

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Apache

6718

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
 X NSL NSP SD

Tony Federal 42
 30-015-40387

- 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.

Brian Wood		Consultant	11-26-12
Print or Type Name	Signature	Title	Date
		brian@permitswest.com	
		e-mail Address	

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION'S
TONY FEDERAL 42
2425' FSL & 2160' FWL
SECTION 18, T. 17 S., R. 31 E., EDDY COUNTY, NM
API 30-015-40387**

I. The proposed oil well (see APD as Exhibit A) is on BLM surface and BLM oil and gas lease NMLC-029395A (609.43 acres). The well is 215' from the closest lease line (Exhibit B). The proposed oil well is nonstandard for the Cedar Lake; Glorieta-Yeso (Pool 96831) due to land uses.

Apache requests a nonstandard location due to land uses. There are 2 other Apache Yeso oil wells, one Linn Grayburg-Jackson oil well, one Linn water injection well, 3 Central Valley Electric power lines, one COG 3" pipeline, one DCP 4" pipeline, and one Frontier 8" pipeline in the same quarter-quarter (Exhibit C). Exhibit C is a BLM Master Title Plat and shows only pipelines and power lines authorized by rights-of-way. It does not show pipelines, roads, or power lines authorized by an APD or Sundry Notice.

A standard location must be at least 330' from the quarter-quarter line. The well bore is 215' from the north quarter-quarter line (see C-102 as EXHIBIT D). It is 115' too far north.

II. Form C-102 showing the well and 40 acre pro ration unit (NESW Section 18) is attached as Exhibit D.

Exhibit E shows the lease boundaries (solid lines) and existing Yeso acreage dedications (dashed lines). The well encroaches 115' too far north toward the SENW Section 18.

Apache operates all Yeso wells in the S2NE4, SWNE, SW4, and W2SE4 Section 18. There is common ownership in the Yeso in these affected offset quarter-quarters.

Closest Yeso well is Apache's Coffee Federal 2 (30-015-31058), which is 459' northwest at 2410 FNL & 2046 FWL 17-17s-31e. The Coffee Federal 2 is also nonstandard, one of thirteen nonstandard wells within Section 18.

III. The BLM oil and gas lease boundary is marked as a solid line on the attached (Exhibit E) topographic map. The well encroaches to the north toward a different BLM oil and gas lease. Eight existing Yeso pro ration units (see Exhibit E) touch the proposed pro ration unit. All eight are Apache operated. There is common ownership of the Yeso working interest in the quarter-quarter in which the well is located, the quarter-quarter (SENE Section 18) toward which the well encroaches, and the closest cornering quarter-quarters (SWNE & NWSE Section 18). This information is current and correct.

IV. Exhibit F shows the proposed well, proration unit, and all wells. Yeso wells are circled. Apache does not believe directional drilling to a standard location from an existing pad is cost effective for this well.

V. Two other Apache Yeso oil wells, one Linn Grayburg-Jackson oil well, one Linn water injection well, 3 Central Valley Electric power lines, one COG 3" pipeline, one DCP 4" pipeline, and one Frontier 8" pipeline in the same quarter-quarter prevent a standard location.

VI. Archaeology is not an issue.

VII. The well was planned to be staked 2310 FSL & 2160 FWL. However, other existing wells, roads, pipelines, and power lines prevent a standard location.

VIII. Apache does not believe directional drilling to a standard 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 (NESE Section 18), the adjacent quarter-quarter (SENE Section 18) of the side toward which it encroaches, and the single closest corner to the proposed well (SWNE & NWSE Section 18) toward which it encroaches and that the information is current and correct. Therefore, notice to any affected party is not required.

Brian Wood

Brian Wood, Consultant

11-26-12

Date

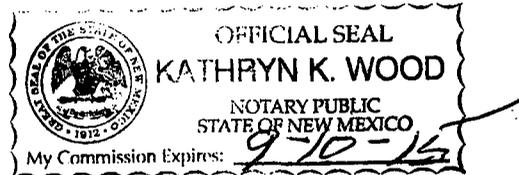
STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 26th day of November, 2012 by Brian Wood. Witness my hand and official seal.

