

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey, Division Director**  
Oil Conservation Division



February 7, 2014

Apache Corp  
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-7004**  
**Administrative Application Reference No. pMAM1403549233**

**Apache Corp**  
**OGRID 873**  
**Tony Federal Well No. 54**  
**API No. 30-015-42000**

**Proposed Location:**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	295 FNL & 1140 FWL	C	19	17S	31E	Eddy
Bottom Hole	330 FNL & 915 FWL	1	19	17S	31E	Eddy

**Proposed Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW/4 NW/4 of Section 19	32.41	Cedar Lake; Glorieta-Yeso	96831

Reference is made to your application received on February 5, 2014.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units with wells located at least 330 feet from a unit or lot outer boundary. This location is less than 330 feet from a lot outer boundary. Even though the surface location is Unit C, the entire perforated interval is located in Lot 1 of section 19. Refer to the letter from the applicant that states that the perforations will be 154 feet west of the lot boundary.

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Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12 [19.15.4.12.A (2) NMAC].

It is our understanding that you are seeking this location to recover additional oil and gas reserves.

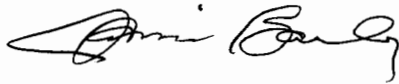
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13 [19.15.15.13 (B) NMAC], the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 15.9 [19.15.15.9 NMAC].

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 "Jami Bailey", with a stylized, cursive script.

Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs  
Bureau of Land Management-Carlsbad