

DATE IN 7/16/12	SUSPENSE 8/6/12	ENGINEER Brooks	LOGGED IN 7/18/12	TYPE NSL	APP NO. PKVR1220044475
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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



873 Apache Corp  
 30-015-39221  
 Birdie Federal #17  
 ULH 17S 30E

**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  
 X 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] X Working, Royalty or Overriding Royalty Interest Owners  
 [B] X 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] X 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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

brian@permitswest.com

e-mail Address

7-16-12

Date

RECEIVED OOD  
 JUL 16 PM 3:21  
 Birdie Federal 17  
 30-015-39221

**REQUEST FOR ADMINISTRATIVE APPROVAL  
NONSTANDARD LOCATION  
APACHE CORPORATION  
BIRDIE FEDERAL 17  
2435' FNL & 1055' FEL  
SECTION 17, T. 17 S., R. 30 E., EDDY COUNTY, NM  
API 30-015-39221**

I. The well is on BLM oil and gas lease NMNM-074936 and BLM surface. The well bore is 205' from the closest lease line. The proposed oil well is nonstandard for the Loco Hills; Glorieta-Yeso Pool (96718) due to land uses (Frontier pipelines and valve station). A copy of the APD cover sheet is attached (Exhibit A).

Apache requests a nonstandard location due to land uses. Besides Frontier's facilities, there are also 3 Yeso wells, 2 Grayburg Jackson; SR-Q-G-SA wells, 1. Morrow well, 1 plugged and abandoned well, BLM rights-of-way (NM Gas Company pipeline, Duke pipeline, Navajo Refining pipeline, 3 Central Valley power lines), and numerous other pipelines and roads authorized via Sundry Notices.

The 40 acre BLM lease comprises the SENE Section 17. The well was planned to be staked at 2310 FNL & 990 FEL. However, that would interfere with 2 Frontier pipelines, Frontier valves and meters, and an overhead power line (see Exhibit B).

A standard location must be at least 330' from the quarter-quarter line. The well bore is 200' from the closest quarter-quarter line (see C-102 as EXHIBIT C).

II. A C-102 form showing the well and 40 acre pro ration unit (SENE Section 17) is attached as EXHIBIT C.

The oil and gas lease boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well bore encroaches 65' too far west (SWNE Section 17) and 125' too far south (NESE Section 17). The NWSE Section 17 is 335' southwest. There are 7 existing Yeso wells in the encroached quarter-quarters (SWNE & NESE Section 17). Apache operates all 7 Yeso wells in those 2 encroached quarter-quarters and BLM is the lessor in those 2 encroached quarter-quarters.

III. See Exhibit E for existing Yeso wells (circles). Apache operates all existing Yeso wells (circles on Exhibit E) in the S2NE4 and N2SE4 Section 17. COG operates all existing Yeso wells in the other 5 quarter-quarters. Closest (538' south) existing Yeso well is Apache's Red Federal 7 (30-015-36740) at 2310 FSL & 990 FEL Section 17. Next closest (746' southwest) existing Yeso well is Apache's Red Federal 4 (30-015-30698) at 2310 FSL & 1575 FEL Section 17. This information is current and correct.

IV. See Exhibits C, D, and E for the proposed well, proration unit, drilling windows, and all wells. Apache does not believe it is cost effective to directionally drill from an existing pad. They have a horizontal Yeso well (30-015-35056) five miles east. Based on their experience with that well, they do not believe it is cost effective to directionally drill to a standard location.

V. See Exhibits B and D for surface uses (Frontier's facilities, 3 Yeso wells, 2 Grayburg Jackson; SR-Q-G-SA wells, 1 Morrow well, 1 plugged and abandoned well, NM Gas Company pipeline, Duke pipeline, Navajo Refining pipeline, 3 Central Valley power lines, and numerous other pipelines and roads that prevent use of a standard location.

VI. Archaeology is not an issue.

VII. The well was planned to be staked at 2310 FNL & 990 FEL. However, an overhead 3 phase power line, Frontier valve station, and 2 Frontier pipelines blocked that option (see Exhibit B).

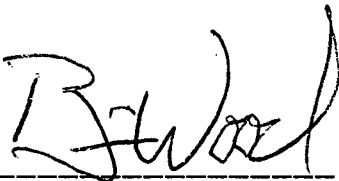
VIII. Apache does not believe directional drilling to a legal bottom hole location is cost effective.

