

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



November 3, 2017

Apache Corp  
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION

**Administrative Order NSL-7604**

**Apache Corp.**  
OGRID 873  
**Salt Fork 3 4 Federal Com Well No. 1H**  
**API No. 30-015-43665**

**Non-Standard Location**

**Proposed Location:**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2364` FSL & 2258` FWL	K	3	19S	30E	Eddy
Penetration Point	2311` FSL & 2031` FWL	K	3	19S	30E	Eddy
Final perforation/ Terminus	1979` FSL & 280` FWL	L	4	19S	30E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 SW/4 of Section 3	240	Leo; Bone Spring, South	37920
N/2 S/2 of Section 4			

Reference is made to your application received on October 13, 2017.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provide for 40-acre units with wells to be located at least 330 feet from outer unit boundaries, and Rule 19.15.16.14.B (2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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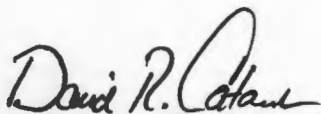
Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that the Applicant is seeking this location due to drilling difficulties and in the interest of maximizing recovery of reserves.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

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



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**DAVID R. CATANACH**  
**Director**

DRC/lrl

cc: Oil Conservation Division – Artesia District Office  
Bureau of Land Management – Carlsbad Field Office