

RECEIVED: 10/13/17 ↳ 11/13/17	REVIEWER: LRL	TYPE: NSL	APP NO: PLEL 1729750595
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & 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

<b>Applicant:</b> Apache Corporation	<b>OGRID Number:</b> 873
<b>Well Name:</b> Salt Fork 3 4 Federal Com 1H	<b>API:</b> 30-015-43665
<b>Pool:</b> Leo; Bone Spring, South	<b>Pool Code:</b> 37920

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

NSL-7604

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location - Spacing Unit - Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]
- [ I ] Commingling - Storage - Measurement  
 DHC    CTB    PLC    PC    OLS    OLM
- [ II ] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

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 10:25

FOR OCD ONLY	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required (**Waiver attached as Exhibit D**)

3) **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.**

Brian Wood

Print or Type Name

Signature

10-13-17  
Date

505 466-8120  
Phone Number

brian@permitswest.com  
e-mail Address

**REQUEST FOR ADMINISTRATIVE APPROVAL  
NONSTANDARD LOCATION  
APACHE CORPORATION'S  
SALT FORK 3 4 FEDERAL COM 1H  
SHL: 2364' FSL & 2258' FWL SEC. 3  
FTP: 2311' FSL & 2031' FWL SEC. 3  
BHL & LTP: 1979' FSL & 280' FWL SEC. 4  
T. 19 S., R. 30 E., EDDY COUNTY, NM  
API 30-015-43665**

I. This recently drilled Leo; Bone Spring, South (37920) oil well is on BLM surface and three BLM oil and gas leases (Exhibit A). Dedication is the 240 acres (Exhibit B) comprising the N2SW4 Section 3 and N2S2 Section 4 of 19s-30e. The LTP is 280' from the closest dedication boundaries (Exhibit B). The LTP is 280' from the closest lease line (Exhibit A).

Apache requests a nonstandard location due to drilling difficulties and in the interest of maximizing recovery of reserves. The well was drilled to a MTD of 15485' (BHL 1979 FSL & 280 FWL Section 4). This is 50' beyond the intended last take point (330 FWL Section 4). Plan was to case the well and perforate from 330' FWL Section 4 and eastward.

The RSS lateral BHA initially became stuck at 15063' while TOOH. The string next became stuck in the curve at 8033' MD while trying to work the pipe up and down. The string was backed off at the top of the curve and then jarred free.

Once the string was free, then the RSS was freed and back reamed 1025' from 15485' MTD to 14460' MD. RSS BHA became stuck a second time while back reaming. That caused the motor to part. Top of the fish is at 14372' MD.

Jars and an overshot with wash pipe were TIH over the motor and exposed rotor. Fish was engaged and jarred on for a day. Fish did not move. A final effort to jar down with torque was made. That caused the overshot to disengage.

Casing was run on top of the fish at 14365' MD. Open hole runs from 14365' to 15485' MTD.

A standard location must be at least 330' from the dedication boundary. The LTP is 280' from the west dedication boundary (see C-102 as EXHIBIT B). The LTP is 50' too far west.

II. Form C-102 showing the well and its 240-acre dedication (N2SW4 Section 3 and S2N2 Section 4) is attached as EXHIBIT B.

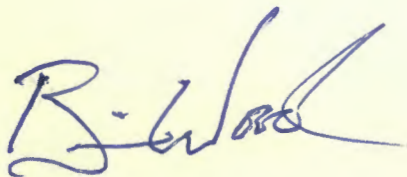
III. BLM oil and gas lease boundaries are shown as dashed lines on EXHIBIT A. Encroachment to the west is toward BLM leases. EOG Y Resources operates the Bone Spring well (Baroque BTQ Federal Com 1H (30-015-43148)) directly to the west. That well has a SHL in J-6-19s-30e and a BHL in I-5-19s-30e. Its 240-acre dedication (Exhibit C) comprises N2S2 Section 5 and N2SE4 Section 6. EOG Y Resources has consented to the NSL (Exhibit D).

IV. See Exhibit C for Bone Spring dedications and wells. If Apache does not receive approval for this NSL portion of the well bore, then it would be forced to plug back and leave the 40 acres stranded. It is unlikely to be developed in the future because it is in the Secretary of Interior's Potash Area (Exhibit E).

