

ABOVE THIS LINE FOR DIVISION USE ONLY

20 day hold

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



**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 \_\_\_\_\_

- NSL 7154  
 - Apache Corp  
 873  
 Well  
 - Outlaw state #12  
 30-015-42562  
 Pool  
 - Artesian/Glenn  
 Yes (0)  
 96830

[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

8/27/14  
 Date

drcatanach@netscape.com  
 E-Mail Address

August 27, 2014

**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  
Outlaw State Well No. 12  
API No. (30-015-42562)  
2255' FSL & 2330' FEL (Unit J)  
Section 29, 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 Outlaw State No. 12. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed Outlaw State No. 12 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NW/4 SE/4 of Section 29. This unit is currently dedicated to Apache's proposed: i) Outlaw State No. 9 (API No. 30-015-42559) located at a standard well location 1650 feet from the South line and 2310 feet from the East line; ii) Outlaw State No. 10 (API No. 30-015-42560) located at a standard well location 1650 feet from the South line and 1650 feet from the East line; and ii) Outlaw State No. 11 (API No. 30-015-42561) located at an unorthodox well location 2310 feet from the South line and 1535 feet from the East 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 existing pipelines and powerlines.

The affected offset tract is the NE/4 SW/4 of Section 29. This tract is currently operated in the Artesia Glorieta-Yeso Pool by LRE Operating, LLC. Notice of this

application is being provided by certified mail to LRE Operating, LLC in accordance with Division rules.

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

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 NW/4 SE/4 of Section 29 that may otherwise not be recovered by the 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  
1825 N. French Dr., Hobbs, NM 88240  
Phone (575) 293-8181 Fax: (575) 293-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone (575) 748-1858 Fax: (575) 748-0720

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV  
1280 S. St. Francis Dr., Santa Fe, NM 87505  
Phone (505) 478-3450 Fax: (505) 478-3458

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number <b>30-015-</b>	Pool Code <b>96830</b>	Pool Name <b>Artesia; Glorieta - Yeso</b>
Property Code	Property Name <b>OUTLAW STATE</b>	Well Number <b>12</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3670</b>

Surface Location

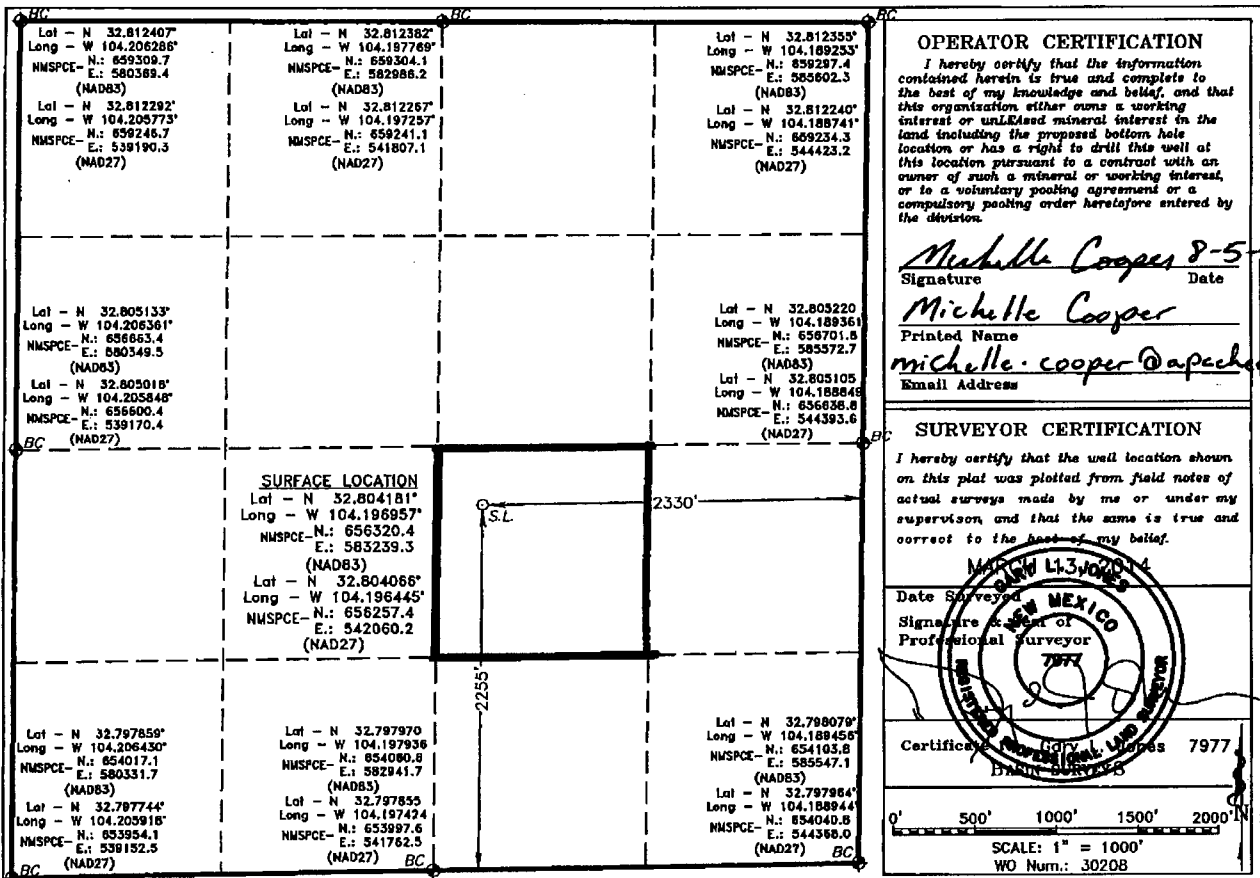
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/WEST LINE	County
J	29	17 S	28 E		2255	SOUTH	2330	EAST	EDDY

