

HOLLAND & HART LLP



William F. Carr  
wcarr@hollandhart.com

July 27, 2010

**HAND-DELIVERED**

Mark E. Fesmire, PE, JD  
Director  
Oil Conservation Division  
New Mexico Energy, Minerals and  
Natural Resources Department  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

*Case 14529*

RECEIVED OCD  
2010 JUL 27 P 3:38

Re: Application of Apache Corporation for approval of a unit agreement, Lea County, New Mexico.

Dear Mr. Fesmire:

Enclosed is the application of Apache Corporation in the above-referenced case as well as a copy of a legal advertisement. Apache requests that this matter be placed on the docket for the September 2, 2010 Examiner hearings.

Very truly yours,

William F. Carr

Enclosures

cc: Mr. Mark Wheeler  
Pedernales Production, LP

Holland & Hart LLP

Phone [505] 988-4421 Fax [505] 983-6043 [www.hollandhart.com](http://www.hollandhart.com)

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Denver Aspen Boulder Colorado Springs Denver Tech Center Billings Boise Cheyenne Jackson Hole Las Vegas Salt Lake City Santa Fe Washington, D.C. ♻

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION

RECEIVED 005  
2010 JUL 27 P 3:42

APPLICATION OF APACHE CORPORATION  
FOR APPROVAL OF A UNIT AGREEMENT,  
LEA COUNTY, NEW MEXICO.

CASE NO. 14529

APPLICATION

APACHE CORPORATION <sup>873</sup> ("Apache"), through its undersigned attorneys, hereby makes application for an order approving its Equis State Exploratory Unit and in support of this application states:

1. The proposed Unit Area for the Equis State Exploratory Unit consists of 2,480.00 acres, more or less, of State of New Mexico lands, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 14 South, Range 35 East, N.M.P.M.

Section 8:	N/2, E/2SW/4, SE/4
Section 9:	All
Section 16:	All
Section 17:	All

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

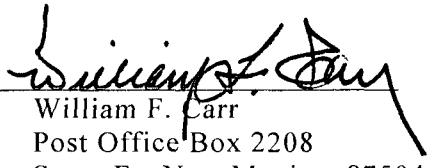
3. The Applicant, Apache Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in the all formations are unitized.

4. The unitized interval includes all formations from the surface to the base of the Precambrian formation.

5. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and will protect the correlative rights of all parties concerned.

WHEREFORE, Apache Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 2, 2010, that notice be given as required by law and the rules of the Division, and that the Equis State Exploratory Unit be approved.

Respectfully submitted,  
HOLLAND & HART, LLP

By:   
William F. Carr  
Post Office Box 2208  
Santa Fe, New Mexico 87504  
Telephone: (505) 988-4421

ATTORNEYS FOR APACHE CORPORATION

CASE NO. 14529:

**Application of Apache Corporation for approval of a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the Equis State Exploratory Unit for all formations from the surface to the base of the Precambrian formation in an area comprising 2,480.00 acres, more or less, of State of New Mexico lands in Sections 8, 9, 16 and 17 of Township 14 South, Range 35 East, NMPM which is located approximately 11 miles Northwest of Lovington, New Mexico.

RECEIVED OGD  
2010 JUL 27 P 3:42