V. Constraints include the previously described down hole difficulties and surface use restriction due to potash.

VI. Archaeology is not an issue.

VII. I hereby certify that Apache Corporation and its partners have 100% of the Bone Spring working interest in the lease which comprises the 240-acre spacing unit (S2SE4 Section 3 and N2S2 Section 4). Offset Bone Spring operator EOG Y Resources has no objection to NMOCD's approval of this NSL application. This information is current and correct.



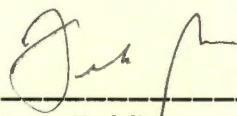
\_\_\_\_\_  
Brian Wood, Consultant

10-13-17

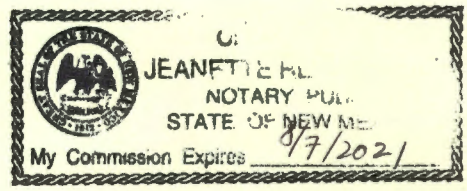
\_\_\_\_\_  
Date

STATE OF NEW MEXICO        )  
  ) SS:  
COUNTY OF SANTA FE        )

The foregoing instrument was acknowledged before me this 13th day of October, 2017 by Brian Wood. Witness my hand and official seal.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_  
Business Address: \_\_\_\_\_

8/7/2021



cc: Flores, OCD (Santa Fe)

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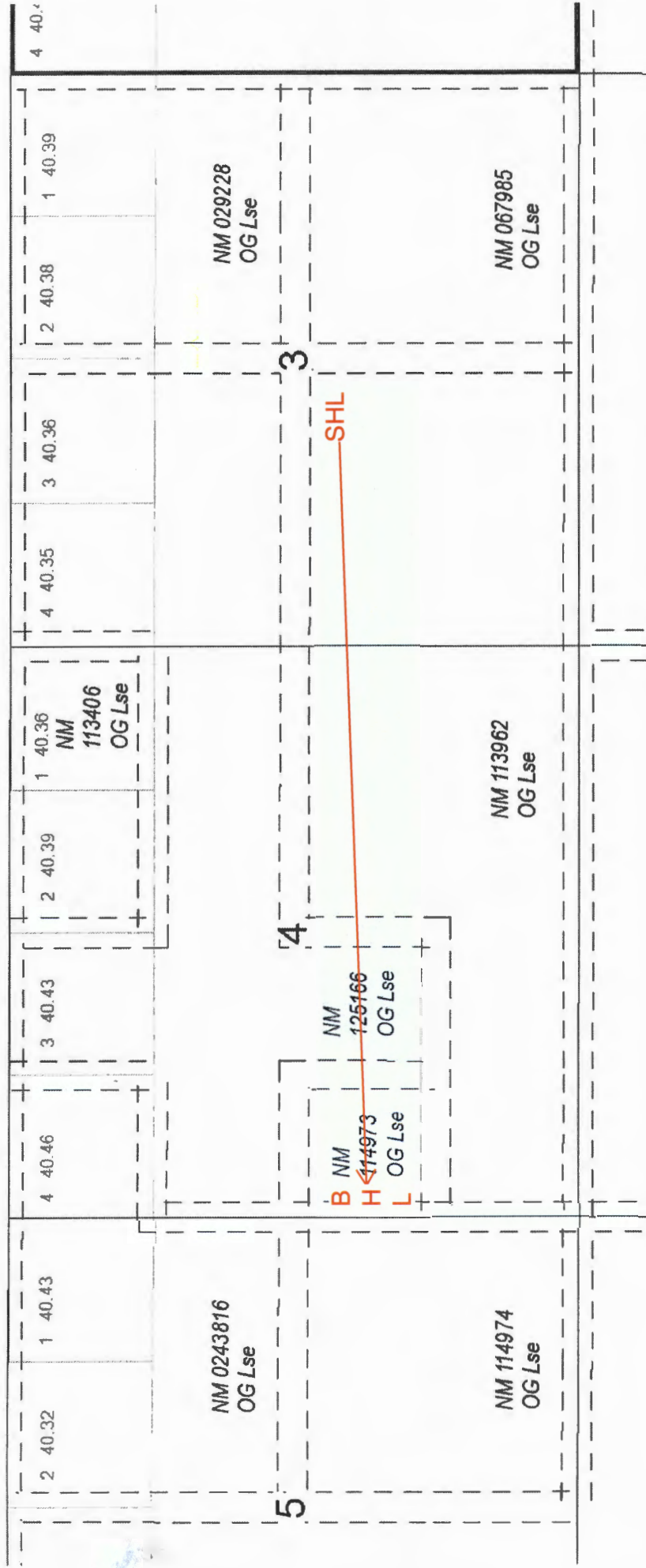


