

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Alpueche

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

Washington 33 State 57
 30-015-40159

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

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- [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.

Brian Wood

Signature

Consultant

Title

11-2-12

Date

brian@permitswest.com

e-mail Address

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION
WASHINGTON 33 STATE 57
1565' FSL & 1750' FEL
SECTION 33, T. 17 S., R. 28 E., EDDY COUNTY, NM
API 30-015-40159**

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 bore will be 1,565' from the closest (south) lease line. The proposed oil well is nonstandard for the ~~Artesia; Glorieta-Yeso (O) Pool (96830)~~ due to land uses (buried pipelines). A copy of the APD cover sheet is attached (Exhibit A).

Apache requests a nonstandard location due to land uses. There are multiple power lines, multiple buried and surface pipelines, a playa, two Artesia; Queen-Grayburg-San Andres wells, two Yeso wells, and five P & A wells in the NWSE Section 33.

The 480-acre state lease comprises the E2 and E2W2 of Section 33. The well was planned to be staked at 1650 FSL & 1750 FEL. However, that would overlap buried pipelines (see Exhibit B).

A standard location must be at least 330' from the quarter-quarter line. The well bore is 245' from the closest quarter-quarter line (south side of the quarter-quarter). It is 95' too far south (see C-102 as EXHIBIT C).

II. Form C-102 showing the well and 40 acre pro ration unit (NWSE 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 95' too far south. There are 2 existing and 2 approved but not yet drilled Yeso wells in the encroached quarter-quarter (SWSE Section 33). There are 3 existing and 3 approved but not yet drilled Yeso wells in the two other closest quarter-quarters (E2SE4 Section 33). All of these wells are Apache wells.

All eight bordering or cornering quarter-quarters are on the same state lease (Exhibit D).

III. See Exhibit E for existing and approved but not yet drilled Yeso wells (circles). Apache operates all existing or proposed Yeso wells (circles on Exhibit E) in the 8 offset quarter-quarters. Closest (495') existing or approved Yeso well is Apache's approved but not yet drilled Washington 33 State 46 (30-015-40023) at 1080 FSL & 1650 FEL 33-17s-28e. Next closest (611') existing or approved Yeso well is Apache's approved but not yet drilled Washington 33 State 38 (30-015-40014) at 1525 FSL & 2360 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 surface uses (buried pipelines) that prevent use of a standard location. There are multiple power lines, multiple buried and surface pipelines, a playa, two Artesia; Queen-Grayburg-San Andres wells, two Yeso wells, and five P & A wells in the NWSE Section 33.

VI. Archaeology is not an issue.

VII. It was planned to stake the well at 1650 FSL & 1750 FEL. However, that would overlap multiple buried pipelines (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 there is common ownership and partner approval of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit (NWSE Section 33), the adjacent quarter-quarter (SWSE Section 33) of the side toward which it encroaches, and the single closest corner to the proposed well (E2SE4 Section 33) toward which it encroaches and that the information is current and correct. Therefore, notice to any affected party is not required.

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-101
 August 1, 2011
 Permit 146789

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 30-015-40159
4. Property Code 309175	5. Property Name WASHINGTON 33 STATE	6. Well No. 057

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	33	17S	28E	J	1565	S	1750	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 3668
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
Hydril	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: District Supervisor	
Title:	Approved Date: 4/12/2012	Expiration Date: 4/12/2014
Email Address: bobby.smith@apachecorp.com		
Date: 4/6/2012	Phone: 432-818-1020	Conditions of Approval Attached



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

APACHE CORPORATION
 WASHINGTON 33 STATE #57
 ELEV. - 3668'

Lat - N 32°47'17.81"
 Long - W 104°10'41.14"
 NMSPCE- N 650543.751
 E 589043.069
 (NAD-83)

Lat - N 32°47'17.40"
 Long - W 104°10'39.30"
 NMSPCE- N 650480.779
 E 547863.925
 (NAD-27)

