



3/29/12	SUSPENSE	ENGINEER DB	LOGGED IN 3.29.12	TYPE NSL	APP NO. 1208960326
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## NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

PTG-W  
Apache  
Lee Fed # 48

ABOVE THIS LINE FOR DIVISION USE ONLY

### 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.

Print or Type Name

BRIAN WOOD  
(505) 466-8120  
FAX 466-9682

Signature

Title

CONSULTANT

Date

3-28-12

e-mail Address

brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL  
NONSTANDARD LOCATION  
APACHE CORPORATION'S  
LEE FEDERAL 48  
1130' FSL & 330' FWL  
SECTION 20, T. 17 S., R. 31 E., EDDY COUNTY, NM  
API 30-015-39897**

I. The proposed oil well is on BLM surface and BLM oil and gas lease NMLC-029395B. The well bore will be 330' from the closest lease line (Exhibit A). The proposed oil well is nonstandard for the Mar Loco; Glorieta-Yeso (Pool 97866) due to topography and land uses.

Apache requests a nonstandard location due to topography and land uses. The well was initially staked at 990 FSL & 330 FWL. However, that location was rejected by Carlsbad BLM (Tanner Nygren) due to an 18' wide draw (Exhibit B). BLM's recommendation was to stake it at 1100 FSL & 330 FWL. However, after it was staked, it was still too close to the draw. It was then staked at 1130 FSL & 330 FWL. This also eliminates the need for any new road and minimizes surface use. (See Exhibit B).

A standard location must be at least 330' from the quarter-quarter line. The well bore is 190' from the closest (north) quarter-quarter line (see C-102 as EXHIBIT C). It is 140' too far north.

II. A C-102 form showing the well and 40 acre pro ration unit (SWSW Section 20) is attached as EXHIBIT C.

The BLM oil and gas lease (1,786.15 acres) boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well will encroach 140' too far north toward the NWSW Section 20. The encroachment is part of the same BLM lease.

One approved, but not yet drilled, Yeso well will be in the NWSW Section 20. Apache's Lee Federal 46 will be 1,104' north at 2230 FSL & 430 FWL Section 20. Apache, COG, McCombs, Premier, and Devon have 100% of the Yeso working interest in that quarter-quarter.

Five bordering or cornering quarter-quarters are part of the same BLM lease. The remaining three quarter-quarters are on different BLM leases.

III. The BLM oil and gas lease (1,786.15 acres) boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well encroaches to the north. The encroachment (NWSW Section 20) is part of the same lease. The only Yeso well in the NWSW Section 20 is Apache's approved, but not yet drilled, Lee Federal 46. The quarter-quarter is part of the same BLM lease. Apache, COG, McCombs, Premier, and Devon have 100% of the Yeso working interest in that quarter-quarter and the two adjacent leases NMLC-031844 & NMLC-065014.

Three existing Yeso pro ration units (see Exhibit E) touch the proposed pro ration unit. All three (NESE Section 19 and NWSW & NESW Section 20) are Apache operated. Closest (1,522' northwest) existing Yeso well is Apache's Straight Line Federal 1 at 1650 FSL & 1100 FEL 19-17s-31e; API 30-015-34087 (see Exhibit E). Closest (1,104' north-northeast) proposed Yeso well is Apache's Lee Federal 46 at 2230 FSL & 430 FWL 20-17s-31e; API 30-015-39915 (see Exhibit E).

IV. See Exhibit E for the proposed well, proration unit and all wells. Apache does not believe directional drilling to a standard location from an existing pad is cost effective for this well.

V. In addition to the 18' wide draw, there are numerous manmade land use constraints (see Exhibit F). There are three active Linn wells and their roads, ten rights-of-way, and a caliche pit in the SWSW Section 20. Exhibit F only shows actions authorized by rights-of-way or mineral material sales. It does not show actions authorized by APDs or Sundry Notice for on lease activities by lease (well) operators. The right-of-way and mineral sale dimensions are:

HEP's 50' wide pipeline right-of-way  
two Plains' 50' wide pipeline rights-of-way  
Marbob's 50' wide pipeline right-of-way  
Socorro's 6,500 cubic yard caliche pit  
Linn's 50' wide pipeline right-of-way  
three Central Valley Electric 30' wide power line rights-of-way  
Oxy's 50' wide pipeline pipeline right-of-way  
Oxy's 30' wide road right-of-way

VI. Archaeology is not an issue.

VII. The well was planned to be staked at 990 FSL & 330 FWL. However, that location would have blocked an 18' wide arroyo.