EXHIBIT A

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011  
Submit one copy to appropriate  
District Office

X AMENDED REPORT  
LTP revised  
to same as BHL

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-43665</b>		<sup>2</sup> Pool Code <b>37920</b>		<sup>3</sup> Pool Name <b>Leo; Bone Spring, South</b>	
<sup>4</sup> Property Code <b>316024</b>		<sup>5</sup> Property Name <b>SALT FORK 3-4 FEDERAL COM</b>			<sup>6</sup> Well Number <b>1H</b>
<sup>7</sup> OGRID NO. <b>873</b>		<sup>8</sup> Operator Name <b>APACHE CORPORATION</b>			<sup>9</sup> Elevation <b>3410'</b>

<sup>10</sup> 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>K</b>	<b>3</b>	<b>19S</b>	<b>30E</b>		<b>2364</b>	<b>SOUTH</b>	<b>2258</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> 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
<b>L</b>	<b>4</b>	<b>19S</b>	<b>30E</b>		<b>1979</b>	<b>SOUTH</b>	<b>280</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>240</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code <b>C</b>	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> **GEODETIC DATA**  
NAD 83 GRID - NM EAST

**SURFACE LOCATION (SL)**  
N: 614456.2 - E: 655869.0  
LAT: 32.68863109' N LONG: 103.96105449 W

**FIRST TAKE POINT (FTP)**  
N: 614402.9 - E: 655642.0  
LAT: 32.6884869' N LONG: 103.9617929 W  
MD = 8354.13 / TVD = 8306.06

**TOP OF FISH (TOF)**  
N: 614052.8 - E: 649727.0  
LAT: 32.6875802' N LONG: 103.9810228 W  
MD = 14372.00 / TVD = 8397.37

**BOTTOM LOCATION (BH)**  
N: 614050.4 - E: 648614.3  
LAT: 32.6875837' N LONG: 103.9846396 W  
MD = 15485.00 / TVD = 8387.17

**CORNER DATA**  
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP BROKEN  
N: 612071.1 - E: 648340.5

B: FOUND BRASS CAP BROKEN  
N: 614709.7 - E: 648332.3

C: FOUND BRASS CAP "1916"  
N: 617367.7 - E: 648325.2

D: FOUND BRASS CAP "1916"  
N: 617372.6 - E: 650962.1

E: FOUND BRASS CAP "1916"  
N: 617377.4 - E: 653602.9

F: FOUND BRASS CAP "1916"  
N: 617382.6 - E: 656242.3

G: FOUND BRASS CAP "1916"  
N: 617388.5 - E: 658881.0

H: FOUND BRASS CAP "1916"  
N: 614738.2 - E: 658890.3

I: FOUND BRASS CAP "1916"  
N: 612099.6 - E: 658899.1

J: FOUND ALUM CAP "1916"  
N: 612093.6 - E: 656258.5

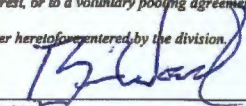
K: FOUND BRASS CAP "1916"  
N: 612087.5 - E: 653618.7

L: FOUND BRASS CAP BROKEN  
N: 612081.5 - E: 650977.6

M: FOUND BRASS CAP "1916"  
N: 614727.4 - E: 653610.7

**CALCULATED POINTS**  
1: N: 614732.8 - E: 656250.5  
2: N: 613413.2 - E: 656254.7  
3: N: 613407.5 - E: 653614.7  
4: N: 613390.5 - E: 648336.3