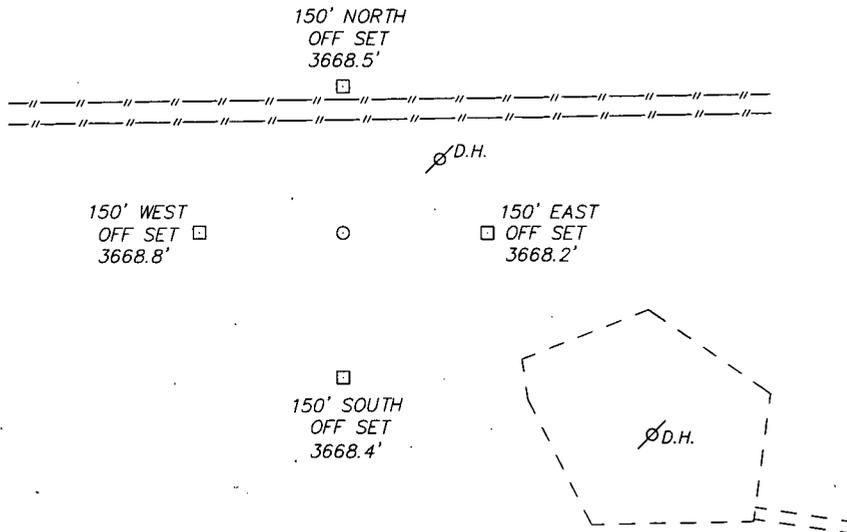
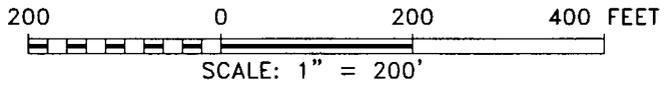


EXHIBIT B



Directions to Location:

FROM THE JUNCTION OF ARTESIA HWY AND HOLT, GO SOUTH ON HOLT FOR 0.5 MILES TO OLD LOCATION AND PROPOSED LOCATION.

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

W.O. Number: 26387 Drawn By: J. SMALL

Date: 04-02-2012 Disk: JMS 26387

APACHE CORPORATION	
REF: WASHINGTON 33 STATE #57 / WELL PAD TOPO	
THE WASHINGTON 33 STATE #57 LOCATED 1565' FROM THE SOUTH LINE AND 1750' FROM THE EAST LINE OF SECTION 33, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 03-28-2012	Sheet 1 of 1 Sheets

Looking east from 1650 FSL & 1750 FEL



EXHIBIT B

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

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Phone (575) 746-1263 Fax: (575) 746-9720

DISTRICT III
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Phone (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-40159	Pool Code 96930	Pool Name Artesia - Morieta - Yes
Property Code	Property Name WASHINGTON 33 STATE	Well Number 57
OGRID No.	Operator Name APACHE CORPORATION	Elevation 3668'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	33	17 S	28 E		1565	SOUTH	1750	EAST	EDDY

