



4-23-12

SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
		DB	NSL	1211529526

PT6W

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

Alpachl
 Washington 33 State 41
 30-015-40018

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

Apache Corporation's
 Washington 33 State 41
 30-015-40018 ✓

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

A-33-175-286

- [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.

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

Signature

Title
 CONSULTANT

Date
 4-23-12

e-mail Address
 brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION
WASHINGTON 33 STATE 41
1020' FNL & 505' FEL
SECTION 33, T. 17 S., R. 28 E., EDDY COUNTY, NM
API 30-015-40018**

I. The proposed well is on New Mexico State Land Office (NMSLO) oil and gas lease X0-0647-0408 and private surface (Bogle Ltd. Company). The well will be 505' from the closest lease line. The proposed oil well is nonstandard for the Artesia; Glorieta-Yeso (O) Pool (96830) due to land use (buried gas pipeline serving RKI's well). A copy of the APD cover sheet is attached (Exhibit A).

Apache requests a nonstandard location due to land uses. A buried gas pipeline crosses the closest standard location (Exhibit B). There are also 2 producing Queen-Grayburg-San Andres wells, 1 producing Abo well, 1 producing Wolfcamp well, 1 proposed Yeso well, roads, power lines, and other pipelines in the NENE Section 33.

The 480 acre state lease comprises the E2 and E2W2 of Section 33. The well was planned to be staked at 990 FNL & 330 FEL. However, the same buried gas pipeline plus an overhead 69 kV power line (see last page of Exhibit B) prevented that location's use.

A standard location must be at least 330' from the quarter-quarter line. The well bore is 300' from the closest quarter-quarter line (south side of the quarter-quarter). It is 30' too far south (see C-102 as EXHIBIT C).

II. A C-102 form showing the well and 40 acre pro ration unit (NENE Section 33) is attached as EXHIBIT C.

The oil and gas lease boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well bore encroaches 30' too far south. The encroachment is part of the same state lease. One existing Yeso well and 2 approved but not yet drilled Yeso wells are in the encroached quarter-quarter (SENE Section 33). All three are Apache wells, closest (735') of which is the not yet drilled Washington 33 State 51 (30-015-40113). It is staked at 1650 FNL & 885 FEL 33-17s-28e.

The encroached quarter-quarter is part of the same state lease. Apache has 100% of the Yeso working interest in the encroached quarter-quarter.

Three bordering or cornering quarter-quarters are part of the same state lease. The remaining five quarter-quarters are on five different state leases.

III. See Exhibit E for existing and approved but not yet drilled Yeso wells (circles). Apache operates all Yeso wells in 4 of the 8 offset quarter-quarters (NE4 Section 33 and NWNW Section 34). COG operates the Yeso wells in two quarter-quarters (SESE Section 28 and SWNW Section 34). There are no existing or proposed Yeso wells in two quarter-quarters (SWSW Section 27 and SWSE Section 28).

Closest (735') existing or approved Yeso well is Apache's proposed Washington 33 State 51 (30-015-40113) at 1650 FNL & 885 FEL 33-17s-28e. This information is current and correct.

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

V. See Exhibit B for the surface use (buried gas pipeline) that prevents use of a standard location. There are also 2 producing Queen-Grayburg-San Andres wells, 1 producing Abo well, 1 producing Wolfcamp well, 1 proposed Yeso well, roads, power lines, and other pipelines in the NENE Section 33.

VI. Archaeology is not an issue.

VII. The well was planned to be staked at 990 FNL & 330 FEL. However, that would force the reroute of a 69 kV overhead power line and a buried gas pipeline (see Exhibit B).

VIII. Apache does not believe directional drilling to a standard bottom hole location is cost effective for this well.

IX. I hereby certify that Apache Corporation has 100% of the Yeso working

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., Artesia, 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-101
 August 1, 2011
 Permit 145200

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 30-015-40018
4. Property Code 309175	5. Property Name WASHINGTON 33 STATE	6. Well No. 041

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	33	17S	28E	A	1020	N	505	E	EDDY

8. Pool Information

ARTESIA; GLORIETA-YESO (O)	96830
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3680
14. Multiple N	15. Proposed Depth 5100	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	500	350	
Prod	7.875	5.5	17	5100	750	

Casing/Cement Program: Additional Comments

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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	
	Title: District Supervisor	
	Approved Date: 3/8/2012	Expiration Date: 3/8/2014
	Conditions of Approval Attached	

Printed Name: Electronically filed by Bobby Smith
Title:
Email Address: bobby.smith@apachecorp.com
Date: 3/5/2012
Phone: 432-818-1020