**<sup>17</sup> OPERATOR CERTIFICATION**  
*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 bottom hole 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 heretofore entered by the division.*


  
Signature **Brian Wood** Date **10-13-17**

Printed Name **brian@permitswest.com**

E-mail Address **(505) 466-8120**

**<sup>18</sup> SURVEYOR CERTIFICATION**  
*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.*

**4-2-2015**  
Date of Survey

  
Signature and Seal of Professional Surveyor

**19680**  
Certificate Number

AS DRILL 9/5/17

**EXHIBIT B**



9/6/2017

EOG Resources, Inc.  
5509 Champions Drive  
Midland, TX 79706  
Attention: Chuck Bassett

RE: Request For Waiver of Objection- Application of Non Standard  
Location Salt Fork 3-4 Fed Com #1H- API: 30-015-43665  
Eddy County, NM

Dear Chuck:

Apache Corporation ("Apache") is applying to the New Mexico Oil Conservation Division ("NMOCD") for a Non Standard Well Location ("NSL") that is listed above. The referenced well TD'd 283' from EOG's eastern lease line in Section 5, T19S-R30E.

By signing this letter, EOG Resources, Inc. (EOG") states that is has no objection for the NMOCD's approval of the Non Standard location mentioned above.

In exchange Apache agrees to provide seven (7) days' notice to EOG prior to completing the above referenced well and not to protest one future EOG NSL

If the preceding meets with your approval, please sign and return by email a copy of this letter to Laci Stretcher at [laci.stretcher@apachecorp.com](mailto:laci.stretcher@apachecorp.com).

Should you have any questions, please give Laci a call at 432-818-1846.

Sincerely,

Rick Dollins, CPL  
Area Land Manager  
Western Division Permian

I/We hereby agree that EOG has no objection to the Non Standard location for the Salt Fork 3-4 Fed Com #1H as described above.

EOG Resources, Inc.