Kathryn K. Wood
Notary Public

My Commission Expires: 9-10-15

Business Address:



cc: Flores, OCD (Artesia & Santa Fe)

OCD-ARTESIA

Form 3160-3
(April 2004)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC-#029395A	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator APACHE CORPORATION		7. If Unit or CA Agreement, Name and No.	
3a. Address 303 VETERANS AIRPARK LN #3000 MIDLAND, TX 79705		8. Lease Name and Well No. TONY FEDERAL #42 <308738>	
3b. Phone No. (include area code) 432-818-1167		9. API Well No. 30-015- 40387	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 2425' FSL & 2160' FWL At proposed prod. zone SAME		10. Field and Pool, or Exploratory CEDAR LAKE; GLORIETA-YESO	
14. Distance in miles and direction from nearest town or post office* APPROX 4.2 MILES NORTHEAST OF LOCO HILLS, NM		11. Sec., T. R. M. or Blk. and Survey or Area UL: K SEC: 18 T17S R31E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 2160'	16. No. of acres in lease 609.43	17. Spacing Unit dedicated to this well 40 ACRES	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. -225'	19. Proposed Depth 6500'	20. BLM/BIA Bond No. on file BLM - CO - 1463 NATIONWIDE	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3743'	22. Approximate date work will start* As soon as approved	23. Estimated duration ~ 15 DAYS	
24. Attachments			

7ES
6/8/2012

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Sorina L Flores</i>	Name (Printed/Typed) SORINA L. FLORES	Date 1/26/12
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Title SUPV OF DRILLING SERVICES

Approved by (Signature) <i>/s/ Don Peterson</i>	Name (Printed/Typed)	Date MAY 31 2012
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Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Roswell Controlled Water Basin

