

DATE IN 2/25/11	SUSPENSE	ENGINEER DKB	LOGGED IN 2/25/11	TYPE NSL	APP NO. 1105650478
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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



Apache 873  
RECEIVED OGD  
Wendy H. Turner #18  
FEB 25 A 10:11 13

### 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]

6351

Lea

#### [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.

David Catanach  
Print or Type Name

Signature

Date

Agent for Apache Corporation  
Title

drcatanach@netscape.com  
E-Mail Address

2/25/11

February 24, 2011

**Hand Delivered**

New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, New Mexico 87505

Attention: Mr. Daniel Sanchez  
Acting Division Director

Re: Unorthodox Well Location  
William Turner No. 13  
API No. (N/A)  
1380' FSL & 1332' FEL, Unit J  
Section 29, T-21 South, R-37 East, NMPM,  
Blinebry Oil & Gas Pool & Tubb Oil & Gas Pool  
Lea County, New Mexico

Dear Mr. Sanchez:

Pursuant to Division Rule 19.15.15.13, Apache Corporation ("Apache") respectfully requests administrative approval of an unorthodox oil well location for its proposed William Turner Well No. 13. This well will be drilled as a development oil well in the Blinebry Oil & Gas Pool (Oil-6660) and Tubb Oil & Gas Pool (Oil-60240).

In the Blinebry Oil & Gas Pool, the well will be dedicated to an existing 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of Section 29. This unit is currently dedicated to the Apache Corporation William Turner No. 4 (API No. 30-025-27261) located at a standard well location 1980 feet from the South and East lines (Unit J) of Section 29.

In the Tubb Oil & Gas Pool, the well will be dedicated to the NW/4 SE/4 of Section 29 thereby forming a standard 40-acre oil spacing and proration unit.

The Blinebry and Tubb Oil & Gas Pools are currently governed by the General Rules and Regulations for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry and Tubb Oil & Gas Pools as established by Order No. R-8170, as amended. These rules require standard 160-acre gas spacing and proration units and 40-acre oil spacing and proration units. The setback requirement for oil wells and gas wells to which no more than 40 acres is dedicated is 330 feet to the outer boundary of the spacing unit.

The William Turner No. 13 is proposed to be drilled at a 20-acre infill location in order to recover remaining oil and gas reserves underlying the SE/4 of Section 29. Due to drainage considerations, a well at the proposed location should recover additional oil and gas reserves from the target reservoirs that will otherwise not be drained by the existing well(s), or by wells drilled at standard well locations in undeveloped tracts, thereby preventing waste.

In support of the application, the following tables show drainage areas and estimated ultimate oil and gas recoveries for offset wells and a planned offset well. Also shown are cumulative oil and gas production (as of 11/2010 unless otherwise noted) and current daily oil and gas producing rates for active offset wells. **(Note: drainage areas were calculated from SophiH taken off contoured isopach maps or from log calculations.)**

Operator	Well Name	Unit	Reservoir	SophiH (Ft)	Area (Acres)	EUR (MBO)	EUR (MMCFG)
Apache	William Turner No. 4	J	Blinebry	9	1.0	19	189
Apache	Turner No. 7	O	Blinebry	9	4.0	19	762
Apache	William Turner No. 3	I	Blinebry/Tubb	9	28.5	61	5,296
Apache	Turner No. 3	P	Blinebry/Tubb	9	22.5	36	4,117
Apache	Turner No. 10	O	Blinebry/Tubb	9	5.3	32	3,200

Operator	Well Name	Unit	Reservoir	Cum Oil (MBO)	Cum Gas (MMCFG)	Daily Oil (Bbls)	Daily Gas (MCFG)
Apache	William Turner No. 4	J	Blinebry/Abo	60.7	388	1.27	11.6
Apache	Turner No. 7	O	Blinebry/Tubb	0.866	49.26	13.5	558

**(Cumulative production for the William Turner No. 4 includes Blinebry and Abo zones. Daily rate shown is Blinebry only.)**

**(Cumulative production and daily rate for the Turner No. 7 includes Blinebry and Tubb zones. Turner No. 7 is a recently-drilled well.)**

**(Turner No. 10 is an undrilled well to be located in Unit O.)**

**(William Turner No. 3 and Turner No. 3 are PA'd wells. Cumulative production data for these wells is not available on OCD website.)**

Utilizing the average offset drainage areas and SophiH and applying it to the proposed location for the William Turner No. 13 results in an estimated recovery of 33 MBO and 270 MMCF of gas from the Blinebry and Tubb reservoirs.

Although the E/2 SE/4 of Section 29 has not yet been developed in the Blinebry and Tubb Oil & Gas Pools, Apache anticipates drilling wells on those undeveloped tracts in the near future.

The affected offset acreage in the Blinebry Oil & Gas and Tubb Oil & Gas Pools is the E/2 SE/4 and SW/4 SE/4 of Section 29. The N/2 SE/4 of Section 29 comprises the William Turner Lease which is owned 100% by Apache Permian Exploration &

Production, LLC, a wholly owned subsidiary of Apache Corporation. The S/2 SE/4 of Section 29 is owned 100% by Apache Corporation. Both leases are operated by Apache Corporation. **Although the working interest ownership between these two leases is common, the royalty interest is slightly different. Prior to drilling the William Turner No. 13, Apache Corporation and Apache Permian Exploration & Production, LLC will enter into a Cooperative Well Agreement that governs, among other things, the sharing of well cost and production revenue from the William Turner No. 13.**

Due to the ownership of the affected offset acreage cited above, notice of this application is not required to any party.

Attached is a Form C-102 showing the proposed well location and offset wells.

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Blinbry and Tubb formations underlying the SE/4 of Section 29 that may otherwise not be recovered by the existing 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  
6120 S. Yale, Suite 1500  
Tulsa, Oklahoma 74136

Xc: OCD-Hobbs

**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 N/A	Pool Code 6660 & 60240	Pool Name Blinebry Oil & Gas (Oil) & Tubb Oil & Gas (Oil) Pools
Property Code	Property Name William Turner	Well Number 13
OGRID No. 873	Operator Name Apache Corporation	Elevation 3469

Surface Location

UL or lot no. J	Section 29	Township 21 South	Range 37 East	Lot Idn	Feet from the 1380'	North/South line South	Feet from the 1332'	East/West line East	County Lea
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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

				<b>OPERATOR CERTIFICATION</b> <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 heretofor entered by the Division.</i>	
				Signature _____ Date _____ Printed Name _____ E-mail Address _____	
				<b>SURVEYOR CERTIFICATION</b> <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>	
				Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____	