



SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
	DB	02.23.12	NSL	1202345153

PTG-W

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

Apache
 D State # 70
 6556

ABOVE THIS LINE FOR DIVISION USE ONLY

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 _____

Apache Corporation's
 D State 70
 30-015-39742 ✓

[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.

Print or Type Name
 BRIAN WOOD
 (505) 466-8120
 FAX 466-9682

Signature

Title
 CONSULTANT

Date
 1-19-12
 e-mail Address
 brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION
D STATE 70
190' FNL & 2380' FEL
SECTION 35, T. 17 S., R. 28 E., EDDY COUNTY, NM
API 30-015-39742**

I. The well is on New Mexico State Land Office (NMSLO) oil and gas lease X0-0647-0405 and State surface. The well is 1,580' from the closest lease line. The proposed oil well is nonstandard for the Artesia; Glorieta-Yeso (O) Pool (96830) due to land uses. A copy of the APD cover sheet is attached (Exhibit A).

Apache requests a nonstandard location due to land uses. There are already 3 Yeso wells, 4 Abo wells, 2 Queen-Grayburg-San Andres wells, 1 plugged and abandoned well, two overhead power lines, one authorized but as yet unbuilt caliche pit, well roads, and multiple pipelines in the NWNE Section 35.

The 8,746.59 acre state lease comprises all of Sections 25 and 26, W2NW4 & NE4 Section 35, N2 Section 36, et al. The well was planned to be staked at 330 FNL & 2310 FEL. However, that spot is already occupied by Quantum's producing Artesia Unit 9 well (330 FNL & 2310 FEL; 30-015-01750) and would force the reroute of 1 road, 2 overhead power lines, and at least 3 pipelines (see Exhibit B). The Artesia Unit 9 produces from the Queen-Grayburg-San Andres.

A standard location must be at least 330' from the quarter-quarter line. The well bore is 190' from the north quarter-quarter line and 260' from the west quarter-quarter line (see C-102 as EXHIBIT C).

II. A C-102 form showing the well and 40 acre pro ration unit (NWNE Section 35) is attached as EXHIBIT D.

The oil and gas lease boundary is marked as a solid line on the attached (EXHIBIT E) topographic map. The well bore encroaches 140' too far north and 70' too far west. All encroachments are part of the same lease. There are 3 Yeso wells (all Apache) in each of the encroached quarter-quarters (SESW & SWSE Section 26 and NENW Section 35). The quarter-quarters are

part of the same state lease. All eight bordering or cornering quarter-quarters (dashed line squares) are part of the same state lease.

III. See Exhibit F for existing Yeso wells (circles). Apache operates all Yeso wells (circles on Exhibit F) in the 8 offset quarter-quarters. Closest (636') existing Yeso well is Apache's D State 7 (30-015-31423) at 430 FNL & 2310 FWL 35-17s-28e.

Apache has Yeso wells in 5 of the 8 offset quarter-quarter-quarters. The SESESW & SESWSE Section 26 and SENENW Section 35 do not have Yeso wells. There are no Yeso wells in the SENW and S2NE4 Section 35.

This information is current and correct.

IV. See Exhibits D and F for the proposed well, proration unit, drilling windows, and all wells. Apache does not believe it is cost effective to directionally drill from an existing pad.

V. See Exhibits B and F for surface uses (Quantum's Artesia Unit 9 well, two overhead power lines, road, and multiple pipelines) that prevent use of a legal location.

VI. Archaeology is not an issue.

VII. The well was planned to be staked at 330 FNL & 2310 FEL. However, that spot is already occupied by Quantum's producing Artesia Unit 9 well (330 FNL & 2310 FEL; 30-015-01750) and would force the reroute of 1 road, 2 overhead power lines, and at least 3 pipelines (see Exhibit B). The Artesia Unit 9 produces from the Queen-Grayburg-San Andres.