RECEIVED
JUN 04 2012

Approval Subject to General Requirements & Special Stipulations Attached

NMOC ARTESIA
SEE ATTACHED FOR
CONDITIONS OF APPROVAL

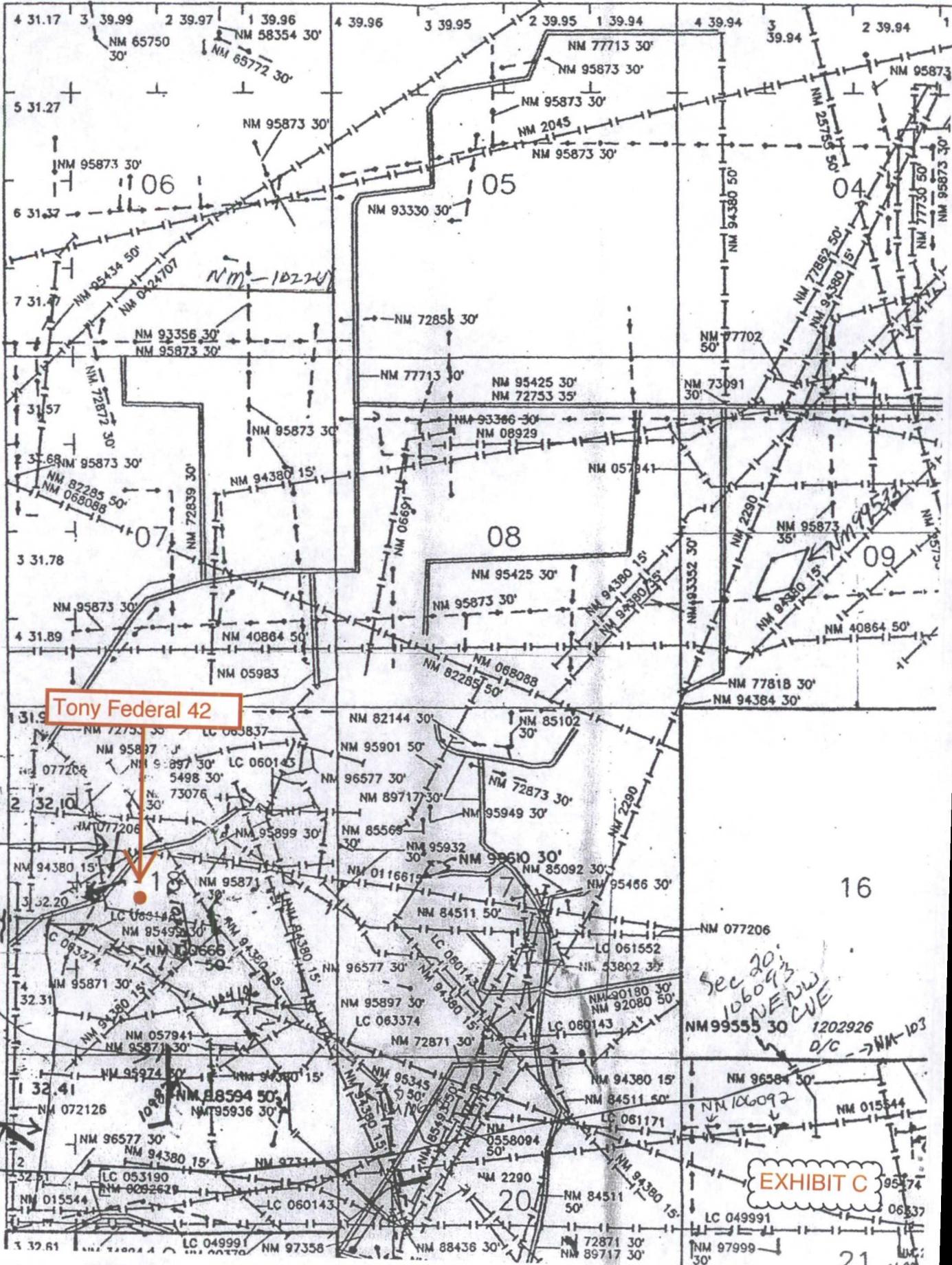
EXHIBIT A



Tony Federal 42

BLM O&G lease
NMLC-029395A

EXHIBIT B



Tony Federal 42

CVE
104672

CVE
103914

102760
CVE

103340
105993
NAVAP

NM-103348

Sec 20
106093
NE NW
CVE

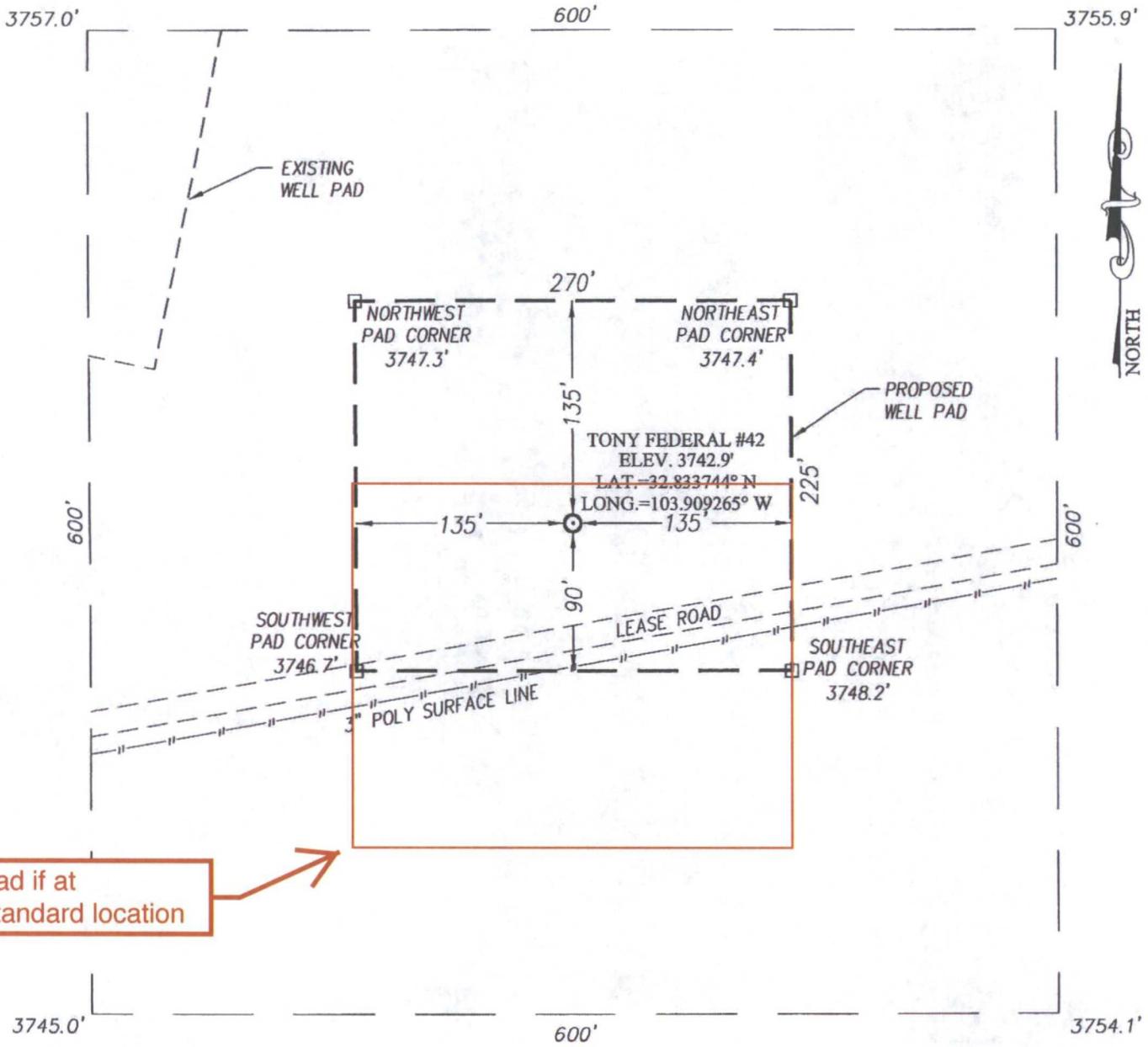
1202926
D/C -> NM-103

EXHIBIT C

16

21

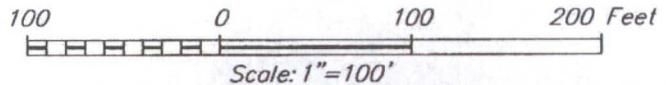
SECTION 18, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY NEW MEXICO



pad if at standard location

Note: more facilities are present than are shown by the surveyor.

EXHIBIT C



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HIGHWAY #82 AND C.R. #221 GO NORTH ON C.R. #221 FOR APPROX. 1.0 MILE; TURN RIGHT AND GO SOUTHEAST ON A MAIN LEASE ROAD APPROX. 0.2 MILES; TURN LEFT AND GO EAST APPROX. 0.3 MILE; THIS LOCATION STAKE IS APPROX. 70 FEET NORTH OF THE LEASE ROAD.

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

APACHE CORPORATION			
TONY FEDERAL #42 WELL LOCATED 2425 FEET FROM THE SOUTH LINE AND 2160 FEET FROM THE WEST LINE OF SECTION 18, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO			
Survey Date: 11/11/11	Sheet 1 of 1 Sheets		
W.O. Number: 11.11.2364	Dr. By: AF	Rev 1:	
Date: 11/28/11	Rel. W.O.:	11112364	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 30-015-40387	Pool Code 96831	Pool Name Cedar Lake; Glorieta-Yeso
Property Code 308738	Property Name TONY FEDERAL	Well Number 42
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3743'