VIII. Apache does not believe directional drilling to a standard location is cost effective for this well.

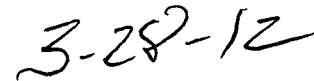
IX. I hereby certify that Apache Corporation, COG Operating, McCombs Energy, Premier Oil & Gas, and Devon Energy have 100% of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit and the adjacent quarter-quarters on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see EXHIBIT G) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in quarter-quarters which border the 40 acre spacing unit. None of the affected persons have working interests within 330' of the well bore. Said notice was sent to:

BLM  
COG Operating LLC  
McCombs Energy Ltd.  
Premier Oil & Gas Inc.  
Devon Energy Production Company LP



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



\_\_\_\_\_  
Date

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

The foregoing instrument was acknowledged before me this 28th day of March, 2012 by Brian Wood. Witness my hand and official seal.



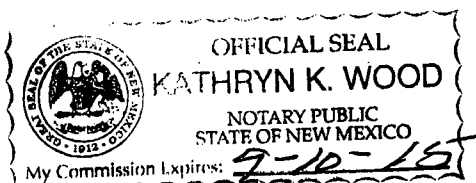
Notary Public

My Commission Expires:

9-10-15

Business Address: 37 VERANO LOOP, SANTA FE, NM 87508

cc: May, OCD (Hobbs & Santa Fe)



Form 3160-3  
(April 2004)FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC-029395B	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator APACHE CORPORATION		7. If Unit or CA Agreement, Name and No	
3a. Address 303 VETERANS AIRPARK LN., STE. 3000 MIDLAND, TX 79705		8. Lease Name and Well No LEE FEDERAL #048 (308720)	
3b. Phone No. (include area code) [873] 432-818-1025		9. API Well No. 30-015- 39897	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1130' FSL & 330' FWL At proposed prod zone SAME		10. Field and Pool, or Exploratory MAR LCO; Florieta-4850 11. Sec, T R M. or Bk and Survey or Area UL M, S20, T17S, R31E [59866]	
14. Distance in miles and direction from nearest town or post office* APPROX. 4 MILES EAST OF LOCO HILLS, NM		12. County or Parish EDDY	13. State NM
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 330	16. No. of acres in lease 1786.15	17. Spacing Unit dedicated to this well 40	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft ~310'	19. Proposed Depth 6500'	20. BLM/BIA Bond No. on file BLM-CO-1463 NATIONWIDE	
21. Elevations (Show whether DF, KDB, RT, GL, etc) 3616'	22. Approximate date work will start* As soon as Approved	23. Estimated duration -10 DAYS	
24. Attachments			

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form.

- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).   |
| 2. A Drilling Plan   | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office) | 6. Such other site specific information and/or plans as may be required by the authorized officer |

25. Signature <i>Ronda White</i>	Name (Printed/Typed) RONDA WHITE	Date 11-17-11
Title DRILLING TECH		
Approved by (Signature) <i>Is/ Don Peterson</i>	Name (Printed/Typed) IS/ DON PETERSON	Date FEB 1 2012
Title FIELD MANAGER		Office CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 USC Section 1001 and Title 43 USC Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

Roswell Controlled Water Basin

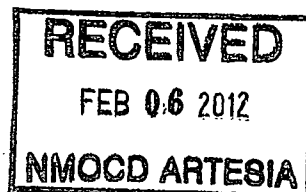
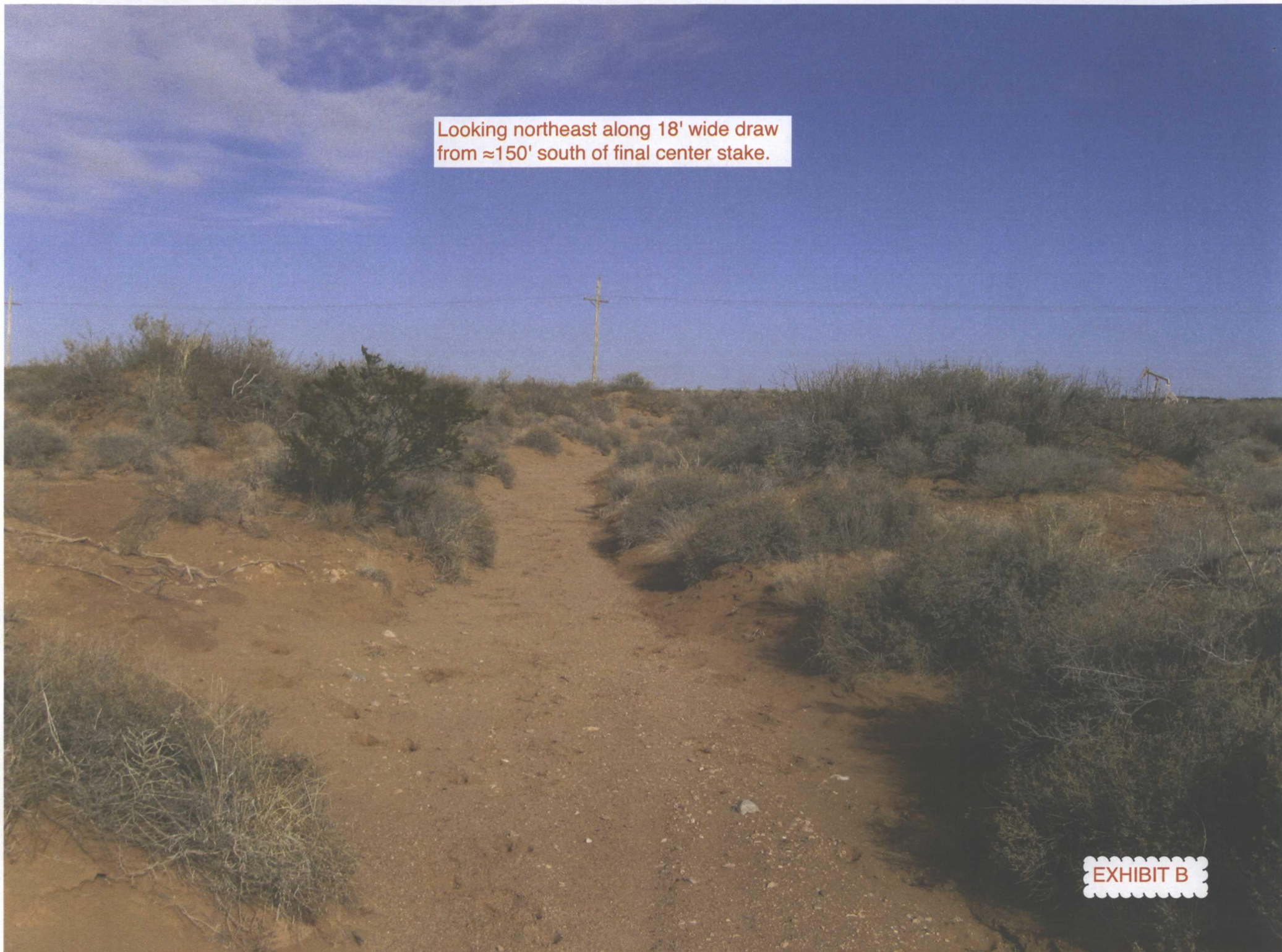
Approval Subject to General Requirements  
& Special Stipulations Attached

EXHIBIT A

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

Looking northeast along 18' wide draw  
from  $\approx 150'$  south of final center stake.

EXHIBIT B



SECTION 20, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY NEW MEXICO

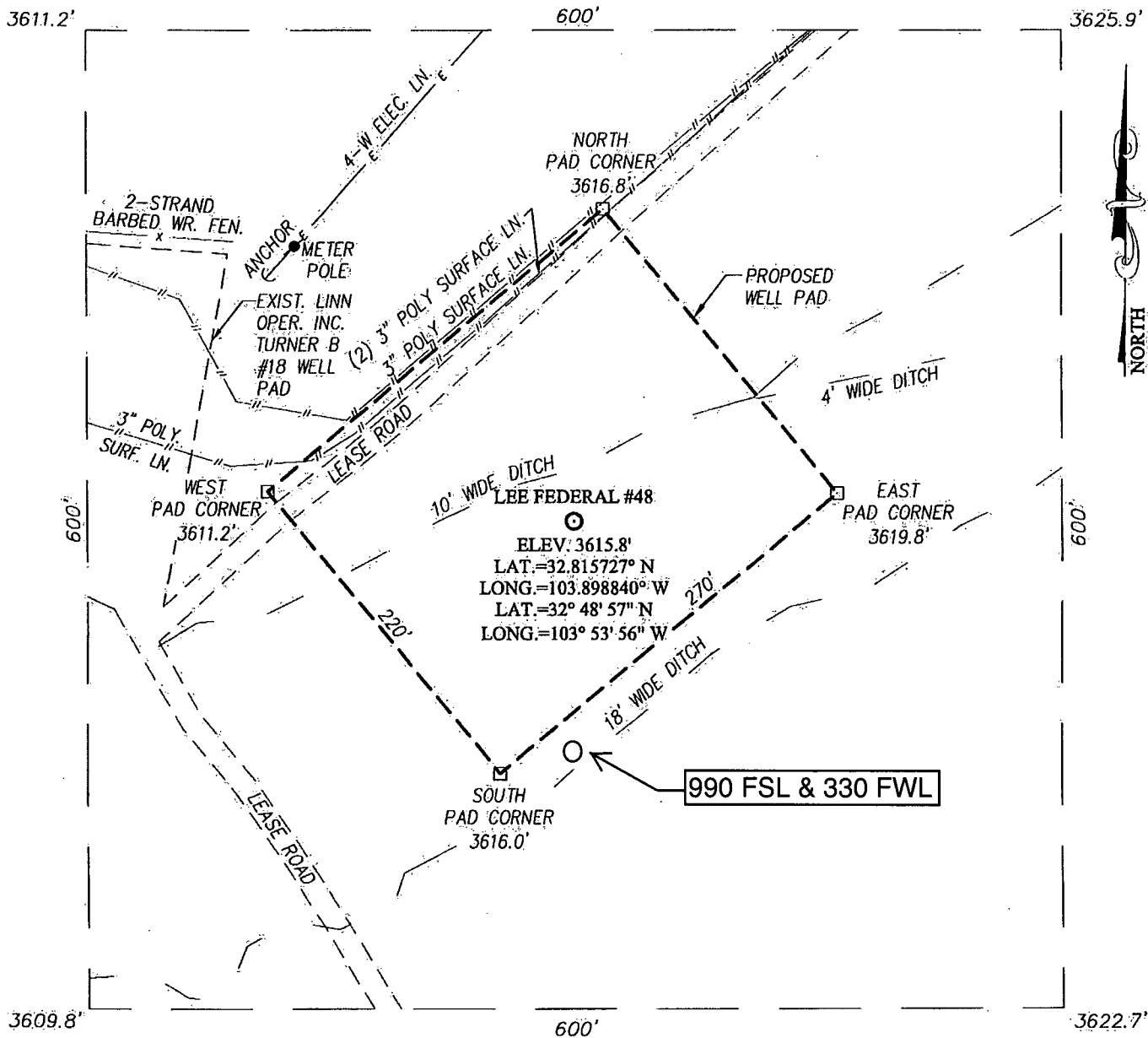


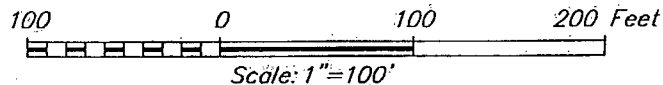
EXHIBIT B

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HIGHWAY #82 AND CO. RD. #222 (SHUGART RD.), GO WEST ON U.S. HIGHWAY #82 APPROX. 0.8 MILES. TURN LEFT AND GO SOUTH APPROX. 300 FEET. TURN RIGHT AND GO WEST APPROX. 0.3 MILES. THIS LOCATION STAKE IS APPROX. 119 FEET SOUTHEAST.



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117



**APACHE CORPORATION**

LEE FEDERAL #48 WELL  
LOCATED 1130 FEET FROM THE SOUTH LINE  
AND 330 FEET FROM THE WEST LINE OF SECTION 20,  
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

Survey Date: 3/28/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0572	Dr. By: DSS
Date: 4/9/11	Rel. W.O.: 11110572
	Scale: 1\"=100'

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  
11885 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, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-39897</b>	Pool Code <b>97866</b>	Pool Name <b>MAR LOCO; FLORITA - YESO</b>
Property Code <b>308720</b>	Property Name <b>LEE FEDERAL</b>	Well Number <b>48</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3616'</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
M	20	17-S	31-E		1130	SOUTH	330	WEST	EDDY

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	Consolidation 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>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=660746.8 N X=633485.0 E</p> <p>LAT.=32.815727° N LONG.=103.898840° W</p> <p>LAT.=32° 48' 57" N LONG.=103° 53' 56" W</p>	<p>DETAIL</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Ronda White</i> 11-8-11 Signature Date</p> <p><b>RONDA White</b> Printed Name</p> <p><b>Ronda.White@Apachecorp.com</b> E-mail Address</p>
		<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p><b>MARCH 28, 2011</b></p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p><b>RONALD J. EIDSON</b> NEW MEXICO REG. 3239</p> <p><b>EXHIBIT C</b></p> <p>Certificate Number Gary S. Eidson 12641 Ronald J. Eidson 3239</p> <p>DSS</p>





closest proposed  
Yeso well

closest existing  
Yeso well

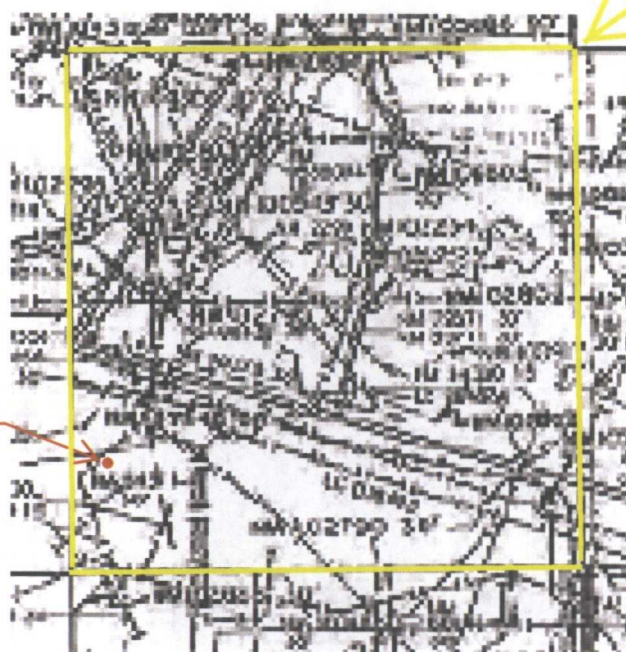
2nd closest  
existing  
Yeso well

Lee Federal 48

EXHIBIT E

Section 20

Lee Federal 48



Section 20 (excerpt from  
BLM Master Title Plat)

EXHIBIT F

**PERMITS WEST, INC.**  
PROVIDING PERMITS for LAND USERS  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 28, 2012

Devon Energy Production Company LP  
20 North Broadway, #1500  
Oklahoma city, OK 73102

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying to drill its Lee Federal 48 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to topography and land use.

Well Name: Lee Federal 48 ID: 6,500'

Proposed NSL Zone: Mar Loco; Glorieta-Yeso

NSL Acreage Dedication: 40 acres (SWSW Section 20)

Location: 1130' FSL & 330' FWL Sec. 20, T. 17 S., R.31 E., Eddy County, NM  
on BLM lease NMLC-029395B (well is 330' from lease boundary)

Approximate Location: ~4 air miles east of Loco Hills, NM

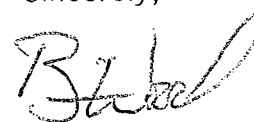
Applicant Name: Apache Corporation (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

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)

OFFICIAL USE	
Postage	\$ 4.50
Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 9.80

QUICK  
SANTA  
87508  
MAR 28 2012  
Postmark  
Here  
USPS

Sent To: Devon  
Street, Apt. No.,  
or PO Box No.  
City, State, ZIP+4

Form 3800, August 2006  
See Reverse for Instructions

**EXHIBIT G**

**PERMITS WEST, INC.**  
**PROVIDING PERMITS for LAND USERS**  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 28, 2012

Premier Oil & Gas Inc.  
P. O. Box 1246  
Artesia, NM 88210

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

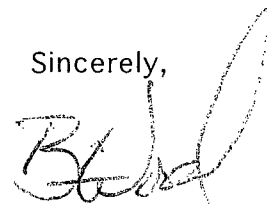
Apache Corporation is applying to drill its Lee Federal 48 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to topography and land use.

Well Name: Lee Federal 48 ID: 6,500'  
Proposed NSL Zone: Mar Loco; Glorieta-Yeso  
NSL Acreage Dedication: 40 acres (SWSW Section 20)  
Location: 1130' FSL & 330' FWL Sec. 20, T. 17 S., R.31 E., Eddy County, NM  
on BLM lease NMLC-029395B (well is 330' from lease boundary)  
Approximate Location: ~4 air miles east of Loco Hills, NM  
Applicant Name: Apache Corporation (432) 818-1167  
Applicant's Address: 303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705

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Please call me if you have any questions.

Sincerely,



Brian Wood

7011 2970 0003 9317 7706

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<small>(Domestic Mail Only; No Insurance Coverage Provided)</small>	
<small>For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a></small>	
<b>OFFICIAL USE</b>	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.78
Sent To: <u>PERMITS WEST</u>	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006 See Reverse for Instructions	

QUICK SERVICE  
SANTA FE, NM 87508  
MAR 28 2012

**EXHIBIT G**

**PERMITS WEST, INC.**  
**PROVIDING PERMITS for LAND USERS**  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 28, 2012

McCombs Energy Ltd.  
5599 San Felipe St., #1220  
Houston, TX 77056-2724

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

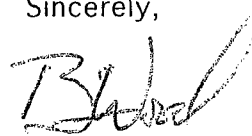
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Approximate Location: ~4 air miles east of Loco Hills, NM  
Applicant Name: Apache Corporation (432) 818-1167  
Applicant's Address: 303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

7011 2970 0003 9317 7692

<b>U.S. Postal Service™</b>	
<b>CERTIFIED MAIL™ RECEIPT</b>	
<small>(Domestic Mail Only; No Insurance Coverage Provided)</small>	
<small>For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a></small>	
<b>OFFICIAL USE</b>	
Postage	\$
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 5.25
Sent To	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2006	
See Reverse for Instructions	

Postmark Here  
MAR 28 2012  
SANTA FE, NM 87505

EXHIBIT G

**PERMITS WEST, INC.**  
PROVIDING PERMITS for LAND USERS  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 28, 2012

COG Operating LLC  
550 West Texas Ave., Suite 100  
Midland, TX 79701

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

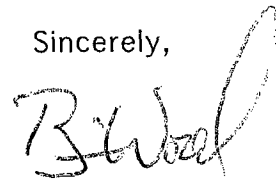
Apache Corporation is applying to drill its Lee Federal 48 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to topography and land use.

Well Name: Lee Federal 48 TD: 6,500'  
Proposed NSL Zone: Mar Loco; Glorieta-Yeso  
NSL Acreage Dedication: 40 acres (SWSW Section 20)  
Location: 1130' FSL & 330' FWL Sec. 20, T. 17 S., R.31 E., Eddy County, NM  
on BLM lease NMLC-029395B (well is 330' from lease boundary)  
Approximate Location: ~4 air miles east of Loco Hills, NM  
Applicant Name: Apache Corporation (432) 818-1167  
Applicant's Address: 303 Veterans Airpark Lane, Suite 3000, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

5992 7926 6000 1117

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MAR 28 2012

PS Form 3800, August 2006  
See Reverse for Instructions

**EXHIBIT G**

**PERMITS WEST, INC.**  
PROVIDING PERMITS for LAND USERS  
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 28, 2012

BLM  
620 E. Greene St.  
Carlsbad, NM 88220

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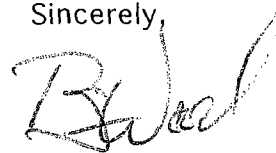
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City, State, ZIP+4

PS Form 3800, August 2006 See Reverse for Instructions

**EXHIBIT G**