EXHIBIT A

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

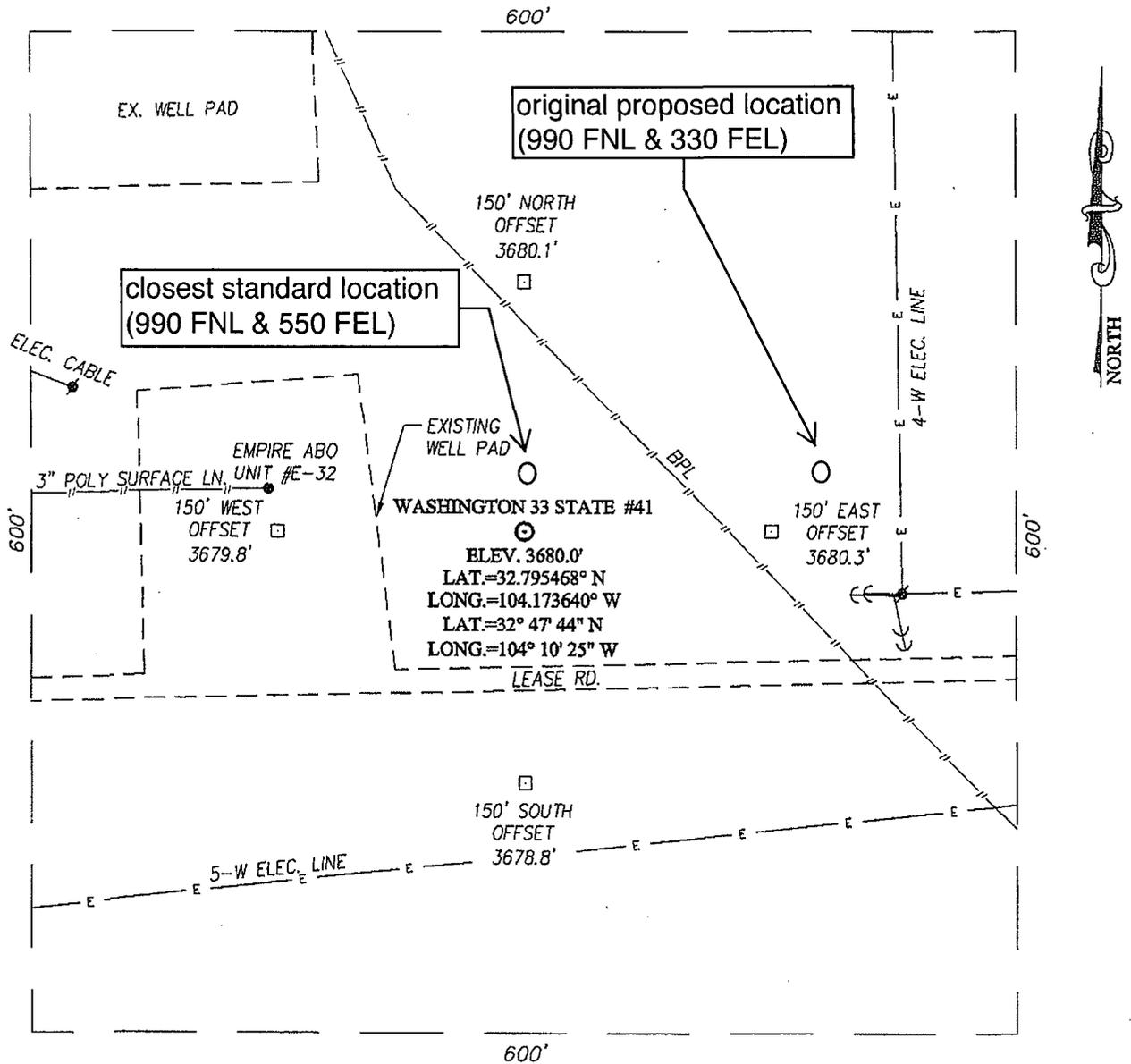
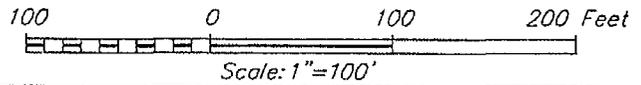


EXHIBIT B



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #207 (HOLT) GO SOUTH ON CO. RD. #207 APPROX. 0.1 MILES. TURN LEFT AND GO EAST APPROX. 0.1 MILES. THE LOCATION STAKE IS APPROX. 70 FEET NORTH OF THE LEASE ROAD.