IX. I hereby certify that Apache Corporation and its partners have 100% of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit and the adjacent quarter-quarters (SWNE & NSE4 Section 17) 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

F) 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. Said notice was sent to:

COG Operating LLC



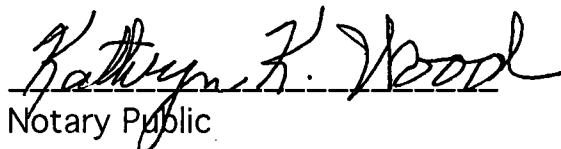
Brian Wood, Consultant

7-15-12

Date

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

The foregoing instrument was acknowledged before me this 15th day of July, 2012 by Brian Wood. Witness my hand and official seal.

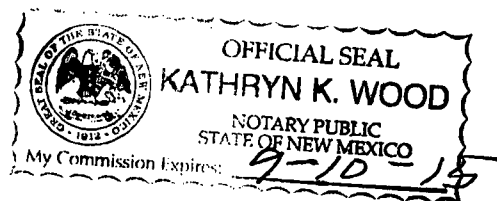


Notary Public

My Commission Expires: 9-10-15

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

cc: Flores, OCD (Artesia & Santa Fe)



11-183

## OCD Artesia

Form 3160-3  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 20075. Lease Serial No.  
NMNM-0074936  
6. If Indian, Allottee or Tribe Name

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.  
BIRDIE FEDERAL #017 <308707>9. API Well No.  
30-015- 3922110. Field and Pool, or Exploratory  
LOCO HILLS; GLORIETA-YESO <96718>

11. Sec., T. R. M. or Blk. and Survey or Area

UL: H SEC: 17 T17S R30E

12. County or Parish  
EDDY13. State  
NM1a. Type of work: ☒ DRILL ☐ REENTER1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone2. Name of Operator  
APACHE CORPORATION <873>3a. Address 303 VETERNAS AIRPARK LN #3000  
MIDLAND, TX 797053b. Phone No. (include area code)  
432-818-11674. Location of Well (Report location clearly and in accordance with any State requirements \*)  
At surface 2435' FNL & 1055' FEL (H) UNORTHODOX  
At proposed prod. zone SAME LOCATION14. Distance in miles and direction from nearest town or post office\*  
APPROX 5 MILES SOUTHWEST OF LOCO HILLS, NM15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any)  
1055'16. No. of acres in lease  
28017. Spacing Unit dedicated to this well  
40 ACRES18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft.  
360' +/-19. Proposed Depth  
6500'20. BLM/BIA Bond No. on file  
BLM - CO - 1463 NATIONWIDE21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3677'22. Approximate date work will start\*  
03/31/201123. Estimated duration  
14 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.
2. A Drilling Plan.
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).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature

*Sorina L Flores*

Name (Printed/Typed)

SORINA L FLORES

Date

03/22/2011

Title

DRILLING TECH

Approved by (Signature)

*/s/ James A. Amos*

Name (Printed/Typed)

Date

JUL - 6 2011

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 U.S.C. Section 1001 and Title 43 U.S.C. 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)

\*OCD CONDITION OF APPROVAL of Drilling:  
Intent to drill ONLY --- CANNOT produce until the Non-Standard  
Location has been approved by OCD Santa Fe officeAPPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