By:   
Name: Wendy Dalton *RCB*

Title: Land Manager – Midland Division

Date: 9-8-17

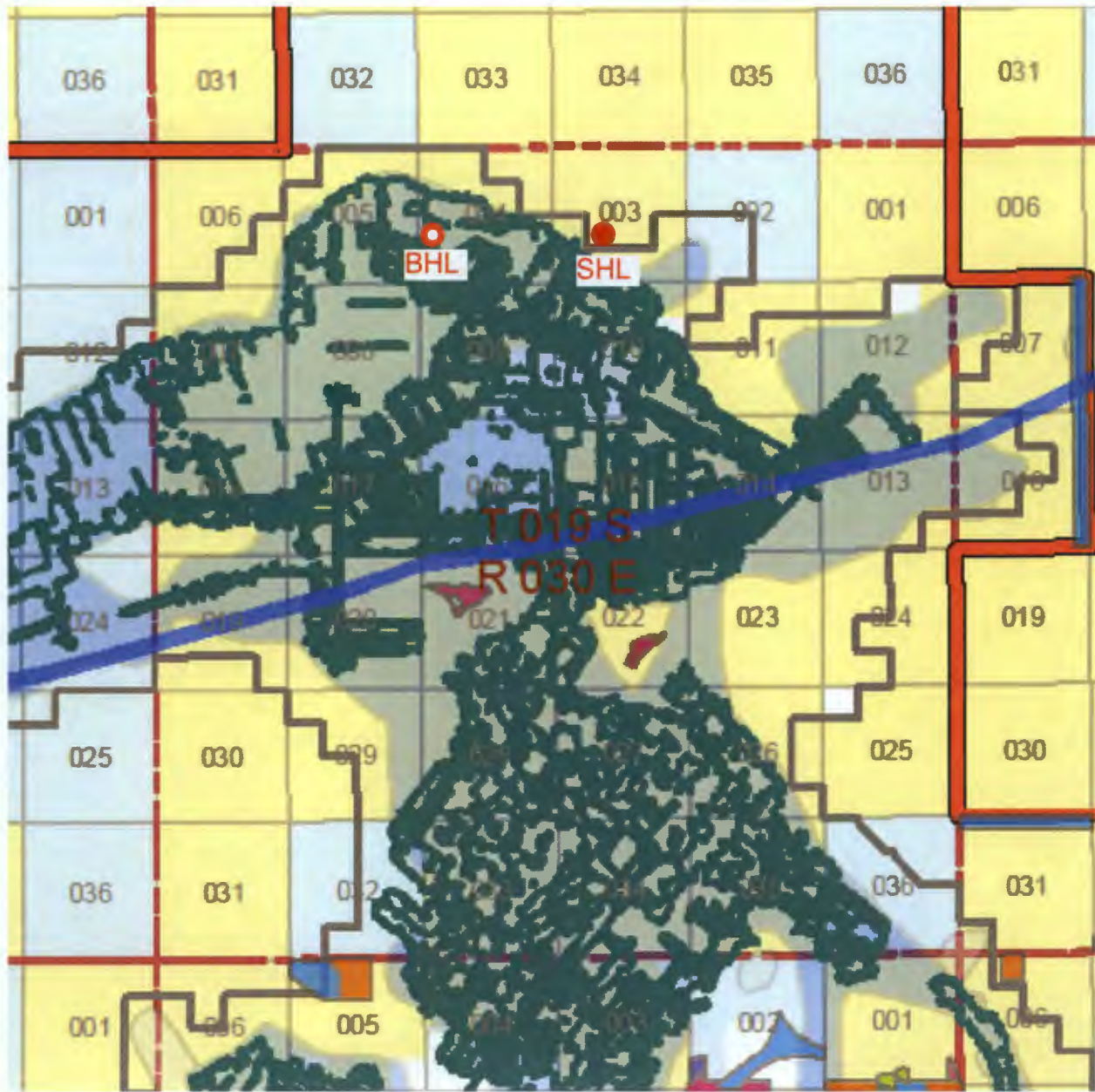


EXHIBIT E





**Salt Fork 3-4 Federal Com #1H**  
**Bone Spring dedications**

Township 19S, Range 30E  
 Eddy County, New Mexico

- Oil - Active
- Injection - Active
- Plugged, I
- Gas - Active
- Oil - New
- Gas - New
- Oil - Plugged
- Gas - Plugged
- SWD - Active
- SWD - New
- SWD - Plugged