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APACHE CORPORATION

WASHINGTON 33 STATE #41 WELL
LOCATED 1020 FEET FROM THE NORTH LINE
AND 505 FEET FROM THE EAST LINE OF SECTION 33,
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 02/15/12	CAD Date: 02/22/12	Drawn By: AF
W.O. No.: 12110204	Rev.:	Rel. W.O.:

Sheet 1 of 1

Looking southeast along buried gas pipeline.

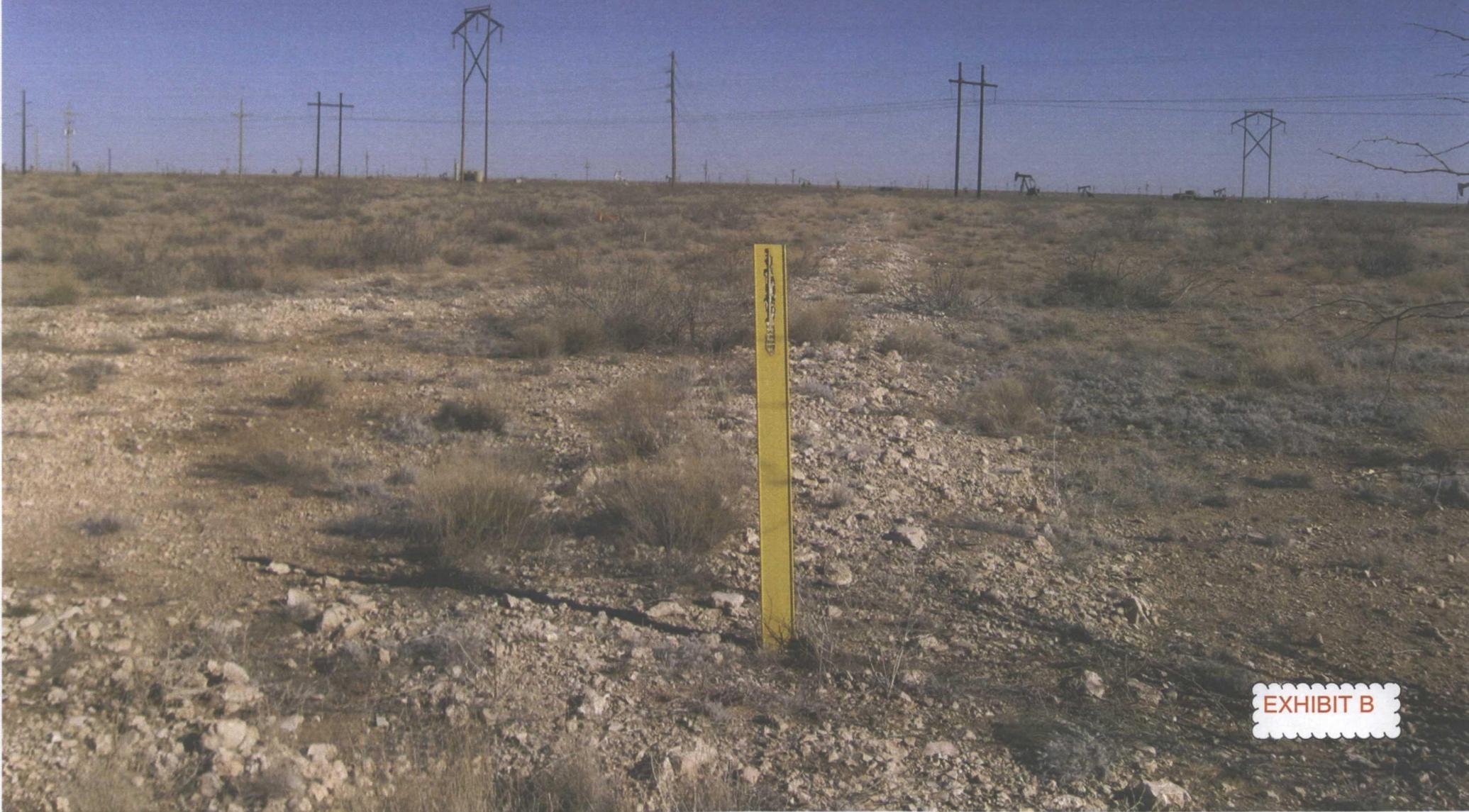


EXHIBIT B



original proposed location
(990 FNL & 330 FEL)

EXHIBIT B

District III
 1000 Rio Brazos Rd., Artec, 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

1220 S. St Francis Dr.
Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40018	2. Pool Code 96830	3. Pool Name ARTESIA; GLORIETA-YESO (O)
4. Property Code 309175	5. Property Name WASHINGTON 33 STATE	6. Well No. 041
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3680

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	33	17S	28E		1020	N	505	E	EDDY

