

ABOVE THIS LINE FOR DIVISION USE ONLY

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



APACHE

663

Washington 33 State #56

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-40110

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 _____

K-33-175-28E

[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

4/18/12
 Date

drcatanach@netscape.com
 E-Mail Address

April 18, 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. 56
API No. (30-015-40110)
1550' FSL & 2130' FWL (Unit K)
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. 56. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed Washington 33 State No. 56 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SW/4 of Section 33. This unit is currently dedicated to Apache's proposed Washington 33 State Well No. 33 (API No. 30-015-39883) located at a standard well location 2310 feet from the South line and 1650 feet from the West 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 pipeline.

The affected offset acreage is the SE/4 SW/4 of Section 33. There is currently no production from the Artesia Glorieta-Yeso Pool within this tract, however, Apache has obtained permits to drill and will develop this tract in the near future. Please note that the Glorieta-Yeso working interest ownership between the NE/4 SW/4 and the SE/4 SW/4 of Section 33 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, other existing or proposed wells in the spacing unit and the affected offset acreage. Also attached is a vicinity map.

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 SW/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

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

API Number 30-015-40110		Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 309175	Property Name Washington 33 State		Well Number 56
OGRID No. 873	Operator Name Apache Corporation		Elevation 3674'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	33	17 South	28 East		1550'	South	2130'	West	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 40		Joint or Infill		Consolidate 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

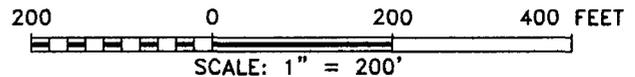
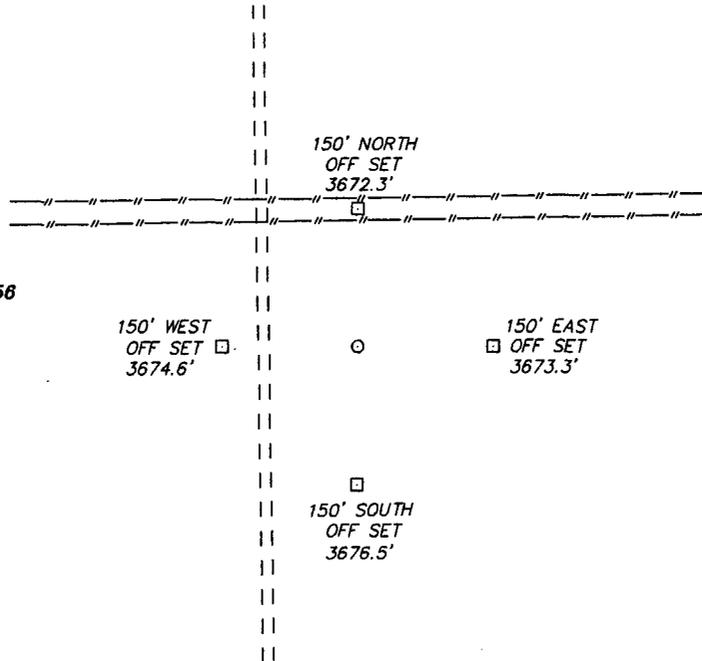
				<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole location 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 heretofore entered by the Division.</i></p>	
				<p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</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>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>	

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

APACHE CORPORATION
 WASHINGTON 33 STATE #56
 ELEV. - 3674'

Lat - N 32°47'17.42"
 Long - W 104°10'56.63"
 NMSPCE- N 650502.423
 E 587721.243
 (NAD-83)

Lat - N 32°47'17.01"
 Long - W 104°10'54.79"
 NMSPCE- N 650439.460
 E 546542.095
 (NAD-27)



Directions to Location:

FROM THE JUNCTION OF ARCO AND DEPCO, GO
 NORTH ON LEASE ROAD 0.1 MILES TO PROPOSED
 LOCATION.

APACHE CORPORATION

REF: WASHINGTON 33 STATE #56 / WELL PAD TOPO

THE WASHINGTON 33 STATE #56 LOCATED 1550'
 FROM THE SOUTH LINE AND 2130' FROM THE WEST 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: 26386 Drawn By: J. SMALL

Date: 03-19-2012 Disk: JMS 26386

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