VIII. Apache does not believe directional drilling to a legal bottom hole location is cost effective.

IX. I hereby certify that Apache Corporation and its partners have 100% of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit and the adjacent quarter-quarters on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form C-101
 August 1, 2011
 Permit 141005

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address APACHE CORP 303 Veterans Airpark Lane Midland, TX 79705		2. OGRID Number 873
		3. API Number 30-015-39742
4. Property Code 308712	5. Property Name D STATE	6. Well No. 070

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	35	17S	28E	B	190	N	2380	E	EDDY

8. Pool Information

ARTESIA; GLORIETA-YESO (O)	96830
----------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3684
14. Multiple N	15. Proposed Depth 4600	16. Formation Yeso Formation	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	400	300	
Prod	7.875	5.5	17	4600	740	

Casing/Cement Program: Additional Comments

--

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydri	3000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Printed Name: Electronically filed by Bobby Smith	
	Title:	Title: District Supervisor
	Approved Date: 12/6/2011 Expiration Date: 12/6/2013	
	Conditions of Approval Attached	

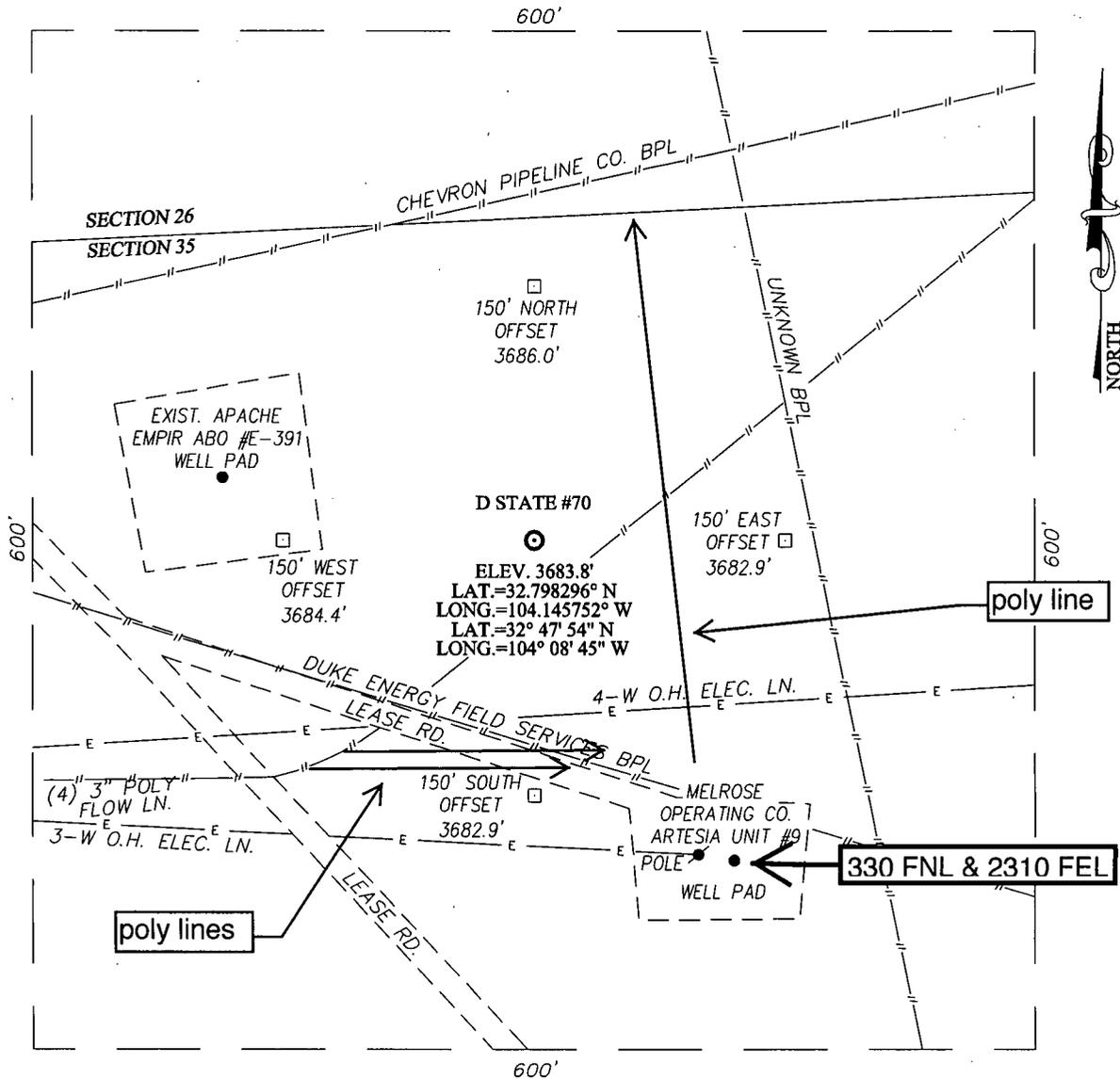
Title:
 Email Address: bobby.smith@apachecorp.com
 Date: 12/5/2011 | Phone: 432-818-1020

EXHIBIT A

SECTION 35, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.

EDDY COUNTY

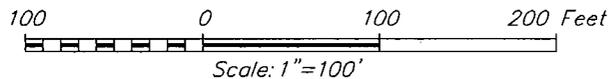
NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #209 (TURKEY TRACK RD.), GO SOUTH ON LEASE ROAD APPROX. 300 FEET. TURN LEFT AND GO NORTHEAST APPROX. 0.1 MILE. TURN RIGHT ON LEASE ROAD AND GO APPROX. 0.1 MILE. THE LOCATION STAKE IS APPROX. 300 FEET EAST OF LEASE ROAD.

EXHIBIT B




 PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

APACHE CORPORATION

D STATE #70 WELL
 LOCATED 190 FEET FROM THE NORTH LINE
 AND 2380 FEET FROM THE EAST LINE OF SECTION 35,
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date: 11/10/11	Sheet 1 of 1 Sheets	
W.O. Number: 11.11.2313	Dr. By: ACR	Rev 1:
Date: 11/30/11	Rel. W.O.:	11112313 Scale: 1"=100'

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name D STATE	Well Number 70
OGRID No.	Operator Name APACHE CORPORATION	Elevation 3684'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	35	17-S	28-E		190	NORTH	2380	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
Dedicated Acres		Joint or Infill	Consolidation 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

	<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 unleased 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>Signature _____ Date _____</p> <p>Printed Name EXHIBIT C</p> <p>E-mail Address _____</p>
	<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=654182.2 N X=557639.7 E</p> <p>LAT.=32.798296° N LONG.=104.145752° W</p> <p>LAT.=32° 47' 54" N LONG.=104° 08' 45" W</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>NOVEMBER 10, 2011</p> <p>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor:</p>
	<p>Certificate Number 3239 Gerald Eidson 12641 Ronald J. Eidson 3239</p> <p>ACR JWSC W.O.: 11.11.2313</p>

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720
District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720
District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 August 1, 2011
 Permit 141005

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39742	2. Pool Code 96830	3. Pool Name ARTESIA; GLORIETA-YESO (O)
4. Property Code 308712	5. Property Name D STATE	6. Well No. 070
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3684

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	35	17S	28E		190	N	2380	E	EDDY

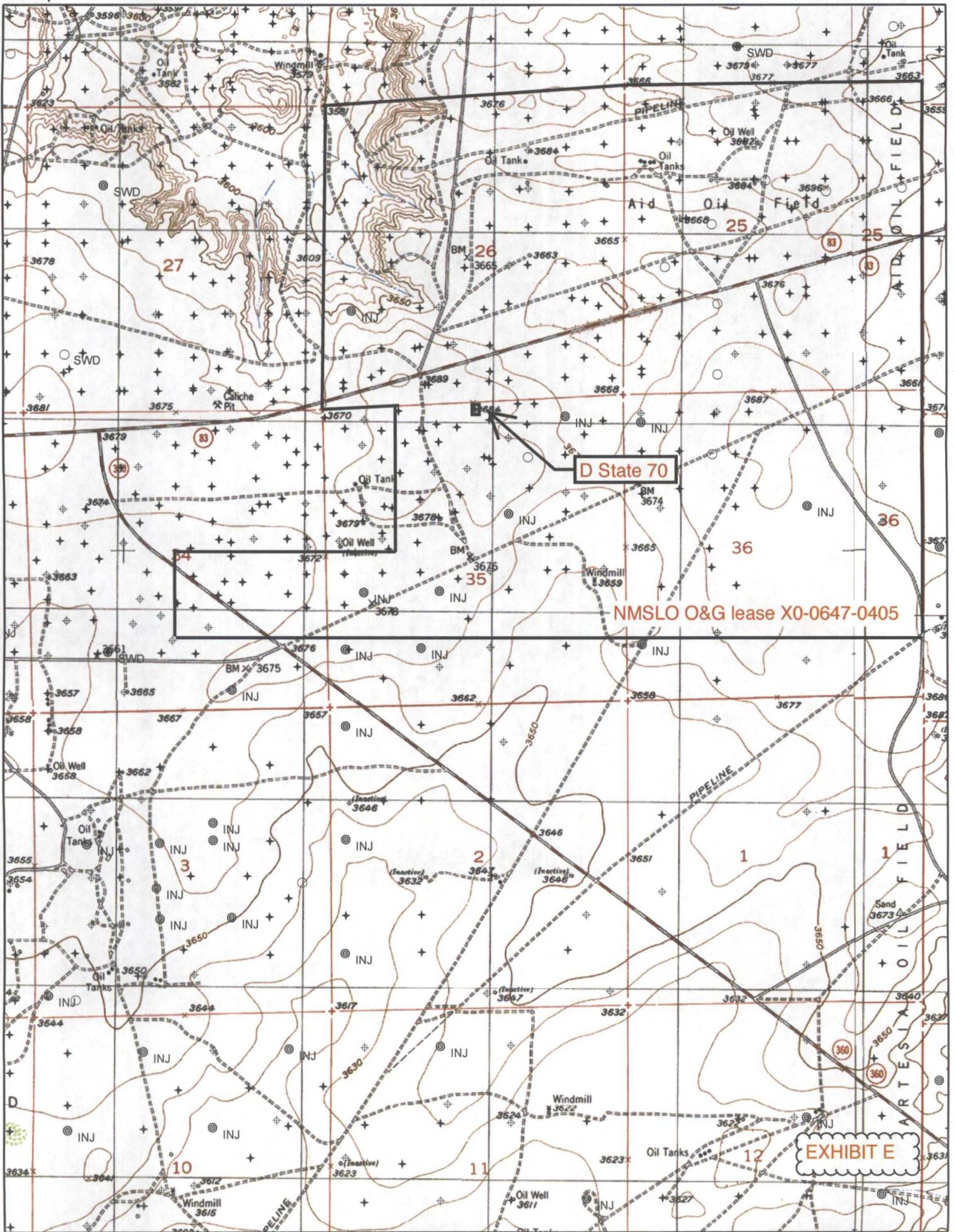
11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00		13. Joint or Infill		14. Consolidation Code		15. 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

