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FEB 10 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

February 10, 2004

Hand Delivered

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: SUPPLEMENTAL INFORMATION

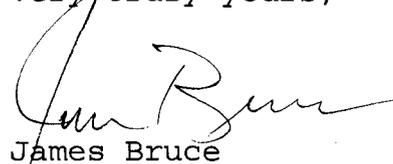
Unorthodox location applications: State C Tract 12 Well
No. 17 and State C Tract 12 Well No. 18

NW $\frac{1}{4}$ of Section 16, Township 21 South, Range 37 East,
N.M.P.M.

Dear Mr. Stogner:

The applications I submitted to you on February 6th did not show the allocation between the affected leases. Enclosed are the exhibits from the approved communitization agreements, which show how production will be allocated between the state leases.

Very truly yours,



James Bruce

Attorney for Apache Corporation

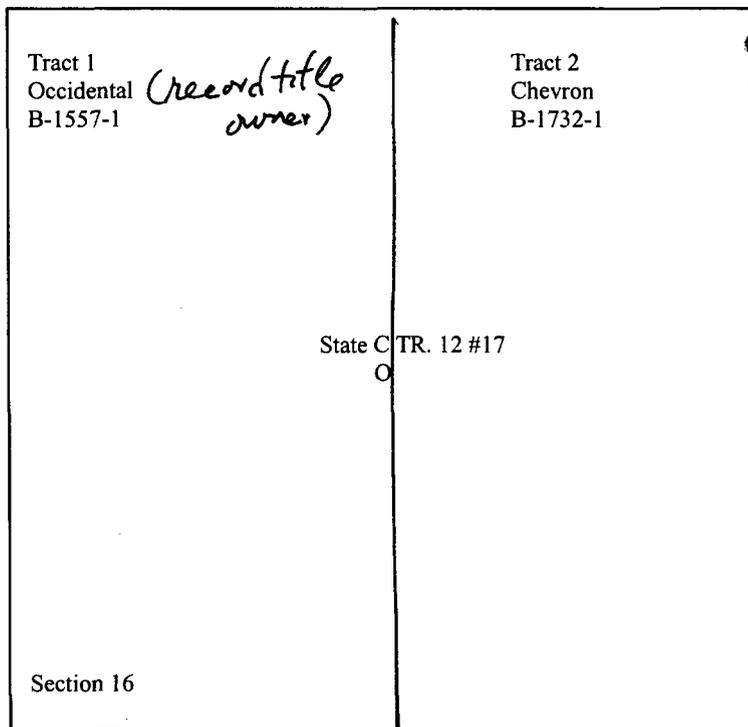
EXHIBIT "A"
"B"

To Communitization Agreement dated December 5, 2003

Plat of communitized area covering the W/2NE/4; E/2NW/4 of Section 16, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico:

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Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

EXHIBIT "B"

To Communitization Agreement dated December 5, 2003, embracing the W/2NE/4; E/2NW/4 of Section 16, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

Operator of Communitized Area:

Apache Corporation

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial No.: B-1557-1
Lease Date: December 27, 1932
Lease Term: Ten Years
Lessor: State of New Mexico
Original Lessee: Stanolind Oil & Gas Company
Present Lessee: Altura Energy LTD
Description of Land Committed:
Township 21 South, Range 37 East, Section 16: E/2NW/4
Number of Acres: 16.988 of 80
Royalty Rate: 12.5%
Name and Percent ORRI Owners: None
Name and Percent WI Owners: Apache Corporation (100%)

Tract No. 2

Lease Serial No.: B-1732-1
Lease Date: February 28, 1933
Lease Term: Ten Years
Lessor: State of New Mexico
Original Lessee: Gypsy Oil Company
Present Lessee: Chevron U.S.A. Inc.
Description of Land Committed:
Township 21 South, Range 37 East, Section 16: W/2NE/4
Number of Acres: 23.012 of 80
Royalty Rate: 12.5%
Name and Percent ORRI Owners: None
Name and Percent WI Owners: Chevron U.S.A. Inc. (100%)

R E C A P I T U L A T I O N

Tract No.	No. of Acres Committed	Percentage of Interest in Communitized Area
1	-	42.47%
2	-	57.53%