



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



February 8, 2010

Apache Corporation
Attn: Ms. Michelle Hanson
6120 S. Yale, Suite 1500
Tulsa, OK 74136

Administrative Order NSL-6145

Re: J.G. Hare Well No. 18
API No. 30-025
1380 feet FSL and 1520 feet FWL
Unit K, Section 33-21S-27E
Lea County, New Mexico

Dear Ms. Hanson:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-02054308**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 20, 2010, and

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

Apache Corporation [OGRID 873] (Apache) has requested to drill the above-referenced well as a directional well to the Blinberry and Tubb formations, at a location that will be unorthodox under Division Rule 16.14.B. The proposed surface location and bottom-hole location of the well are as follows:

Surface Location: 1380 feet from the South line and 1520 feet from the West line
(Unit K) of Section 33, Township 21S, Range 37E, NMPM,
Lea County, New Mexico

Terminus 1330 feet from the South line and 1310 feet from the West line
(Unit L) of said section



The NW/4 SW/4 of Section 33 will be dedicated to the proposed well to form standard 40-acre oil spacing and proration units in the Blinebry Oil and Gas (Oil) Pool (6660) and the Tubb Oil and Gas (Oil) Pool (60240). Spacing in the Blinebry and Tubb pools is governed by the Special Rules and Regulations for the Blinebry Oil and Gas Pool and the Special Rules and Regulations for the Tubb Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986. The applicable rules provide for 40-acre oil units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because the bottom-hole location will be less than 330 feet from the southern and western unit boundaries.

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 engineering reasons, in order to efficiently drain the reserves in these reservoirs underlying the SW/4 of Section 33. It is further understood that notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved PROVIDED, HOWEVER, that nothing in this Order shall authorize the simultaneous dedication of any unit or portion of a unit to both a gas well and an oil well in the same formation in either of the formations named herein.

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 stylized flourish at the end.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs