

DATE IN 5.11.11	SUSPENSE	ENGINEER DB	LOGGED IN 5.11.11	TYPE NSL	PTG-W APP NO. 1113153140
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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
 RECEIVED OGD
Lee Wortham #38
 2011 MAY 11 11:36
30075-40080

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.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent for Apache Corporation
 Title

5/11/11
 Date

drcatanach@netscape.com
 E-Mail Address

NSL-6341
Fee
Lea

May 11, 2011

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 to Amend Order No. NSL-6341/SD-2011-001
Lou Worthan No. 30
API No. 30-025-40080
467' FNL & 1338' FWL, Unit C
Section 11, T-22 South, R-37 East, NMPM,
Wantz-Abo Pool
Lea County, New Mexico

Dear Ms. Bailey:

By Order No. NSL-6341/SD-2011-001 dated February 25, 2011 the Division authorized Apache Corporation ("Apache") to drill its Lou Worthan Well No. 30 at an unorthodox gas well location in the Blinebry Oil & Gas Pool (Pro Gas-72480) and an unorthodox oil well location in the Tubb Oil & Gas Pool (Oil-60240) and Drinkard Pool (Oil-19190) 467 feet from the North line and 1338 feet from the West line (Unit C) of Section 11, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico. This order also authorized Apache to simultaneously dedicate an existing 40-acre non-standard gas spacing unit in the Blinebry Oil & Gas Pool comprising the NE/4 NW/4 of Section 11 to the Lou Worthan No. 30 and to Apache's Lou Worthan No. 5 (API No. 30-025-10214) located 660 feet from the North line and 1980 feet from the West line of Section 11. In the Tubb Oil & Gas and Drinkard Pools, the Lou Worthan No. 30 is dedicated to standard 40-acre oil spacing and proration units comprising the NE/4 NW/4 of Section 11.

Geologic data obtained during the drilling of the well indicates the possibility that the Abo formation may be productive in the subject well. Consequently, Apache hereby requests that Order No. NSL-6341/SD-2011-001 be amended to include the Wantz-Abo Pool (Oil-62700). The Lou Worthan No. 30 will be dedicated to an existing 40-acre oil spacing and proration unit in the Wantz-Abo Pool comprising the NE/4 NW/4 of Section 11. This unit is currently dedicated to Apache's Lou Worthan No. 13 (API No. 30-025-24943) located 330 feet from the North line and 2080 feet from the West line of Section 11.

The Wantz-Abo Pool is governed by Division Rule 19.19.15.9 which requires standard 40-acre spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

The affected offset acreage in the Wantz-Abo Pool is the NW/4 NW/4 of Section 11. There is currently no Abo production in the affected offset acreage. This affected offset acreage is operated by Apache Corporation and is contained within the commonly-owned Lou Worthan lease. Consequently, notice of this application is not required to any party.

In summary, approval of the requested amendment will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Wantz-Abo Pool underlying the NE/4 NW/4 of Section 11 that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

Since the well has already been drilled to total depth, Apache respectfully requests expedited approval of this application.

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. FRONCH DR., HOHNS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102

Revised October 12, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-40080	Pool Code 62700	Pool Name Wantz; Abo
Property Code 306605	Property Name LOU WORTHAN	Well Number 30
OGRIID No. 873	Operator Name APACHE CORPORATION	Elevation 3367'

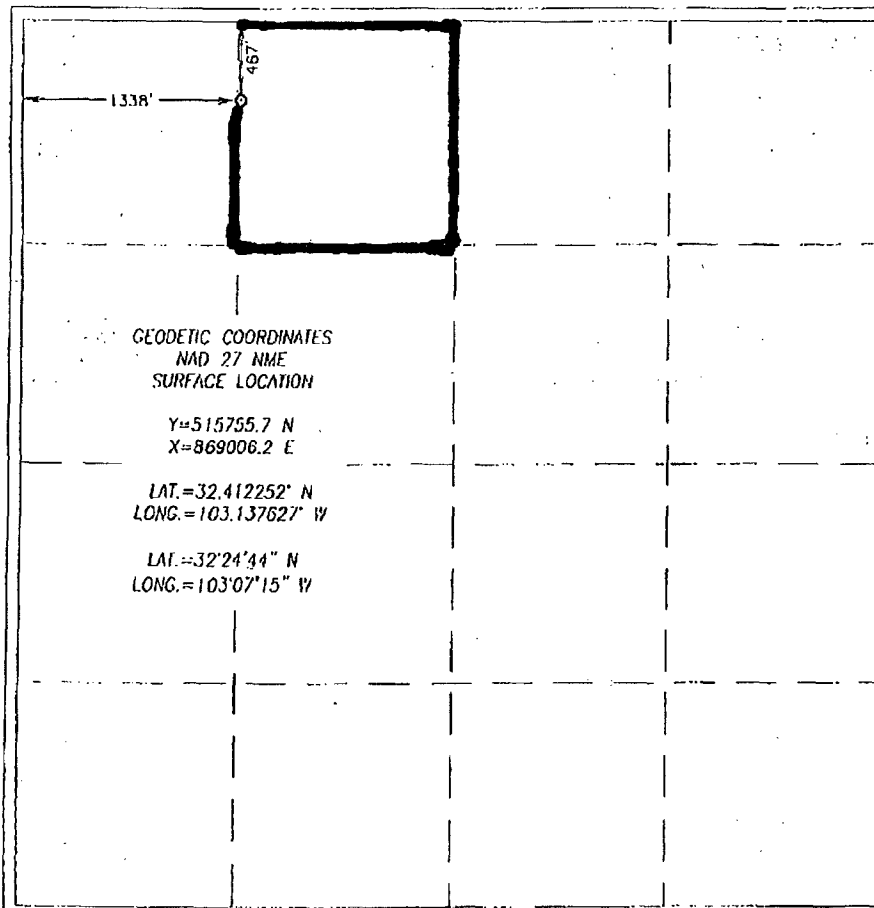
Surface Location

UL or lot No. C	Section 11	Township 22-S	Range 37-E	Lot Idn	Feet from the 467	North/South line NORTH	Feet from the 1338	East/West line WEST	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									

