells ## 1, 10 and 14 - NSP request  
**Attachments:** Apache Marshall B #1,10,14.doc

Dear Ms. Hanson

The referenced request was granted on January 25, 2010 by Order NSP-1784-A.

The signed, original order will be posted on OCD's website.

Sincerely  
David K. Brooks  
Legal Examiner