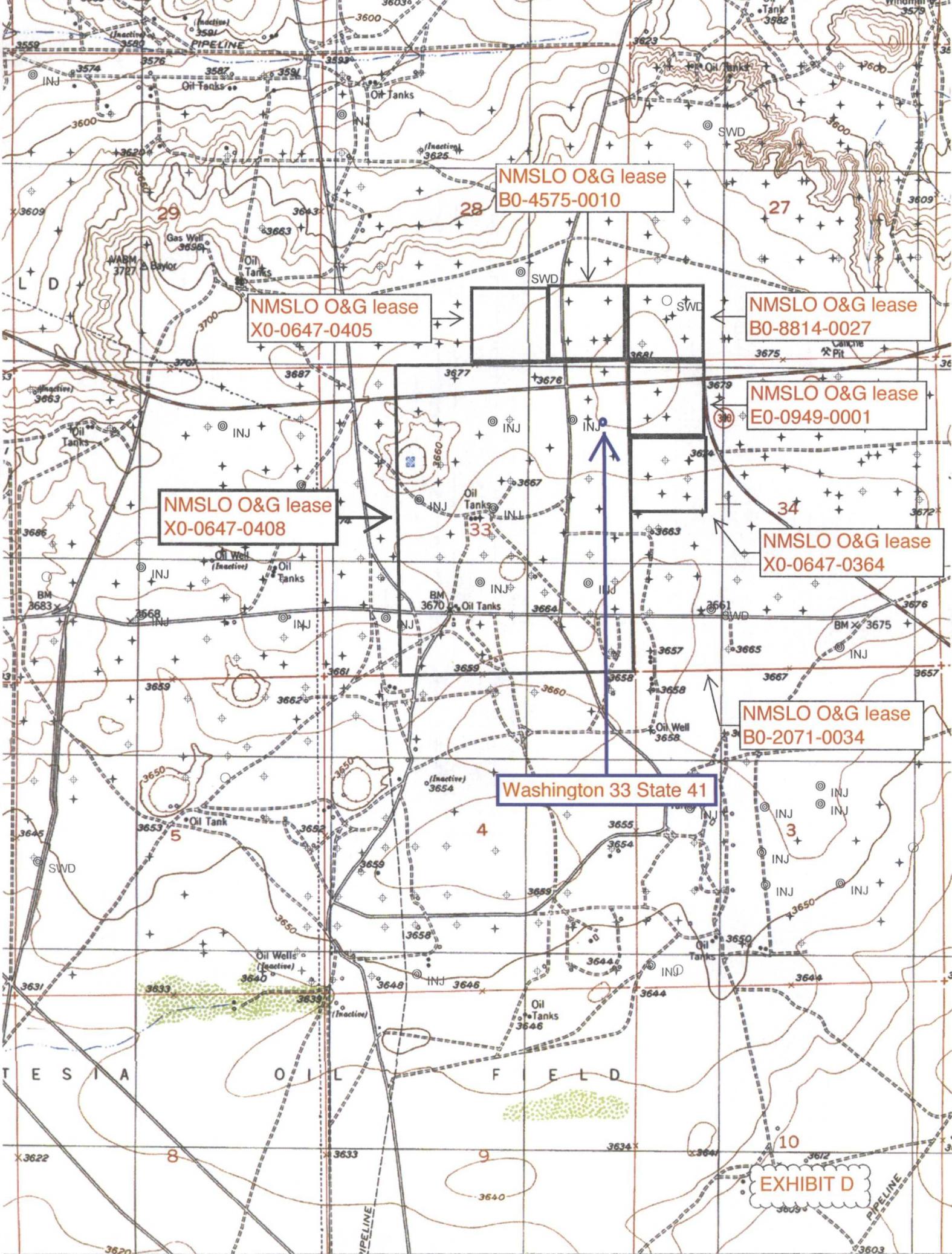
11. Bottom Hole Location If Different From Surface

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></td> <td style="background-color: #cccccc; text-align: center;">■</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: 3/5/2012</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: 2/15/2012 Certificate Number: 3239</p>																