<table border="1"> <tr> <td></td> <td></td> <td style="background-color: #cccccc;">■</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>			■														<p align="center">OPERATOR CERTIFICATION</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 bottom hole location(s) 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>E-Signed By: Bobby Smith Title: Date: 12/5/2011</p>
			■														
<p 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>Surveyed By: RONALD EIDSON Date of Survey: 11/10/2011 Certificate Number: 3239</p>																	

EXHIBIT D



D State 70

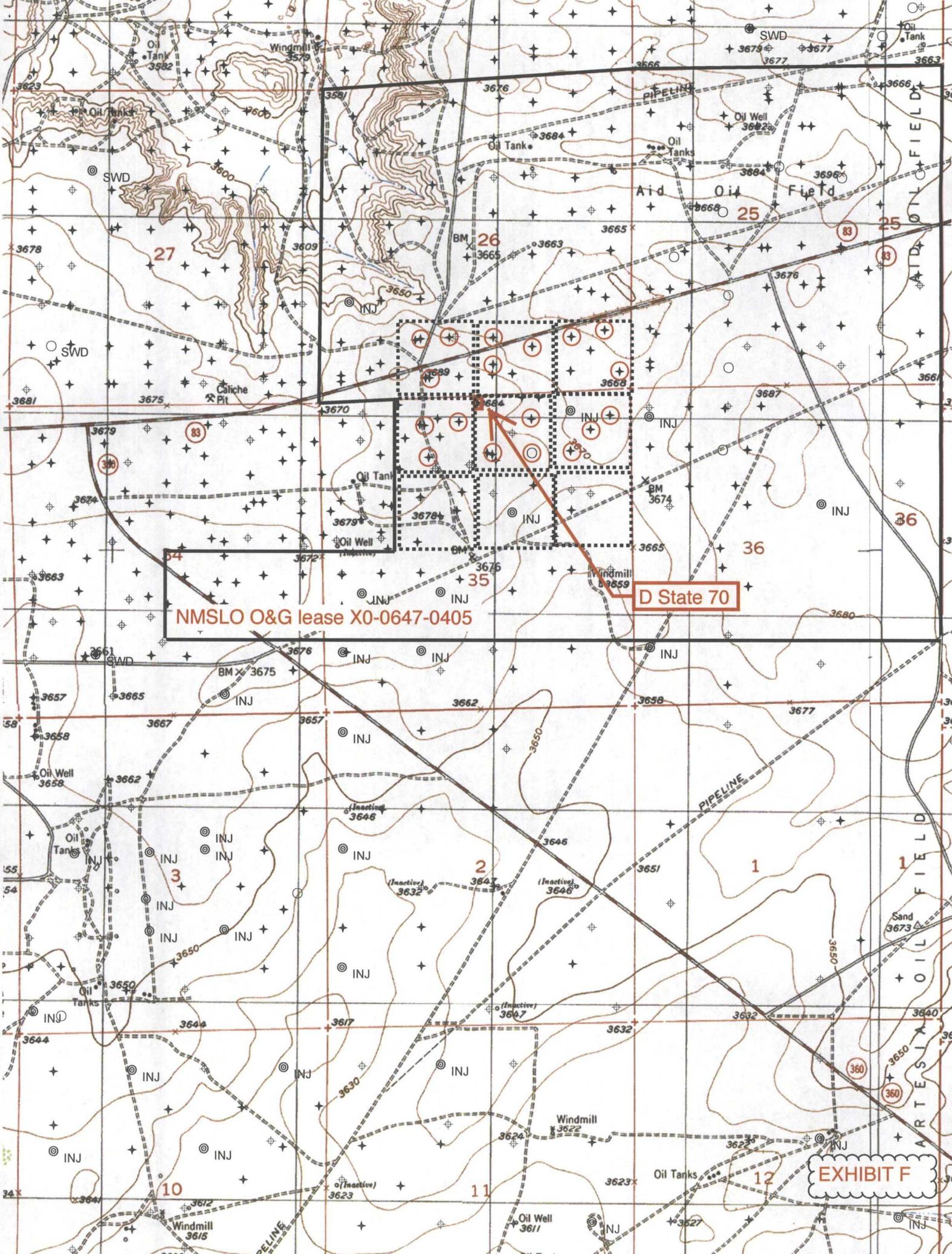
NMSLO O&G lease X0-0647-0405

EXHIBIT E

NMSLO O&G lease X0-0647-0405

D State 70

EXHIBIT F



PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 19, 2012

NM State Land Office
P. O. Box 1148
Santa Fe, NM 87504

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying to drill its D State 70 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north and 70' further west than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: D State 70 ID: 4,600'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage Dedication: 40 acres (NWNE Section 35, T. 17 S., R.28 E., Eddy County, NM on State lease X0-0647-0405 (well is $\geq 1,580'$ from the closest lease boundary))

Approximate Location: ≈ 10 air miles west-southwest of Loco Hills, NM

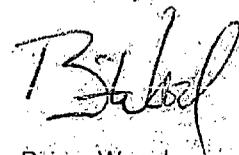
Applicant Name: Apache Corporation (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE	
Postage	\$ 0.44
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.59

0501
05
Postmark Here
JAN 19 2012
01/19/2012

Sent To
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

NM SCO

PS Form 3800, August 2005

EXHIBIT G

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 19, 2012

David Evans
COG Operating LLC
550 West Texas Ave., Suite 100
Midland, TX 79701