Surface Location

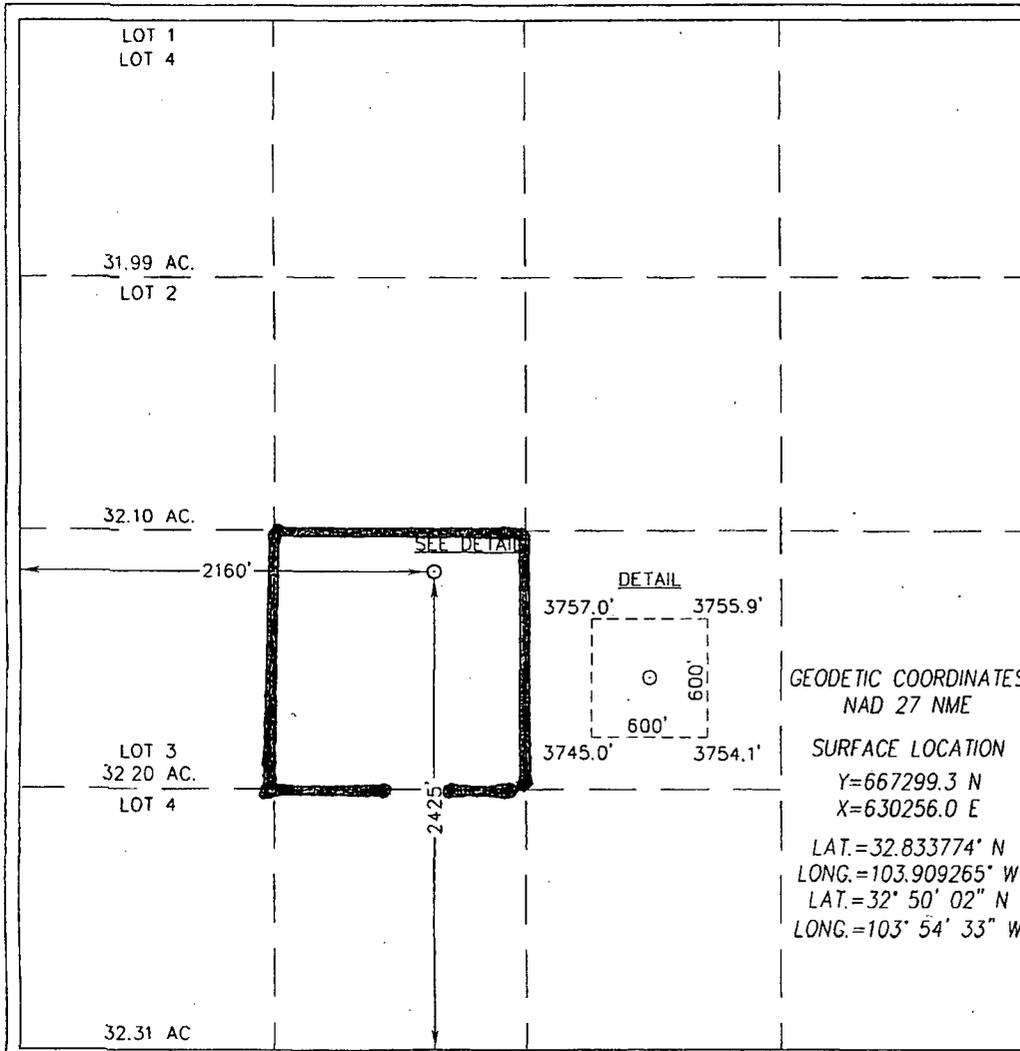
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	17-S	31-E		2425	SOUTH	2160	WEST	EDDY

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	Consolidation Code	Order No.
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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



GEODETIC COORDINATES
NAD 27 NME
SURFACE LOCATION
Y=667299.3 N
X=630256.0 E
LAT.=32.833774° N
LONG.=103.909265° W
LAT.=32° 50' 02" N
LONG.=103° 54' 33" W

OPERATOR CERTIFICATION

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

Sorina L Flores 1/26/12
Signature Date

Sorina L. Flores
Printed Name

sorina.flores@apachecorp.com
E-mail Address

SURVEYOR CERTIFICATION

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.