EXHIBIT C



NMSLO O&G lease
B0-4575-0010

NMSLO O&G lease
X0-0647-0405

NMSLO O&G lease
B0-8814-0027

NMSLO O&G lease
E0-0949-0001

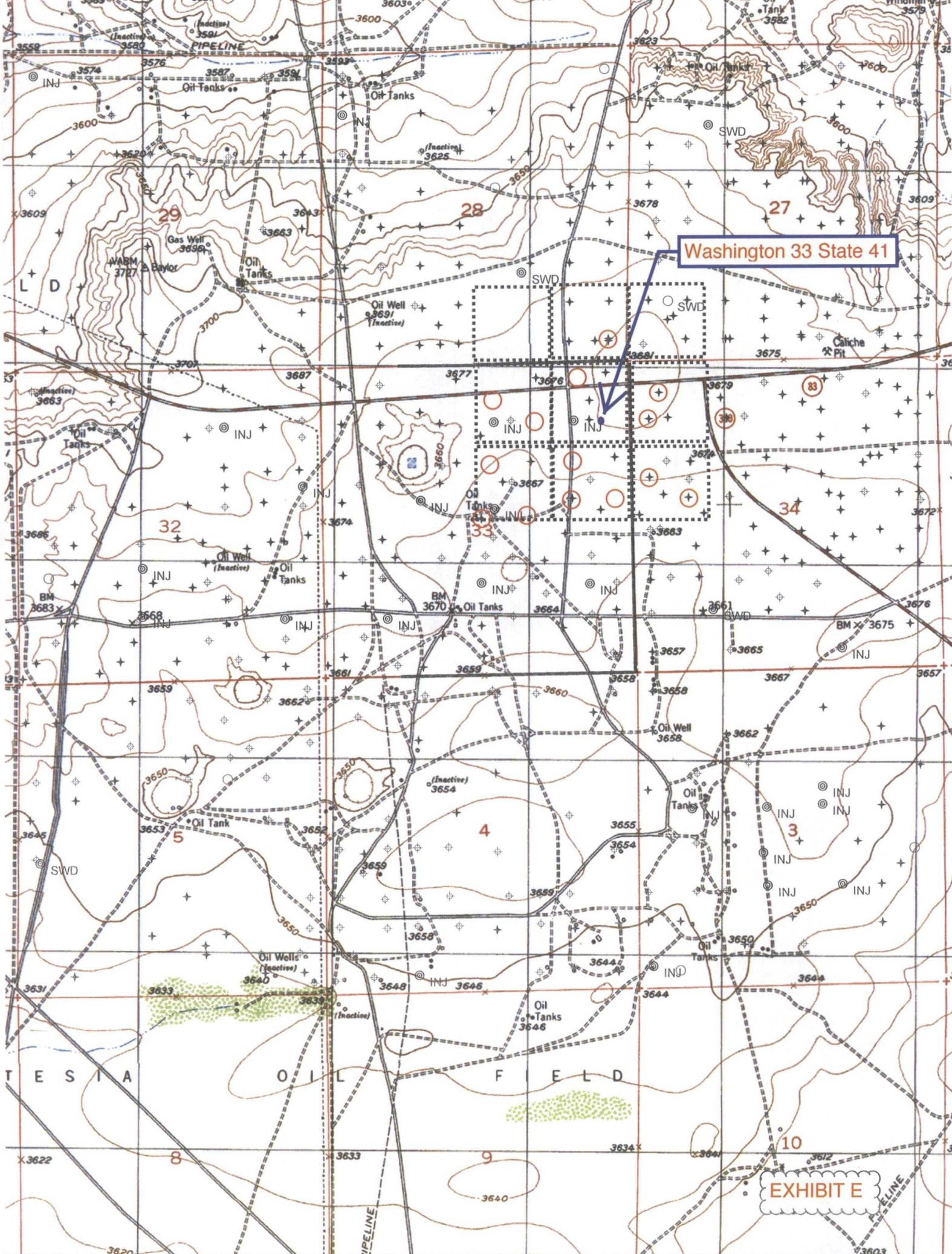
NMSLO O&G lease
X0-0647-0408

NMSLO O&G lease
X0-0647-0364

NMSLO O&G lease
B0-2071-0034

Washington 33 State 41

EXHIBIT D



Washington 33 State 41

EXHIBIT E

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

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

April 21, 2012

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

Dear Scott,

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.

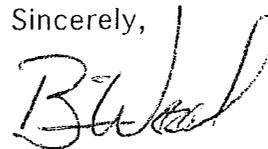
Apache Corporation is applying to drill its Washington 33 State 41 oil well. The minimum state distance for such a well is 330' from a quarter-quarter line. The well is 30' further south than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Washington 33 State 41 Where: 1020 FNL & 505 FEL 33-17s-28e
Proposed NSL Zone: Artesia; Glorieta-Yeso (O) TD: 5,100'
NSL Acreage Dedication: 40 acres (NENE Section 33, T. 17 S., R.28 E., Eddy County, NM on State lease X0-0647-0408 (well is 505' from the closest lease boundary)
Approximate Location: ≈12 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

7602 109T 2000 005E T101

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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 5.75

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PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT F