

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Apache
 D State #102

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

6731

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 _____

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- [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

12/12/12
 Date

Agent for Apache Corporation
 Title

drcatanach@netscape.com
 E-Mail Address

December 12, 2012

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
D State No. 102
API No. (30-015-40158)
1650' FSL & 1575' FWL (Unit K)
Section 36, 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 D State No. 102. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830) at an unorthodox oil well location 1650 feet from the South line and 1575 feet from the West line of Section 36, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

The proposed D State No. 102 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SW/4 of Section 36. This unit is currently dedicated to Apache's: i) existing D State No. 61 (API No. 30-015-38969) located at an unorthodox location 2310 feet from the South line and 1550 feet from the West line; ii) proposed D State No. 100 (API No. 30-015-40141) located at a standard well location 2310 feet from the south and west lines; and iii) proposed D State No. 103 (API No. 30-015-40143) located at a standard well location 1650 feet from the South line and 2310 feet from the West 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 an existing pipeline.

The affected offset acreage includes the NW/4 SW/4 and the SW/4 SW/4 of Section 36. The NW/4 SW/4 of Section 36 is currently being developed in the Artesia Glorieta-Yeso Pool by numerous wells operated by Apache. Please note that the working interest ownership between the drill tract and the NW/4 SW/4 of Section 36 is common. The SW/4 SW/4 of Section 36, being the other affected offset tract, currently has no wells producing from the Artesia Glorieta-Yeso Pool. Due to diverse ownership between the drill tract and the SW/4 SW/4 of Section 36, notice of this application is being provided to the owners of the Glorieta-Yeso rights within that affected offset tract. These owners include ZPZ Delaware I, LLC, Three Rivers Acquisition, LLC, Environmental Risk Reduction, Inc. and Cardinal River Farm, Inc.

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

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 NE/4 SW/4 of Section 36 that may otherwise not be recovered by the existing or proposed 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
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 & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40158		Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 308712	Property Name D State		Well Number 102
OGRID No. 873	Operator Name Apache Corporation		Elevation 3682

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	36	17 South	28 East		1650	South	1575	West	Eddy

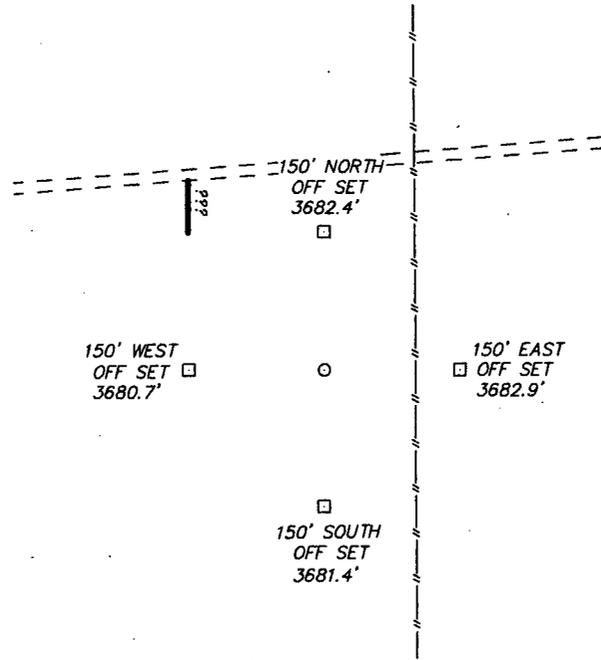
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40		Joint or Infill		Consolidate 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	
				<p><i>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 bottomhole 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.</i></p>	
				<p>Signature _____ Date _____</p>	
				<p>Printed Name _____</p>	
				<p>E-mail Address _____</p>	
<p>Affected Offset Acreage Operator: Apache WI ownership common w/drill tract</p>				<p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p>	
<p>Affected Offset Acreage Operator: None Lease Ownership: See attached notice list</p>					
				<p>Date of Survey _____</p>	
				<p>Signature and Seal of Professional Surveyor: _____</p>	
				<p>Certificate Number _____</p>	

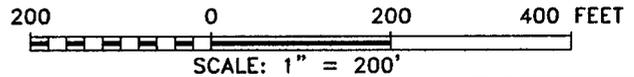
**SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



**APACHE CORPORATION
APACHE D STATE #102
ELEV. - 3682'**

Lat - N 32°47'21.19"
Long - W 104°08'00.15"
NMSPCE- N 650908.647
E 602785.186
(NAD-83)

Lat - N 32°47'20.78"
Long - W 104°07'58.31"
NMSPCE- N 650845.582
E 561606.079
(NAD-27)



Directions to Location:

FROM MILE MARKER 123 TO EAST 0.4 MILES TO LEASE ROAD, ON LEASE ROAD GO SOUTH 1.0 MILES TURNING WEST 0.5 MILES TO LEASE ROAD, ON LEASE ROAD GO SOUTH 0.1 MILES THEN WEST 0.1 MILES TO PROPOSED LOCATION.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 26427 Drawn By: J. SMALL

Date: 04-02-2012 Disk: JMS 26427

APACHE CORPORATION	
REF: APACHE D STATE #102 / WELL PAD TOPO	
THE APACHE D STATE #102 LOCATED 1650'	
FROM THE SOUTH LINE AND 1575' FROM THE WEST LINE OF	
SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 03-29-2012	Sheet 1 of 1 Sheets

December 12, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: OFFSET LEASEHOLD/INTEREST OWNERS-SEE ATTACHED LIST

Re: Apache Corporation
Unorthodox Oil Well Location
D State No. 102 (API No. 30-015-40158)
1650' FSL & 1575' FWL (Unit K)
Section 36, 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 D State No. 102 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 1650 feet from the South line and 1575 feet from the West line (Unit K) of Section 36, 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 NE/4 SW/4 of Section 36. This unit is currently dedicated to the existing Apache D State No. 61 and Apache's proposed D State Wells No. 100 and 103. The unorthodox location is necessary in order to avoid an existing pipeline within the NE/4 SW/4 of Section 36.

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

Notice List
Apache Corporation
Application for Unorthodox Well Location
D State No. 102 (API No. 30-015-40158)
1650' FSL & 1575' FWL (Unit K)
Section 36, T-17 South, R-28 East, NMPM

ZPZ Delaware I, LLC
(A wholly owned subsidiary of Apache Corporation)

Three Rivers Acquisition, LLC
3821 Juniper Trace, #107
Austin, Texas 78378

Environmental Risk Reduction, Inc. &
Cardinal River Farm, Inc.
3000 Oklahoma Tower
210 Park Avenue
Oklahoma City, Oklahoma 73102

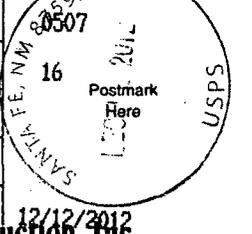
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Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40



Environmental Risk Reduction, Inc.
 Sent To **Cardinal River Farm, Inc.**
 Street, Apt. or PO Box No. **3000 Oklahoma Tower**
210 Park Avenue
 City, State, ZIP+4 **Oklahoma City, OK 73102**

PS Form 3800, August 2006 See Reverse for Instructions

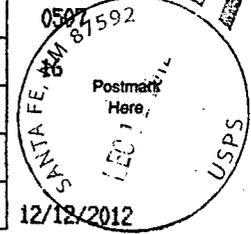
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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40



Three Rivers Acquisition, LLC
 Street, Apt. or PO Box No. **3821 Juniper Trace, #107**
 City, State, ZIP+4 **Austin, Texas 78738**

PS Form 3800, August 2006 See Reverse for Instructions