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 SURFACE LOCATION Y=515755.7 N X=869006.2 E LAT.=32.412252° N LONG.=103.137627° W LAT.=32°24'44" N LONG.=103°07'15" W</p>	<p>OPERATOR CERTIFICATION</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 (leased 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>Sorina Flores</i> 4/26/11 Signature Date sorina.flores@apachecorp.com Printed Name Sorina L. Flores</p> <p>SURVEYOR CERTIFICATION</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>DECEMBER 21, 2010</p> <p>Date Surveyed DSS Signature & Seal of Professional Surveyor <i>Donald J. Gibson</i> 10/11/2010 10.11.1839 Certificate No. GARY G. GIBSON 12041 DONALD J. GIBSON 0230</p>
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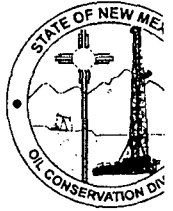


New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Brett F. Woods, Ph.D.
Acting Cabinet Secretary

Daniel Sanchez
Acting Division Director
Oil Conservation Division



February 25, 2011

Apache Corporation
Attn: Mr. David Catanach
6120 S. Yale, Suite 1500
Tulsa, OK 74136

Administrative Order NSL-6341
Administrative Order SD-2011-001

Re: Apache Corporation
Lou Wortham Well No. 30
API No. 30-025-
467 feet FNL & 1338 feet FWL
Unit C, Section 11, Twsp 22S, Range 37E
Lea County, New Mexico

Dear Mr. Catanach:

Reference is made to the following:

(a) your application (**administrative non-standard location [NSL] application reference No. pTGW11-02833185**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Apache Corporation [OGRID 873] (Apache), on January 28, 2011,

(b) your application (**administrative simultaneous dedication [SD] application reference No. pTGW11-02838257**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Apache, on January 28, 2011, and

(c) the Division's records pertinent to your request, including, but not limited to, the Division's records pertinent to Administrative Orders NSP-1937-A-npt, issued on January 12, 2010.

Oil Conservation Division * 1220 South St. Francis Drive

* Santa Fe, New Mexico 87505

* Phone: (505) 476-3440 * Fax (505) 476-3462* <http://www.emnrd.state.nm.us>



Non-Standard Location (NSL) Application

Apache has requested to drill the above-referenced well (the proposed well) at an unorthodox location, 467 feet from the North line and 1338 feet from the West line (Unit C) of Section 11, Township 22 South, Range 37 East, N.M.P.M., in Lea County, New Mexico. An existing non-standard, 40-acre gas spacing unit (the unit) in the Blinebry Oil and Gas (Pro Gas) Pool (72480), comprising the NE/4 NW/4 of Section 11, Township 22 South, Range 37 East, N.M.P.M., will be dedicated to the proposed well. This 40-acre non-standard gas spacing unit was previously established by Administrative Order NSP-1937-A-npt. The NE/4 NW/4 of Section 11 will also be dedicated to this well as a standard, 40-acre oil spacing and proration unit in the Tubb Oil & Gas (Oil) Pool (60240) and in the Drunkard Pool (19190).

Spacing in the Blinebry Oil and Gas Pool is governed by the Special Rules and Regulation for the Blinebry Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986, which provide that any gas well to which a non-standard unit consisting of 40 acres or less is dedicated shall be located at least 330 feet from any unit outer boundary or quarter-quarter section line. Spacing in the Tubb Oil & Gas Pool is governed by the Special Rules and Regulations for the Tubb Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986, and spacing in the Drinkard Pool is governed by statewide Rule 15.9. Applicable rules for both the Tubb and the Drinkard provide that standard oil units shall consist of 40 acres, with wells located at least 330 feet from any unit outer boundary or quarter-quarter section line.

This location is less than 330 feet from the western unit boundary.

Your NSL application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

It is our understanding that you are seeking this location for geologic and engineering reasons, in order to optimize recovery of hydrocarbons from this reservoir.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Simultaneous Dedication Application

Apache has also requested to simultaneously dedicate the proposed well, along with the existing Lou Wortham Well No. 5 (API No. 30-025-10214), a Blinebry gas well located 660 feet from the North line and 1980 feet from the East line (Unit C) of Section 11.

Your application has been duly filed under the provisions of Division Rules 15.11.C and 4.12.A.

It is our understanding that you are seeking simultaneous dedication of this unit to the wells described for geologic and engineering reasons, in order to prevent waste and maximize production from this unit.

We also understand that you have given due notice of this application to all "affected persons," as defined in Rule 4.12.A(2)(a), in all existing spacing units in the Blinebry adjoining the unit to be simultaneously dedicated.

Ordering Provisions

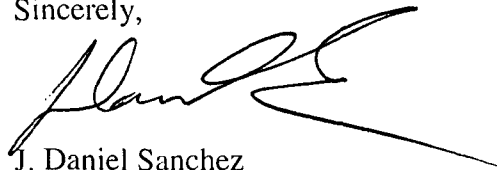
Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

Pursuant to the authority conferred by Division Rule 15.11.C, the above-described simultaneous dedication is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 40.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Daniel Sanchez", with a long horizontal flourish extending to the right.

J. Daniel Sanchez
Acting Director

JDS/db

cc: New Mexico Oil Conservation Division - Hobbs