Dear Mr. Evans:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying to drill its D State 70 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north and 70' further west than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: D State 70 TD: 4,600'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage Dedication: 40 acres (NWNE Section 35, T. 17 S., R. 28 E., Eddy County, NM on State lease X0-0647-0405 (well is $\geq 1,580'$ from the closest lease boundary)

Approximate Location: ≈ 10 air miles west-southwest of Loco Hills, NM

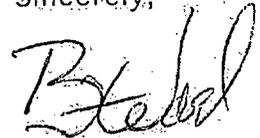
Applicant Name: Apache Corporation (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT G

2650 907E E000 0952 2002

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

MIDLAND TX 79701

Postage	\$ 0.64	0501
Certified Fee	\$ 2.85	05
Return Receipt Fee (Endorsement Required)	\$ 2.30	05
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	05
Total Postage & Fees	\$ 5.79	05

SANTA FE Postmark Here
JAN 19 2012
01/19/2012
CORONADO STATION

Sent To
COG

Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2006

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 19, 2012

Land Department
 Khody Land and Minerals Company
 3817 NW Expressway, Suite 950
 Oklahoma City, OK 73112

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying to drill its D State 70 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north and 70' further west than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: D State 70 ID: 4,600'
Proposed NSL Zone: Artesia; Glorieta-Yeso (O)
NSL Acreage Dedication: 40 acres (NWNE Section 35, T. 17 S., R.28 E., Eddy County, NM on State lease X0-0647-0405 (well is \geq 1,580' from the closest lease boundary)
Approximate Location: \approx 10 air miles west-southwest of Loco Hills, NM
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