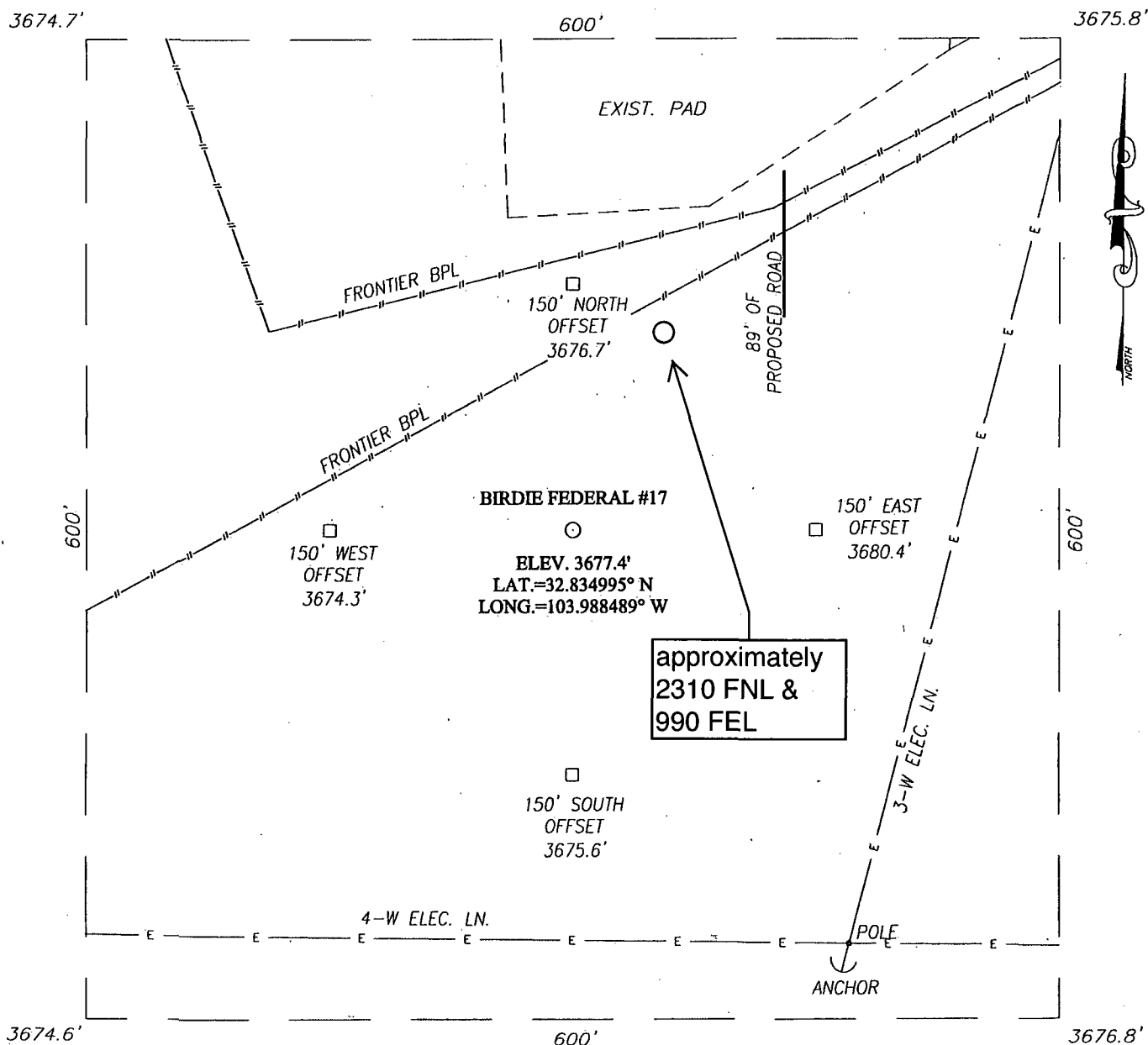
EXHIBIT A

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

ROSWELL CONTROLLED WATER BASIN



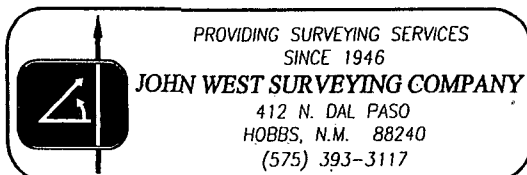
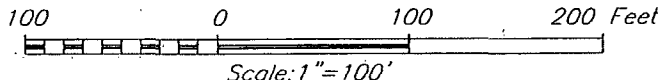
**SECTION 17, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,**  
**EDDY COUNTY, NEW MEXICO**



**EXHIBIT B**

**DIRECTIONS TO LOCATION**

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #217 (HAGERMAN CUTOFF), GO NORTH ON CO. RD. #217 APPROX. 1.2 MILE. TURN LEFT AND GO WEST APPROX. 0.2 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 0.1 MILE TO THE GOLDFISH 17 FEDERAL #1 WELL LOCATION. THE LOCATION STAKE IS 200 FEET SOUTH.




**APACHE CORPORATION**

**BIRDIE FEDERAL #17 WELL**  
 LOCATED 2435 FEET FROM THE NORTH LINE  
 AND 1055 FEET FROM THE EAST LINE OF SECTION 17,  
 TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 12/12/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1828	Dr By: LA
Date: 1/6/11	10111828
	Scale: 1"=100'



A photograph of an oil field in a flat, arid landscape under a clear blue sky. In the foreground, there are large metal valves and pipes on the ground. A tall metal pole with a solar panel and an antenna is positioned in the middle ground. In the background, several oil pumpjacks are visible on the horizon.