Bottom Hole Location If Different From Surface

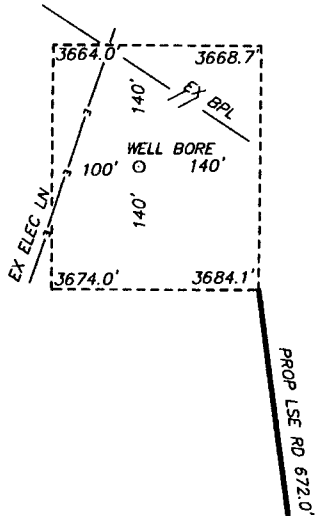
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	SOUTH/South line	Feet from the	East/WEST LINE	County

Dedicated Acres <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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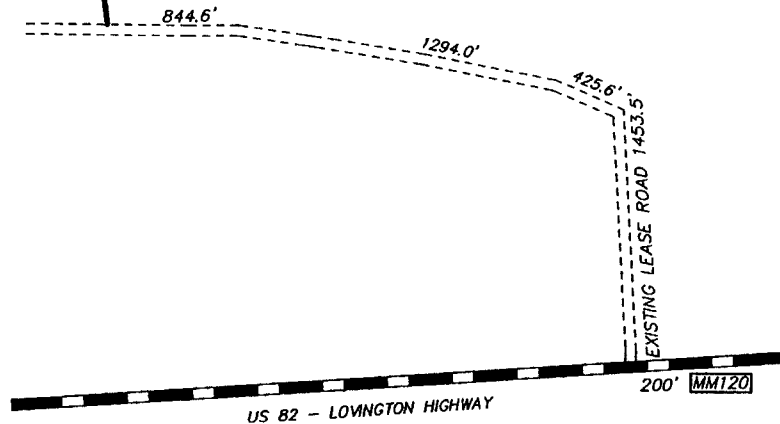
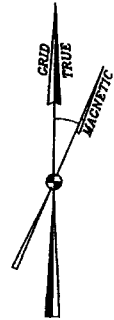
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



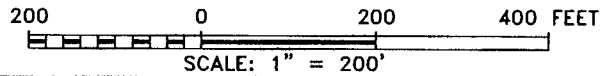
SECTION 29, TOWNSHIP 17 SOUTH, RANGE 28 EAST. N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



APACHE CORPORATION  
OUTLAW STATE #12  
ELEV. - 3670'  
Lat - N 32.804181'  
Long - W 104.196957'  
NMSPCE - N.: 656320.4  
E.: 583239.3  
(NAD83)  
Lat - N 32.804066'  
Long - W 104.196445'  
NMSPCE - N.: 656257.4  
E.: 542060.2  
(NAD27)



ARTESIA, NM IS ±12 MILES TO THE NORTHWEST OF LOCATION.



Directions to Location:

FROM LOCO HILLS GO WEST ON US HWY 82,  
APPROX 200 FEET WEST OF MILE MARKER 120 TURN  
NORTHWEST ON LEASE ROAD 0.76 MILES TO  
PROPOSED LEASE ROAD ON RIGHT.



P.O. Box 1786 (575) 393-7316 - Office  
1120 N. West County Rd. (575) 392-2206 - Fax  
Hobbs, New Mexico 88241 basin-surveys.com

EXPLORING WHAT'S POSSIBLE  
REF: OUTLAW STATE #12 / WELL PAD TOPO  
THE OUTLAW STATE #12 LOCATED 2255' FROM  
THE SOUTH LINE AND 2330' FROM THE EAST LINE OF  
SECTION 29, TOWNSHIP 17 SOUTH, RANGE 28 EAST.  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

August 27, 2014

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

TO: LRE Operating, LLC  
1111 Bagby, Suite 4600  
Houston, Texas 77002

Re: Apache Corporation  
Application for Unorthodox Oil Well Location  
Outlaw State No. 12  
2255' FSL & 2330' FEL (Unit J)  
Section 29, 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 Outlaw State No. 12 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 2255 feet from the South line and 2330 feet from the East line (Unit J) of Section 29, 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 NW/4 SE/4 of Section 29. This unit is currently dedicated to Apache's proposed Outlaw State Wells No. 9, 10 & 11. The unorthodox location is necessary in order to avoid existing pipelines and powerlines.

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

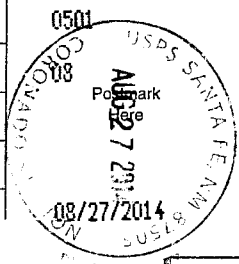
7013 2630 0000 9072 0231

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HOUSTON TX 77002 **OFFICIAL USE**

Postage	\$	\$1.19
Certified Fee		\$3.30
Return Receipt Fee (Endorsement Required)		\$2.70
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total</b>		<b>\$7.19</b>



Sent **LRE Operating, LLC**  
 Street or PO **1111 Bagby, Suite 4600**  
 City **Houston, Texas 77002**

PS Form 3800, July 2011 **Instructions**