T.18S R.30E

T.19S R.30E

**EOG Y**  
**30-015-43148**

**Cimarex**  
**30-015-38979**

**Cimarex**  
**30-015-39187**

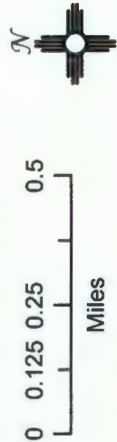
**Apache**  
**30-015-43666**

**Cimarex**  
**30-015-37964**

**Salt Fork 3-4 Federal Com #1H**

**EXHIBIT C**

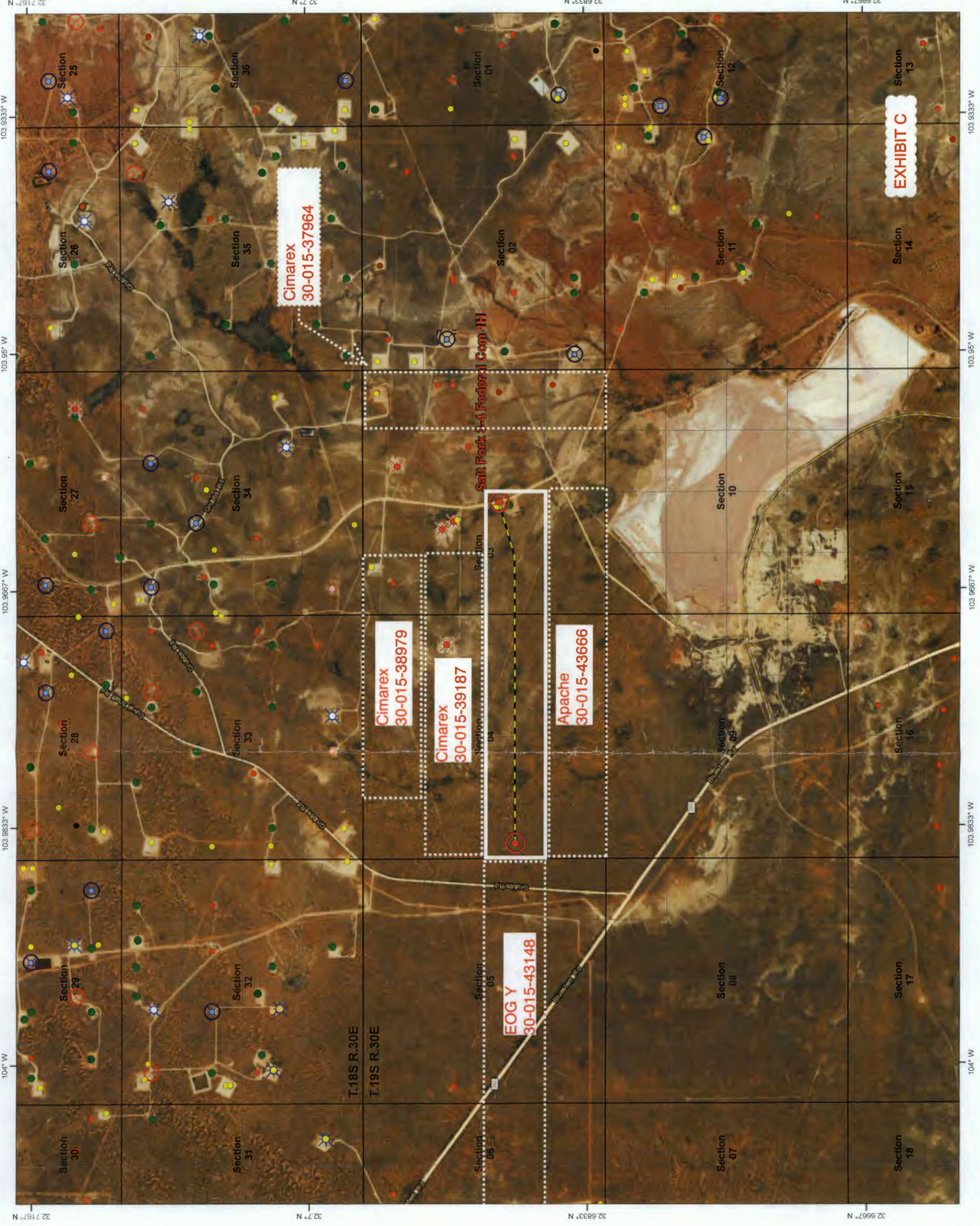
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NAD 1983 New Mexico State Plane East  
 FIPS 3001 Feet



Prepared by Permits West, Inc., September 8, 2017  
 for Apache Corporation



**From:** [Lowe, Leonard, EMNRD](#)  
**To:** ["brian@permitswest.com"](mailto:brian@permitswest.com)  
**Cc:** [Podany, Raymond, EMNRD](#); [Sharp, Karen, EMNRD](#); [Jones, William V., EMNRD](#); [McMillan, Michael, EMNRD](#); [Goetze, Phillip, EMNRD](#); ["lisa@rwbyram.com"](mailto:lisa@rwbyram.com); ["jglover@blm.gov"](mailto:jglover@blm.gov); ["scaffey@blm.gov"](mailto:scaffey@blm.gov); ["rjsanche@blm.gov"](mailto:rjsanche@blm.gov); ["jstovall@blm.gov"](mailto:jstovall@blm.gov)  
**Subject:** APPROVED NSL-7604\_Apache Corporation\_Salt Fork 3 4 Federal Com Well No. 1H\_SEC 3 19S 30E  
**Date:** Friday, November 3, 2017 1:23:00 PM  
**Importance:** High

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Mr. Brian Wood,

The following administrative order has been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

## **NSL-7604**

Apache Corporation

WELL: Salt Fork 3 4 Federal Com Well No. 1H, [API #: 30-015-43665]

### **Leonard Lowe**

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Frances

Santa Fe, New Mexico 87004

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: [leonard.lowe@state.nm.us](mailto:leonard.lowe@state.nm.us)

Website: <http://www.emnrd.state.nm.us/ocd/>