Frontier valves, meters, & pipelines near "standard location"

EXHIBIT B

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 and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-39221	Pool Code 96718	Pool Name Loco Hills, Glorieta - Yeso
Property Code 308707	Property Name BIRDIE FEDERAL	Well Number 17
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3677'

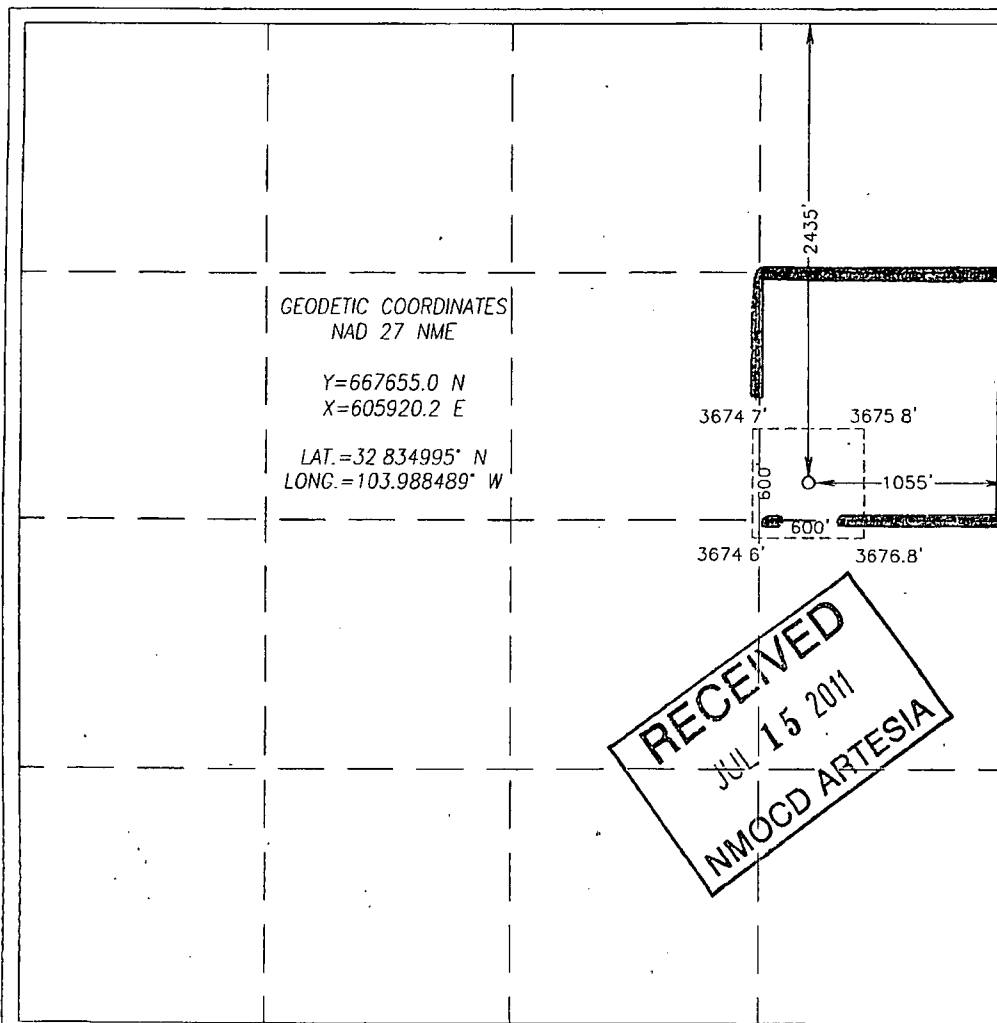
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	17-S	30-E		2435	NORTH	1055	EAST	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 40	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



OPERATOR CERTIFICATION

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.

Signature: Sorina L. Flores  
Date: 11/25/11  
Printed Name: Sorina L. Flores

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.

