

DATE IN 08/27/13	SUSPENSE	ENGINEER DB	LOGGED IN 08/26/13	TYPE NSL	PPRG 1323844546
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ABOVE THIS LINE FOR DIVISION USE ONLY

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



NSL-6859

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 _____

Apache Corp.
 30-015-41511
 AB State 647*16

[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

8/23/13
 Date

drcatanach@netscape.com
 E-Mail Address

August 23, 2013

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
AB State 647 No. 16
API No. (30-015-41511)
330' FSL & 2365' FWL (Unit N)
Section 32, 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 AB State 647 No. 16. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830) at an unorthodox oil well location 330 feet from the South line and 2365 feet from the West line (Unit N) of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

The proposed AB State 647 No. 16 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SW/4 of Section 32. This unit is currently dedicated to Apache's proposed: i) AB State 647 No. 9 (API No. 30-015-41493) located at an unorthodox well location 1080 feet from the South line and 2535 feet from the West line; ii) AB State 647 No. 10 (API No. 30-015-41494) located at an unorthodox well location 1140 feet from the South line and 1650 feet from the West line; and iii) AB State 647 No. 15 (API No. 30-015-41504) located at a standard well location 330 feet from the South line and 1650 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 is necessary in order to avoid an existing pipeline within the drill tract.

The affected offset tracts are the SW/4 SE/4 of Section 32, and the NW/4 NE/4 of Section 5, Township 18 South, Range 28 East. There is currently no Glorieta-Yeso production in either affected offset tract. The leasehold owners in the SW/4 SE/4 of Section 32 include Apache Corporation, Chesapeake Energy Corporation, ConocoPhillips Company and Chaparral Energy, LLC. The leasehold owner in the NW/4 NE/4 of Section 5 is Occidental Permian, Ltd. Notice of this application is being provided to all leasehold owners within the affected offset tracts in accordance with Division rules.

Attached is a Form C-102 showing the proposed well, spacing unit, other wells in the spacing unit and the affected offset acreage. Also attached is a vicinity map.

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 SE/4 SW/4 of Section 32 that may otherwise not be recovered by the existing or proposed producing 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
303 Veterans Airpark Lane
Suite 3000
Midland, Texas 79705

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 30-015-41511		Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 39734	Property Name AB State 647		Well Number 16
OGRID No. 873	Operator Name Apache Corporation		Elevation 3671

Surface Location

UL or lot no. N	Section 32	Township 17 South	Range 28 East	Lot Idn	Feet from the 330	North/South line South	Feet from the 2365	East/West line West	County Eddy
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Bottom Hole Location If Different From Surface

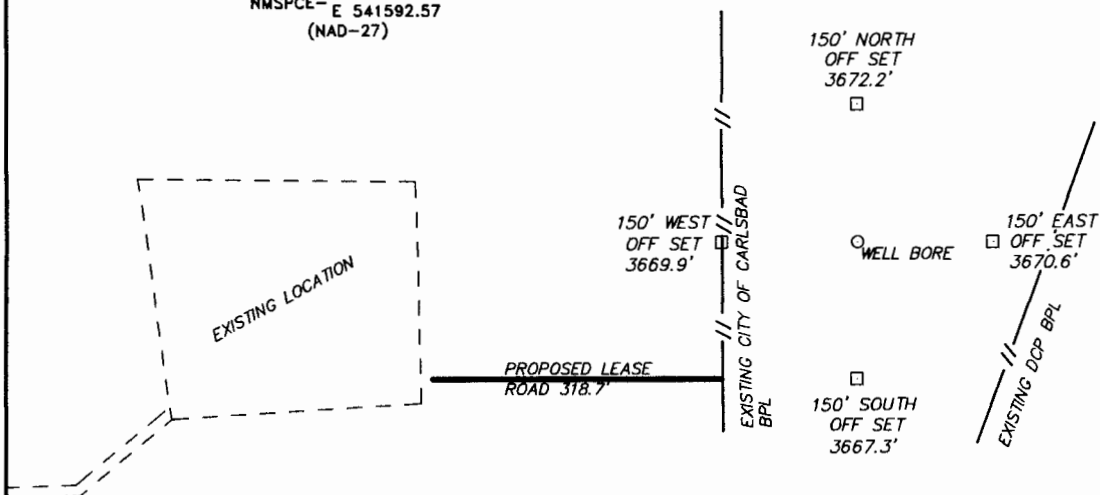
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill		Consolidate Code		Order No.				

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

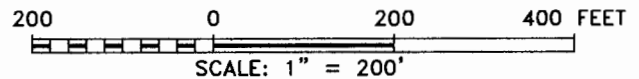
				OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole location or has a right to 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>
				Signature _____ Date _____ Printed Name _____ E-mail Address _____
				SURVEYOR CERTIFICATION <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>
				Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____
<p>AB State 647 #10 (NYD) AB State 647 #9 (NYD) AB State 647 #16 (Proposed Well) AB State 647 #15 (NYD) 2365' 330'</p> <p>Unit B, Section 5, T-18 South, R-28 East</p>				Affected Offset Tract Leasehold Owners: Apache Corporation Chesapeake Energy ConocoPhillips Co. Chaparral Energy, LLC
Affected Offset Tract Leasehold Owner: Occidental Permian Ltd.				

SECTION 32, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

APACHE CORPORATION
AB STATE 647 #16
ELEV. - 3671
SURFACE LOCATION
Lat - N 32°47'04.44"
Long - W 104°11'54.67"
NMSPCE - N 649182.48
E 582771.74
(NAD-83)
Lat - N 32°47'04.01"
Long - W 104°11'52.78"
NMSPCE - N 649119.56
E 541592.57
(NAD-27)



WELL IS LOCATED ±12 MILES SOUTHEAST OF ARTESIA, NEW MEXICO.



Directions to Location:

FROM HIGHWAY 82 AND ILLINOIS CAMP GO SOUTH .6
MILES THEN TURN EAST 0.1 MILES TO EXISTING
LOCATION AND PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 28812 Drawn By: D. JONES

Date: 06-12-2013 Disk: DAJ 28812

APACHE CORPORATION

REF: AB STATE 647 #16/ WELL PAD TOPO

THE AB STATE 647 #16 LOCATED 330'

FROM THE SOUTH LINE AND 2365' FROM THE WEST LINE OF

SECTION 32, TOWNSHIP 17 SOUTH, RANGE 28 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 06-06-2013 Sheet 1 of 1 Sheets

August 23, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: SEE ATTACHED NOTICE LIST

Re: Apache Corporation
Unorthodox Oil Well Location
AB State 647 No. 16 (API No. 30-015-41511)
330' FSL & 2365' FWL (Unit N)
Section 32, 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 it's AB State 647 No. 16 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 330 feet from the South line and 2365 feet from the West line (Unit N) of Section 32, 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 SE/4 SW/4 of Section 32. This unit is currently dedicated to Apache's proposed AB State 647 Wells No. 9, 10 and 15. The unorthodox location is necessary in order to avoid an existing pipeline within the drill tract.

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
303 Veterans Airpark Lane
Suite 3000
Midland, Texas 79705

Enclosure

Apache Corporation
Application for Unorthodox Well Location
AB State 647 No. 16
Section 32, T-17S, R-28E, NMPM,
Eddy County, New Mexico
Notice List

Chesapeake Energy Corp.
P.O. Box 18496
Oklahoma City, OK 73154

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252

Chaparral Energy, LLC
701 Cedar Lake Blvd.
Oklahoma City, OK 73114

Occidental Permian, Ltd.
P.O. Box 4294
Houston, Texas 77210

7013 0600 0001 8715 1394

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OKLAHOMA CITY OK 73114

Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$6.77

0501

Postmark
Here

AUG 23 2013

Sent To

Street,
or P.O. E
City, St.

Chaparral Energy, LLC
701 Cedar Lake Blvd.
Oklahoma City, OK 73114

PS Form

Instructions

7013 0600 0001 8715 1370

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
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For delivery information visit our website at www.usps.com

OKLAHOMA CITY OK 73154

Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$6.77

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Postmark
Here

AUG 23 2013

Sent To

Street,
or P.O. E
City, St.

Chesapeake Energy Corp.
P.O. Box 18496
Oklahoma City, OK 73154

PS Form

Instructions

7013 0600 0001 8715 1400

U.S. Postal Service™
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HOUSTON TX 77210

Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$6.77

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or P.O. E
City, St.

Occidental Permian, Ltd.
P.O. Box 4294
Houston, Texas 77210

PS Form

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HOUSTON TX 77252

Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total	\$6.77

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P.O. Box 2197
Houston, Texas 77252

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