NOVEMBER 11, 2011

Date of Survey
Signature of Professional Surveyor:

RONALD J. EIDSON
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
3239
EXHIBIT D
11/30/2011
Certificate Number: Gar E. Eidson 12641
Professional No. J. Eidson 3239
AF JWSC W O 11.11.2364

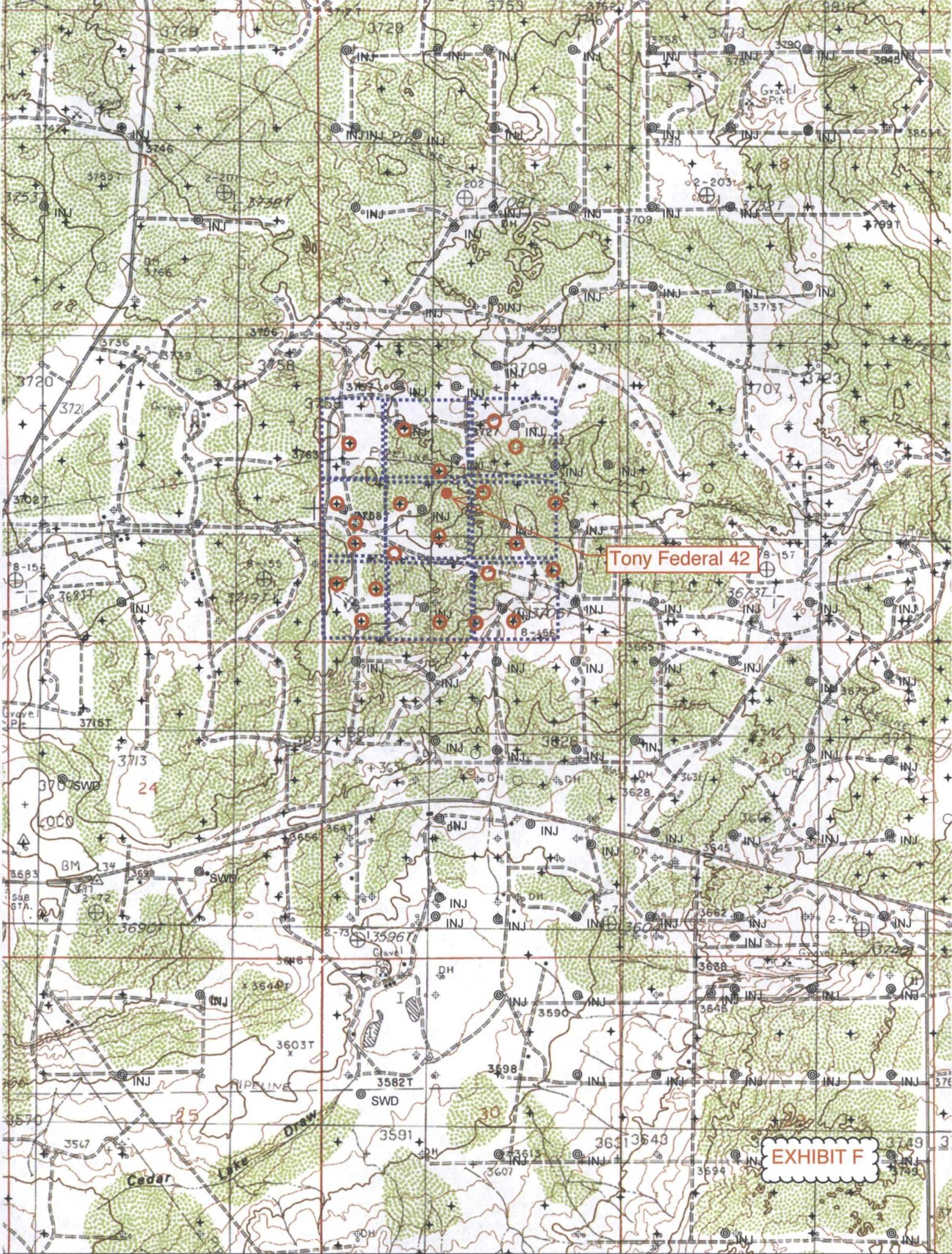


Tony Federal 42

BLM O&G lease
NMLC-029548A

BLM O&G lease
NMLC-029395A

EXHIBIT E



Tony Federal 42

EXHIBIT F