

DATE IN 6.21.11	SUSPENSE	ENGINEER DB	LOGGED IN 6.21.11	TYPE NSL	APP NO 1117246046
-----------------	----------	-------------	-------------------	----------	-------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



Apache  
 RECEIVED OGD  
 D. State #62  
 2011 JUN 21 AM 1:18  
 30-015-39067  
 6419

**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]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

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 \_\_\_\_\_

[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.

David Catanach  
 Print or Type Name

David Catanach  
 Signature

Agent for Apache Corporation  
 Title

6/20/11  
 Date

drcatanach@netscape.com  
 E-Mail Address

June 20, 2011

**Hand Delivered**

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

Attention: Ms. Jami Bailey, CPG  
Division Director

Re: Application for Unorthodox Well Location  
D State No. 62  
API No. (30-015-39067)  
360' FNL & 1600' FWL (Unit C)  
Section 36, T-17 South, R-28 East, NMPM,  
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Apache Corporation ("Apache") respectfully requests administrative approval of an unorthodox oil well location for its proposed D State No. 62. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed D State No. 62 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 NW/4 of Section 36. This unit is currently dedicated to the existing Apache D State No. 25 (API No. 30-015-35869) located 330 feet from the North line and 2210 feet from the West line, and the Apache Dad State No. 43 (API No. 30-015-36278) located 1040 feet from the North line and 1550 feet from the West line.

The Artesia Glorieta-Yeso Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

The attached vicinity map shows that the proposed unorthodox well location is necessary in order to avoid an existing fence.

The affected offset acreage includes the SW/4 SW/4 of Section 25 and the NW/4 NW/4 of Section 36, all in Township 17 South, Range 28 East. Both of these affected tracts are existing 40-acre spacing units in the Artesia Glorieta-Yeso Pool, and both are operated by Apache. Please note however, that the working interest ownership between the NE/4 NW/4 of Section 36 and the affected offset tracts is not common.

Consequently, Apache is providing notice of this application to all working interest owners in the affected offset tracts. These working interest owners include COG Operating LLC, Khody Land & Minerals Company, Chase Oil Corporation, and Yates Petroleum Corporation.

Attached is a Form C-102, vicinity map, map showing the affected offset acreage, notice letter and notice list.

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Artesia Glorieta-Yeso Pool underlying the NE/4 NW/4 of Section 36 that may otherwise not be recovered by the existing wells, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent  
Apache Corporation  
6120 S. Yale, Suite 1500  
Tulsa, Oklahoma 74136

Xc: OCD-Artesia

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Avenue, Artesia, NM 88210  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
**District IV**  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised July 16, 2010  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-39067</b>		Pool Code <b>96830</b>	Pool Name <b>Artesia Glorieta-Yeso Pool</b>
Property Code <b>308712</b>	Property Name <b>D State</b>		Well Number <b>062</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>		Elevation <b>3688'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>C</b>	<b>36</b>	<b>17 South</b>	<b>28 East</b>		<b>360'</b>	<b>North</b>	<b>1600'</b>	<b>West</b>	<b>Eddy</b>

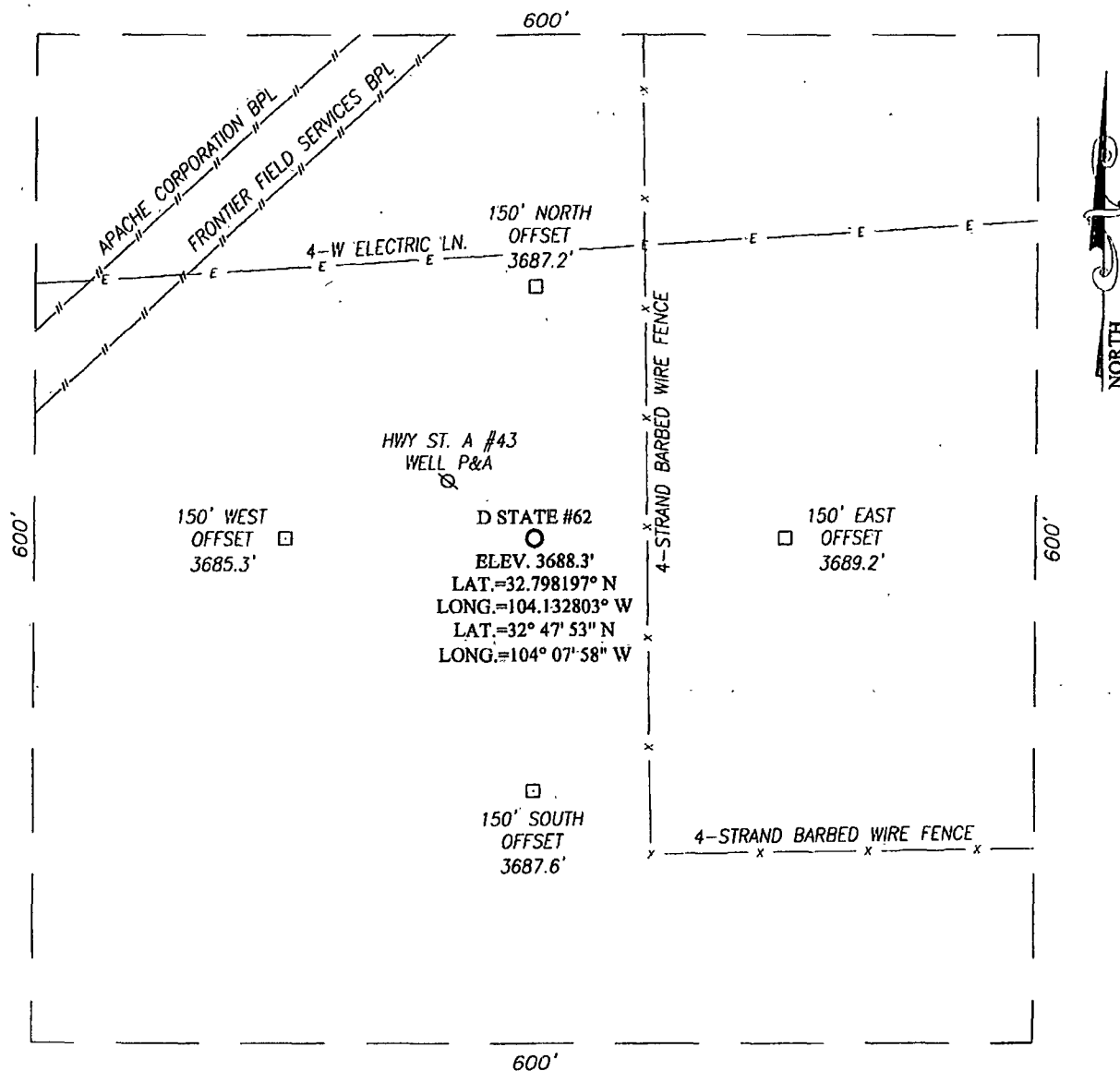
**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>		Joint or Infill		Consolidate Code		Order No.			

No Allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division

	<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofor entered by the Division</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>			
	<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>			

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO



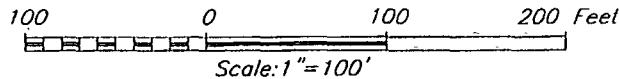
DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 (LOVINGTON HWY.) AND CO. RD. #209 (TURKEY TRACK RD.), GO EAST ON U.S. HWY. #82 APPROX. 1.1 MILES. TURN RIGHT AND GO SOUTH APPROX. 0.4 MILES. TURN RIGHT AND GO WEST APPROX. 0.2 MILES TO THE EXISTING APACHE CORPORATION D STATE #25 WELL PAD. THIS LOCATION STAKE IS APPROX. 450 FEET WEST OF THE EXISTING WELL PAD.



PROVIDING SURVEYING SERVICES  
SINCE 1946

JOHN WEST SURVEYING COMPANY  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117



APACHE CORPORATION

D STATE #62 WELL  
LOCATED 360 FEET FROM THE NORTH LINE  
AND 1600 FEET FROM THE WEST LINE OF SECTION 36,  
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

Survey Date: 4/29/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0943	Dr By: DSS
Date: 5/17/11	11110943
	Scale: 1"=100'

**28 East**

**26**

**25**

**17 South**

**Apache  
Operator**

**35**

**Apache  
Operator**

●  
**D State 62**

**36**

**Affected Offset Acreage  
Working Interest Ownership:**

**Apache Corporation  
COG Operating  
Khody Land & Minerals Co.  
Chase Oil Corporation  
Yates Petroleum Corp.**

 **Affected Offset Acreage**

**Apache Corporation  
Application for Non-Standard Well Location  
D State No. 62 (API No. 30-015-39067)**

June 20, 2011

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: OFFSET WORKING INTEREST OWNERS-SEE ATTACHED LIST

Re: Apache Corporation  
Unorthodox Oil Well Location  
D State No. 62  
360' FNL & 1600' FWL (Unit C)  
Section 36, T-17 South, R-28 East, NMPM,  
Artesia Glorieta-Yeso Pool  
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Apache Corporation ("Apache") for authorization to drill its D State No.62 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 360 feet from the North line and 1600 feet from the West line (Unit C) of Section 36, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 NW/4 of Section 36. This unit is currently dedicated to the existing Apache D State No. 25 and Apache Dad State No. 43. The unorthodox location is necessary in order to avoid surface obstructions within the NE/4 NW/4 of Section 36.

As the owner of an interest that may be affected by the proposed unorthodox oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach  
Agent-Apache Corporation  
6120 S. Yale  
Suite 1500  
Tulsa, Oklahoma 74136

Enclosure

**Notice List**  
**Apache Corporation**  
**Application for Unorthodox Well Location**  
**D State No. 62 (API No. 30-015-39067)**  
**360' FNL & 1600' FWL (Unit C)**  
**Section 36, T-17 South, R-28 East, NMPM**

COG Operating, LLC  
Attn: David Evans  
550 West Texas Avenue, Suite 1300  
Midland, Texas 79701

Khody Land and Minerals Company  
Attn: Land Department  
3817 NW Expressway, Suite 950  
Oklahoma City, Oklahoma 73112

Chase Oil Corporation  
Attn: Staci Sanders  
11352 Lovington Highway  
Artesia, New Mexico 88210

Yates Petroleum Corporation  
Attn: Chuck Moran  
105 South Fourth Street  
Artesia, New Mexico 88210

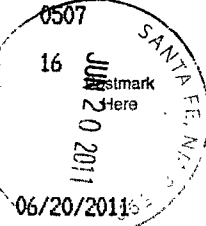


7010 1670 0000 7167 9354

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at [www.usps.com](http://www.usps.com)

OKLAHOMA CITY OK 73112 OFFICIAL USE

Postage	\$ 1.28
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$ 6.43</b>

Sent To **Khody Land & Minerals Co.**

Attn: Land Department  
 Street, Apt. No., or PO Box No. **3817 NW Expressway, Suite 950**  
 City, State, ZIP+4 **Oklahoma City, Oklahoma 73112**

PS Form 3800, August 2006

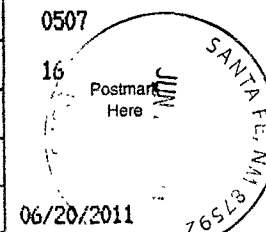
See Reverse for Instructions

7010 1670 0000 7167 9361

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at [www.usps.com](http://www.usps.com)

ARTESIA NM 88210 OFFICIAL USE

Postage	\$ 1.08
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$ 6.23</b>

Sent To **Chase Oil Corporation**

Attn: Staci Sanders  
 Street, Apt. No., or PO Box No. **11352 Lovington Highway**  
 City, State, ZIP+4 **Artesia, New Mexico 88210**

PS Form 3800, August 2006

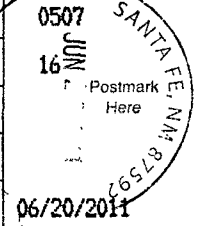
See Reverse for Instructions

7010 1670 0000 7167 9378

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at [www.usps.com](http://www.usps.com)

ARTESIA NM 88210 OFFICIAL USE

Postage	\$ 1.28
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$ 6.43</b>

Sent To **Yates Petroleum Corporation**

Attn: Chuck Moran  
 Street, Apt. No., or PO Box No. **105 South Fourth Street**  
 City, State, ZIP+4 **Artesia, New Mexico 88210**

PS Form 3800, August 2006

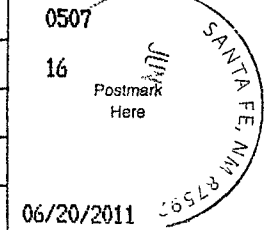
See Reverse for Instructions

7010 1670 0000 7167 9422

**U.S. Postal Service™  
CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at [www.usps.com](http://www.usps.com)

MIDLAND TX 79701 OFFICIAL USE

Postage	\$ 1.08
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$ 6.23</b>

Sent To **COG Operating, LLC**

Attn: David Evans  
 Street, Apt. No., or PO Box No. **550 W. Texas Ave., Suite 1300**  
 City, State, ZIP+4 **Midland, Texas 79701**

PS Form 3800, August 2006

See Reverse for Instructions