



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



March 31, 2010

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

Administrative Order NSP-1941

Re: H. Corrigan Blinebry Gas Com. Well No. 9
API No. 30-025-10014
SW/4 NE/4 of Section 4
Township 22 South, Range 37 East, NMPM,
Lea County, New Mexico

Dear Ms. Hanson:

Reference is made to the following:

(a) your administrative non-standard proration unit (NSP) application (**administrative application reference No. pTGW10-06957023**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 10, 2010; and

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

Apache Corporation [OGRID 873] has requested approval of a non-standard 40-acre gas spacing and proration unit in the Blinebry Oil and Gas (Prorated Gas) Pool (72480) consisting of the SW/4 NE/4 of Section 4, Township 22 South, Range 37 East, NMPM, in Lea County, New Mexico.

The proposed non-standard unit will be dedicated to your existing H. Corrigan Blinebry Gas Com. Well No. 9, which is producing as a gas well in the Blinebry formation at a location 1980 feet from the North line and 1880 feet from the East line of Section 4.

According to Division records, there are producing Blinebry oil wells located on Units A, B and H, in the NE/4 of Section 4.



Spacing in this pool is governed by the Special Rules and Regulations for the Blinebry Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986, which provide that standard gas units shall consist of 160 acres. Non-standard gas units consisting of less than 160 acres may be established by administrative order, but no unit or portion of a unit may be dedicated to both a producing gas well and a producing oil well in this pool.

Your NSP application has been duly filed under the provisions of Division Rules 15.11.B(2) and 4.12.A(3).

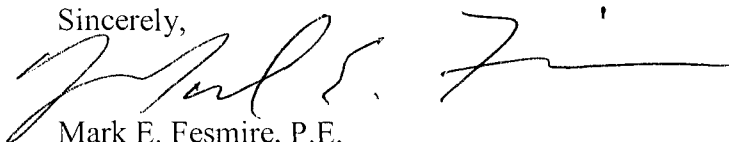
We understand that you are seeking the establishment of the proposed non-standard, 40-acre gas unit because existing wells producing as oil wells from the Blinebry formation within the NE/4 Section 4 preclude dedication of a standard, 160-acre gas unit to the H. Corrigan Blinebry Gas Com. Well No. 9.

It is further understood that notice to owners within the NE/4 of Section 4 is not required since ownership of all interest is uniform throughout the entire NE/4 of the section. It is also understood that due notice of this application has been given to all offsetting operators and owners pursuant to the Division's directive for this application.

Pursuant to the authority of Rule 15.11.B(2), the above-described non-standard 40-acre gas spacing and proration unit is hereby approved; PROVIDED, HOWEVER, that nothing in this Order shall authorize simultaneous dedication of any of the Blinebry unit to both a gas well and an oil.

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.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division – Hobbs