

ABOVE THIS LINE FOR DIVISION USE ONLY

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



PTG W
 Apache
 Washington 33 State #58
 30-015-40115

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]

6596

- [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

3/28/12
 Date

drcatanach@netscape.com
 E-Mail Address

March 28, 2012

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
Washington 33 State Well No. 58
API No. (N/A)
1540' FSL & 330' FEL (Unit I)
Section 33, 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 Washington 33 State No. 58. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed Washington 33 State No. 58 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SE/4 of Section 33. This unit is currently dedicated to Apache's Washington 33 State Well No. 34 (API No. 30-015-39884) located at an unorthodox well location 1480 feet from the South line and 1040 feet from the East line, and Apache's Washington 33 State Well No. 54 (API No. 30-015-40078) located at a standard well location 2310 feet from the South line and 990 feet from the East line. These wells have been permitted, but have not yet been drilled.

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 pipeline.

The affected offset acreage is the SE/4 SE/4 of Section 33 and the SW/4 SW/4 of Section 34, Township 17 South, Range 28 East. There is currently no production from the Artesia Glorieta-Yeso Pool within these tracts, however, Apache has obtained a

permit to drill within the SE/4 SE/4 of Section 33 and will develop this tract in the near future. Within the SW/4 SW/4 of Section 34 COG Operating, LLC and Legacy Reserves Operating, LP both operate wells that produce from the Artesia Queen-Grayburg-San Andres Pool. Please note however, that the Glorieta-Yeso working interest ownership between the NE/4 SE/4 of Section 33 and the affected offset tracts (SE/4 SE/4 of Section 33 and SW/4 SW/4 of Section 34) is common throughout and is owned 100% by Apache. Consequently, notice of this application is not required to any party.

Attached is a Form C-102 showing the proposed well, spacing unit and other existing or proposed wells in the spacing unit. Also attached are vicinity maps and a map that shows 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 NE/4 SE/4 of Section 33 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,



David Catanach, Agent
Apache Corporation
303 Veterans Airpark Lane
Suite 3000
Midland, Texas 79705

Xc: OCD-Artesia

28 East

33

34

Washington 33
State 58
(Proposed Well)

330'

17 South

1540'

Affected Offset
Acreage
Apache 100% WI

4

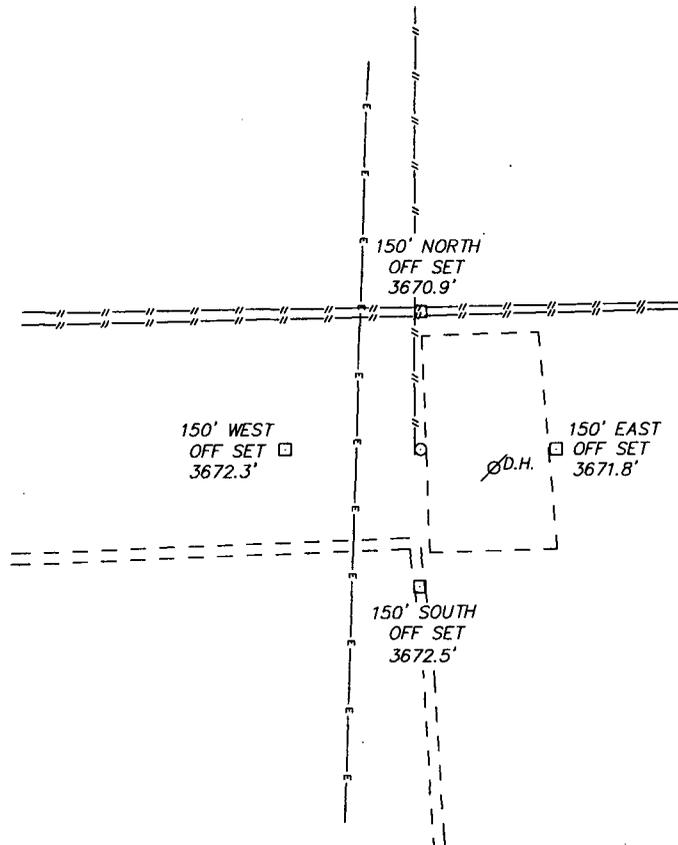
3

18 South

 **Affected Offset Acreage**

Apache Corporation
Application for Non-Standard Well Location
Washington 33 State No. 58

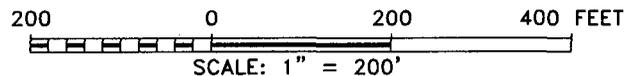
**SECTION 33, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**



**APACHE CORPORATION
WASHINGTON 33 STATE #58
ELEV. - 3672'**

Lat - N 32°47'17.82"
Long - W 104°10'24.51"
NMSPCE- N 650547.237
E 590462.708
(NAD-83)

Lat - N 32°47'17.41"
Long - W 104°10'22.67"
NMSPCE- N 650484.256
E 549283.568
(NAD-27)



Directions to Location:

FROM THE JUNCTION OF ARCO AND HOLT, GO EAST ON ARCO FOR 0.3 MILES TO LEASE ROAD, ON LEASE ROAD GO NORTH 0.1 MILES TO PROPOSED LOCATION.

APACHE CORPORATION

REF: WASHINGTON 33 STATE #58 / WELL PAD TOPO

THE WASHINGTON 33 STATE #58 LOCATED 1540'

FROM THE SOUTH LINE AND 330' FROM THE EAST LINE OF

SECTION 33, TOWNSHIP 17 SOUTH, RANGE 28 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 26388 Drawn By: J. SMALL

Date: 03-19-2012 Disk: JMS 26388

Survey Date: 03-17-2012 Sheet 1 of 1 Sheets



WASHINGTON 33 STATE #58

Located 1540' FSL and 330' FEL
 Section 33, Township 17 South, Range 28 East,
 N.M.P.M., Eddy County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 26388

Survey Date: 03-17-2012

Scale: 1" = 2000'

Date: 03-19-2012



**APACHE
 CORPORATION**