

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

John Bemis  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

Jami Bailey  
Division Director  
Oil Conservation Division



December 7, 2012

Apache Corporation  
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6616-A**  
**Administrative Application Reference No. pDKB1234251240**

This Order supersedes Administrative Order NSL6616, issued on May 15, 2012.

**Apache Corporation**  
OGRID 873  
**Lee Federal Well No. 58**  
**API No. 30-015-40175**

**Proposed Location:**

|                   | <u>Footages</u>     | <u>Unit</u> | <u>Sec.</u> | <u>Twsp.</u> | <u>Range</u> | <u>County</u> |
|-------------------|---------------------|-------------|-------------|--------------|--------------|---------------|
| Surface           | 1285 FNL & 2470 FEL | B           | 20          | 17S          | 31E          | Eddy          |
| Penetration Point | 1080 FNL & 2360 FEL | B           | 20          | 17S          | 31E          | Eddy          |
| Terminus          | 990 FNL & 2310 FEL  | B           | 20          | 17S          | 31E          | Eddy          |

**Proposed Project Area:**

| <u>Description</u>      | <u>Acres</u> | <u>Pool</u>               | <u>Pool Code</u> |
|-------------------------|--------------|---------------------------|------------------|
| NW/4 NE/4 of Section 20 | 40           | Cedar Lake; Glorieta-Yeso | 96831            |

Reference is made to your application received on December 6, 2012.

You have requested to drill this directional well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because portions of the proposed completed interval are less than 330 feet from an outer boundary of the project area.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

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It is our understanding that you are seeking this location for engineering reasons.

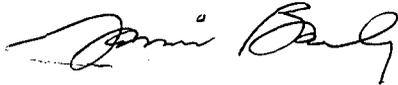
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey  
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia  
United States Bureau of Land Management