EXHIBIT C

DECEMBER 27, 2010

Date Surveyed: LA  
Signature & Seal of Professional Surveyor

Signature: Ronald J. Eidson  
Date: 01/06/2011  
10.11.1828

Certificate No. GARY G. EIDSON 12641  
RONALD J. EIDSON 3239



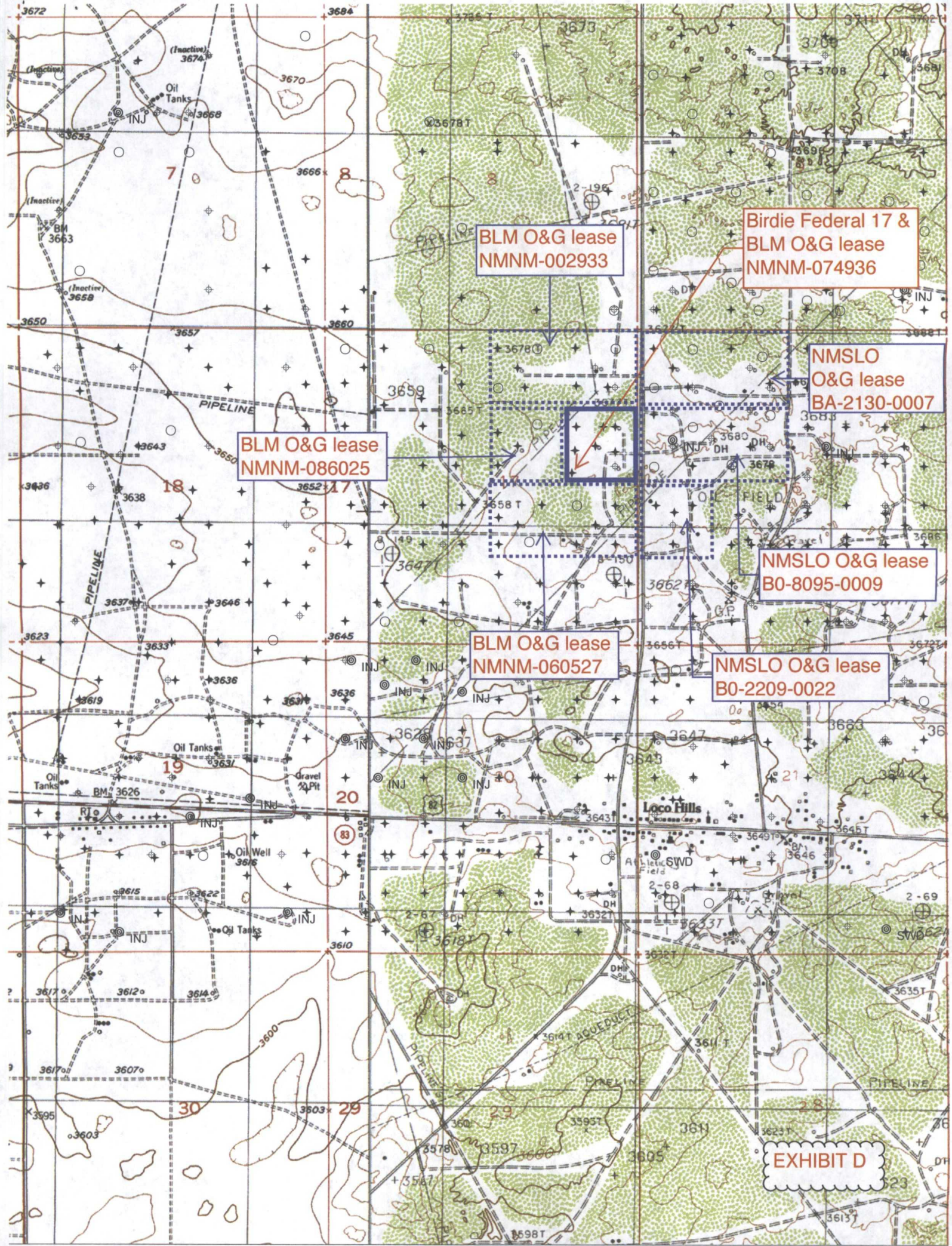


EXHIBIT D







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

July 15, 2012

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

Dear Mr. Evans:

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 for NSL approval for its Birdie Federal 17 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 65' further west and 125' further south than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Birdie Federal 17 ID: 6,454'  
Proposed NSL Zone: Loco Hills; Glorieta-Yeso  
NSL Acreage Dedication: 40 acres (SENE Section 17, T. 17 S., R.30 E., Eddy County, NM on BLM lease NMNM-074936  
Location: ~1 air mile north of Loco Hills, NM (2435 FNL & 1055 FEL 17-17s-30e)  
Applicant Name: Apache Corporation (432) 818-1167  
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, 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,

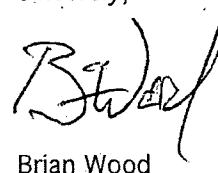
  
Brian Wood

EXHIBIT F

7011 2970 0003 9311 3603

U.S. Postal Service <i>Apache Building</i>	
CERTIFIED MAIL <sup>®</sup> RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
MIDLAND, TX 79701	
OFFICIAL USE	
Postage	\$ 0.45
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.75
Sent To: <i>COG</i>	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	

0501  
USPS SANTA FE, NM 87505  
Postmark Here  
JUL 16 2012  
MIDLAND, TX 79701