7007 2560 0003 3106 0578

U.S. Postal Service		CERTIFIED MAIL RECEIPT	
<i>(Domestic Mail Only; No Insurance Coverage Provided)</i>			
For delivery information visit our website at www.usps.com			
OFFICIAL USE			
Postage	\$ 0.64	0501	
Certified Fee	\$2.85	05	
Return Receipt Fee (Endorsement Required)	\$2.30	SANTA FE Postmark Here	
Restricted Delivery Fee (Endorsement Required)	\$0.00	JAN 19 2012	
Total Postage & Fees	\$ 5.79	01/19/2012	
Sent To			
Street, Apt. No., or PO Box No.			
City, State, ZIP+4			

EXHIBIT G

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 19, 2012

Chuck Moran
Yates Petroleum Corporation
105 South 4th St.
Artesia, NM 88210

Dear Mr. Moran:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying to drill its D State 70 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north and 70' further west than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: D State 70 TD: 4,600'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage Dedication: 40 acres (NWNE Section 35, T. 17 S., R. 28 E., Eddy County, NM on State lease X0-0647-0405 (well is $\geq 1,580'$ from the closest lease boundary)

Approximate Location: ≈ 10 air miles west-southwest of Loco Hills, NM

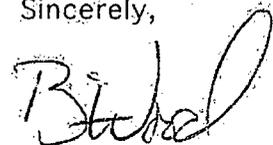
Applicant Name: Apache Corporation (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT G

7010 0290 0000 9224 3670

U.S. Postal Service		
CERTIFIED MAIL RECEIPT		
(Domestic Mail Only, No Insurance Coverage Provided)		
For delivery information, visit our website at www.usps.com		
OFFICIAL USE		
Postage	\$ 40.44	0501
Certified Fee	\$ 2.85	05
Return Receipt Fee (Endorsement Required)	\$ 2.30	Postmark Here
Restricted Delivery Fee (Endorsement Required)	\$ 0.00	
Total Postage & Fees	\$ 45.59	
Sent To		
Street, Apt. No., or PO Box No.		
City, State, ZIP+4		

ARTEZIA NM 88210

U.S. SANTA FE, NM 87505
01/19/2012
JAN 19 2012

Yates

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 19, 2012

Staci Sanders
Chase Oil Corporation
P. O. Box 960
Artesia, NM 88211-0960

Dear Ms. Sanders:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying to drill its D State 70 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north and 70' further west than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: D State 70 ID: 4,600'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage Dedication: 40 acres (NWNE Section 35, T. 17 S., R.28 E., Eddy County, NM on State lease X0-0647-0405 (well is $\geq 1,580'$ from the closest lease boundary)

Approximate Location: ≈ 10 air miles west-southwest of Loco Hills, NM

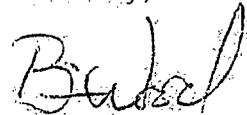
Applicant Name: Apache Corporation: (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

7010 0290 0000 9224 3863

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 40.44
Certified Fee	\$ 2.85
Return Receipt Fee (Endorsement Required)	\$ 2.30
Restricted Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 45.59

Postmark: SANTA FE, NM 87505
01/19/2012

Sent To: Chase

Street, Apt. No., or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008 See Reverse for Instructions

EXHIBIT G

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

January 19, 2012

Joe Rusnak
Marathon Oil Company
200 North Lorraine, Suite 1222
Midland, TX 79701

Dear Mr. Rusnak:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying to drill its D State 70 oil well. The minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 140' further north and 70' further west than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: D State 70 TD: 4,600'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage/Dedication: 40 acres (NWNE Section 35, T. 17 S., R.28 E., Eddy County, NM on State lease XO-0647-0405 (well is $\geq 1,580'$ from the closest lease boundary)

Approximate Location: ≈ 10 air miles west-southwest of Loco Hills, NM

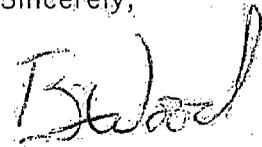
Applicant Name: Apache Corporation (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

2010 0780 0002 2988 2307

Postage	\$ 0.64
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.79

0501

Postmark Here

JAN 19 2012
01/19/2012

SENT TO
Marathon
Street, Apt. No.,
or PO Box No.
City, State, ZIP+4

PS Form 3800, August 2008

EXHIBIT G