

DATE IN <u>4/22/11</u>	SUSPENSE	ENGINEER <u>DKB</u>	LOGGED IN <u>4/22/11</u> <u>N/SL</u>	TYPE <u>N/SL</u>	APP NO. <u>PTG-N</u> <u>1111246650</u>
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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

STATE #59  
30-015-38470

### 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]

6371

#### [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

April 21, 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 for Unorthodox Well Location  
~~D-State-No.-59~~  
~~API-No.-(30-015-38470)~~  
290' FSL & 175' FEL (Unit P)  
Section 26, 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. 59. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed D State No. 59 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SE/4 of Section 26. This unit is currently dedicated to the existing Apache D State No. 2 (API No. 30-015-31421) located 990 feet from the South line and 430 feet from the East line, and the proposed D State No. 51 (API No. 30-015-38585) to be drilled 900 feet from the South line and 990 feet from the East 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 tank battery and overhead power lines.

The affected offset acreage includes the SW/4 SW/4 of Section 25, the NE/4 NE/4 of Section 35, and the NW/4 NW/4 of Section 36, all in Township 17 South, Range 28 East. All three of these affected tracts are existing 40-acre spacing units in the Artesia Glorieta-Yeso Pool, and all three are operated by Apache. Please note that the working interest ownership between the SE/4 SE/4 of Section 26 and the three affected offset

40-acre tracts is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102, vicinity map, and a map showing the affected offset acreage.

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 SE/4 SE/4 of Section 26 that may otherwise not be recovered by the existing or proposed 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,

A handwritten signature in black ink, appearing to read "David Catanach". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David Catanach, Agent  
Apache Corporation  
6120 S. Yale, Suite 1500  
Tulsa, Oklahoma 74136

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**

<b>API Number</b> 30-015-38470		<b>Pool Code</b> 96830	<b>Pool Name</b> Artesia Glorieta-Yeso Pool
<b>Property Code</b> 308712	<b>Property Name</b> D State		<b>Well Number</b> 059
<b>OGRID No.</b> 873	<b>Operator Name</b> Apache Corporation		<b>Elevation</b> 3667'

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	26	17 South	28 East		290'	South	175'	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
<b>Dedicated Acres</b> 40		<b>Joint or Infill</b>		<b>Consolidate Code</b>		<b>Order No.</b>			

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><b>OPERATOR CERTIFICATION</b></p> <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 heretofor entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
				<p><b>SURVEYOR CERTIFICATION</b></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>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>
			<p>D State No. 2 (Existing)</p> <p>D State No. 51 (Not yet drilled)</p> <p>D State No. 59 (Proposed)</p> <p>290' 175'</p>	

**28 East**

**26**

**25**

**17 South**

D State No. 59



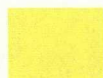
Apache

**35**

Apache

Apache

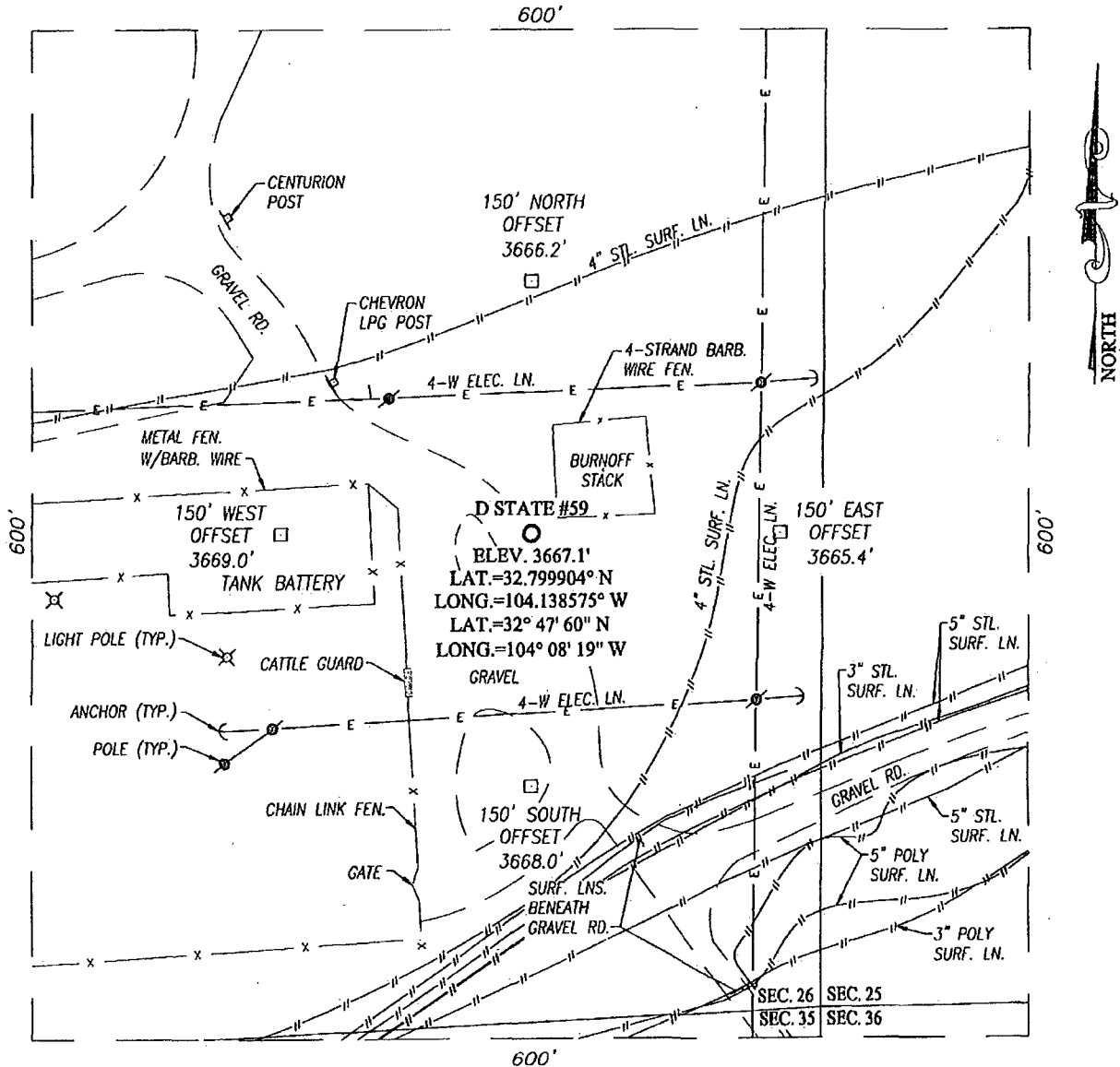
**36**



**Affected Offset Acreage**

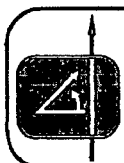
**Apache Corporation**  
**Application for Non-Standard Well Location**  
**D State No. 59 (API No. 30-015-38470)**

SECTION 26, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

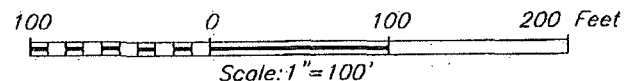


DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 (LOVINGTON HWY.) AND CO. RD. #209 (TURKEY TRACK RD.), GO SOUTH ON CO. RD. #209 APPROX. 200 FEET. TURN LEFT AND GO EAST-NORTHEAST APPROX. 0.6 MILES. THIS LOCATION STAKE IS APPROX. 200 FEET SOUTHEAST.



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412 N. DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117



**APACHE CORPORATION**

D STATE #59 WELL  
LOCATED 290 FEET FROM THE SOUTH LINE  
AND 175 FEET FROM THE EAST LINE OF SECTION 26,  
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

Survey Date: 1/27/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0075	Dr By: DSS
Date: 2/4/11	11110075
	Scale: 1"=100'