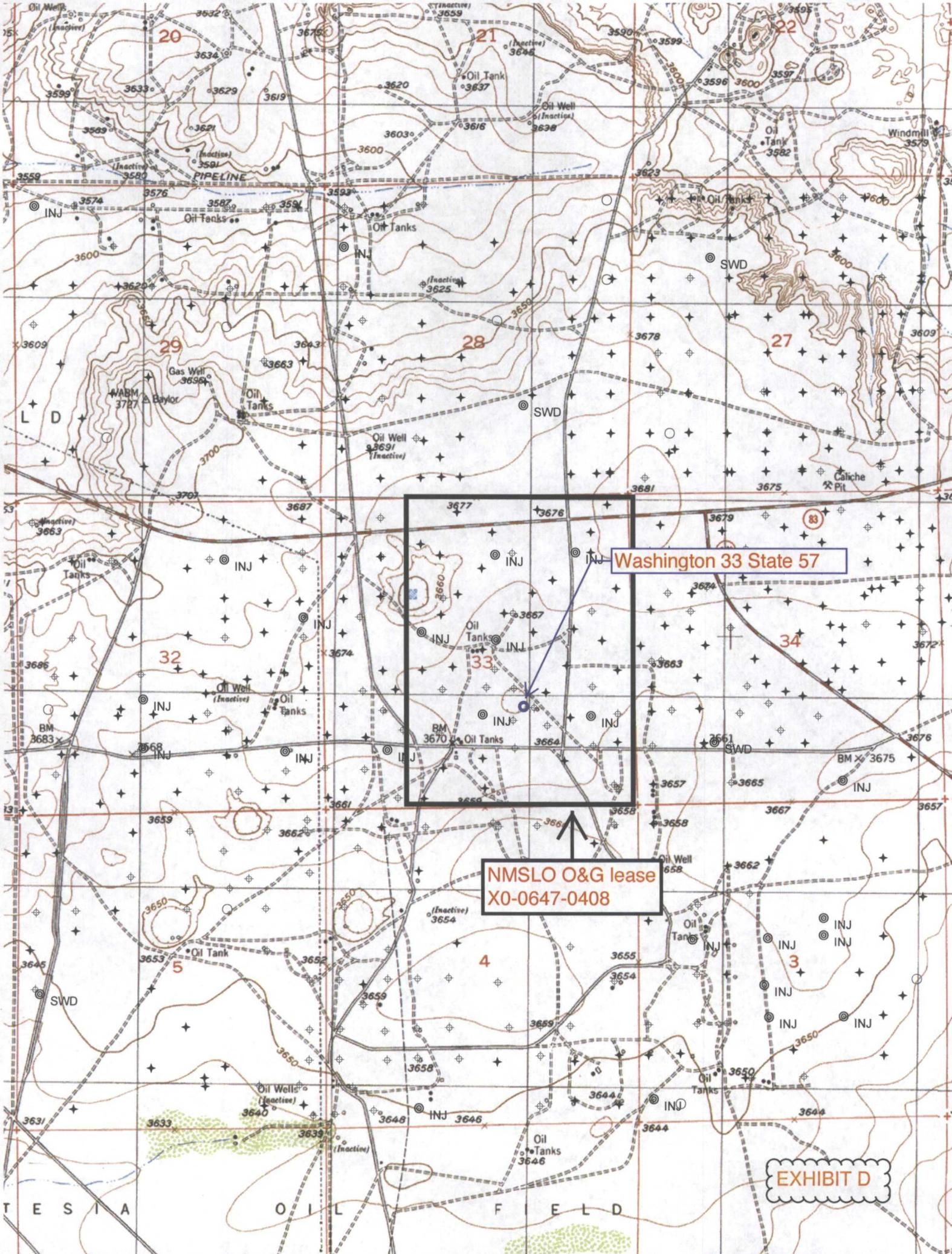
Bottom Hole Location If Different From Surface

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>SURFACE LOCATION Lat - N 32°47'17.81" Long - W 104°10'41.14" NMSPC- N 650543.751 E 589043.069 (NAD-83)</p> <p>Lat - N 32°47'17.40" Long - W 104°10'39.30" NMSPC- N 650480.779 E 547863.925 (NAD-27)</p> <p><i>Handwritten:</i> $430 \times 430 = 184,900$ $245 \times 245 = 60,025$ $\sqrt{184,900 + 60,025} = 449.25 = 449'$</p>	<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>Email Address _____</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was located from field notes of actual survey or under my supervision and the same is true and correct to the best of my belief.</p> <p>EXHIBIT C</p> <p>MARCH 2012</p> <p>Date Surveyed _____</p> <p>Signature _____ Seal _____</p> <p>Professional Surveyor 7977</p> <p>NO. _____</p> <p>Certificate No. Gury L. Jones 7977</p> <p>BASIN SURVEYS 26387</p>

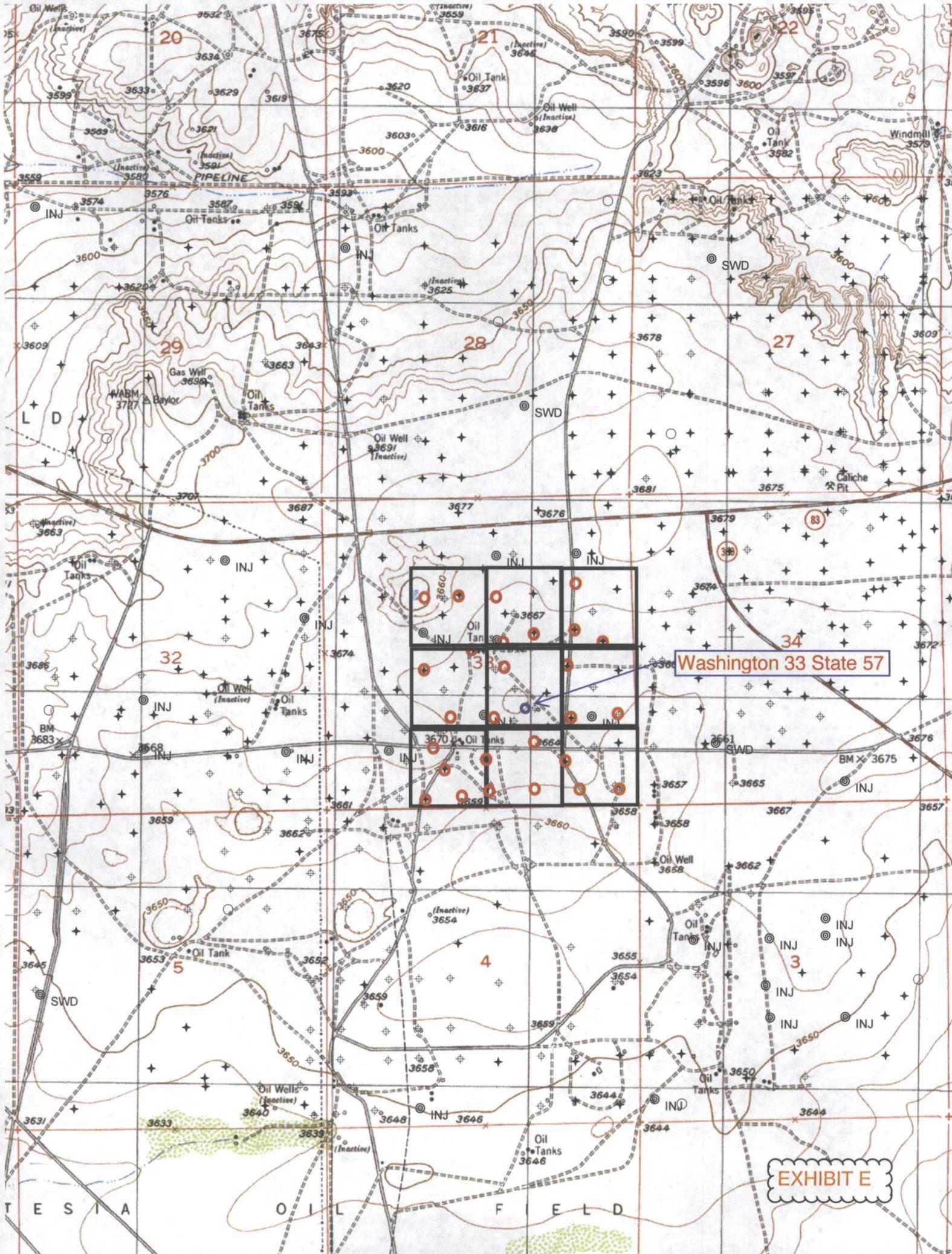


Washington 33 State 57

NMSLO O&G lease
X0-0647-0408

EXHIBIT D

TESIA OIL FIELD



Washington 33 State 57

EXHIBIT E