

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*Apache*  
*Tony Fed # 43*

**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

*6752*

**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 \_\_\_\_\_

- [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

1/29/13  
 Date

drctanach@netscape.com  
 E-Mail Address

January 29, 2013

**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  
Tony Federal No. 43  
API No. (30-015-40388)  
1140' FNL & 330' FWL (Unit D/Lot 1)  
Section 19, T-17 South, R-31 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 Tony Federal No. 43. This well will be drilled as a development oil well in the Cedar Lake Glorieta-Yeso Pool (96831).

The proposed Tony Federal No. 43 will be dedicated to an existing spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the NW/4 NW/4 of Section 19. This unit is currently dedicated to Apache's existing Tony Federal No. 22 (API No. 30-015-33484) located at a standard well location 990 feet from the North line and 737 feet from the West line.

The Cedar Lake 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 proposed unorthodox well location is necessary in order to avoid sand dunes within the drill tract.

The affected offset tracts are the SW/4 NW/4 of Section 19, Township 17 South, Range 31 East, and the SE/4 NE/4 of Section 24, Township 17 South, Range 30 East. The SW/4 NW/4 of Section 19 is currently being developed in the Cedar Lake Glorieta-Yeso Pool by Apache's Tony Federal Well No. 8. Please note that the working interest ownership between the NW/4 NW/4 and the SW/4 NW/4 of Section 19 is common. The SE/4 NE/4 of Section 24 is operated in the Cedar Lake Glorieta-Yeso Pool by Burnett Oil

Company, Inc. Notice of this application is being provided to Burnett Oil Company, Inc. in accordance with Division rules.

Attached is a Form C-102 showing the proposed well, spacing unit and other existing wells in the spacing unit. Also attached is a map showing the affected offset acreage and a vicinity map.

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Cedar Lake Glorieta-Yeso Pool underlying the NW/4 NW/4 of Section 19 that may otherwise not be recovered by the existing well, 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 <b>30-015-40388</b>		Pool Code <b>96831</b>	Pool Name <b>Cedar Lake Glorieta-Yeso Pool</b>
Property Code <b>308738</b>	Property Name <b>Tony Federal</b>		Well Number <b>43</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>		Elevation <b>3701'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>19</b>	<b>17 South</b>	<b>31 East</b>	<b>1</b>	<b>1140</b>	<b>North</b>	<b>330</b>	<b>West</b>	<b>Eddy</b>

**Bottom Hole Location If Different From Surface**

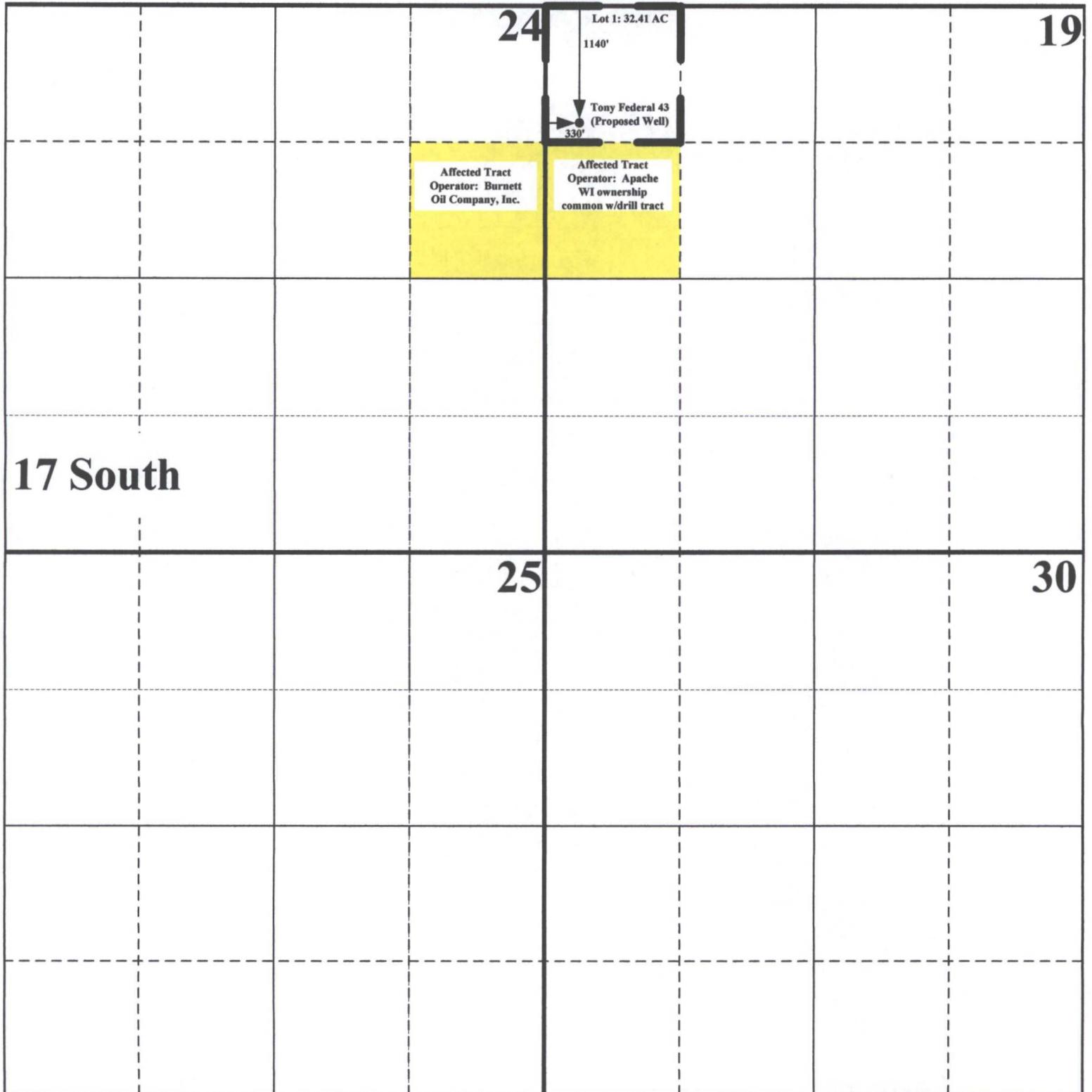
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>32.41</b>		Joint or Infill		Consolidate Code		Order No.			

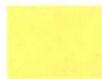
No Allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division

				<p align="center"><b>OPERATOR CERTIFICATION</b></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>
	Lot 2: 32.51 AC			<p align="center"><b>SURVEYOR CERTIFICATION</b></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>
	Lot 3: 32.61 AC			
	Lot 4: 32.71 AC			

**30 East**

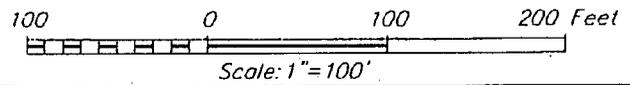
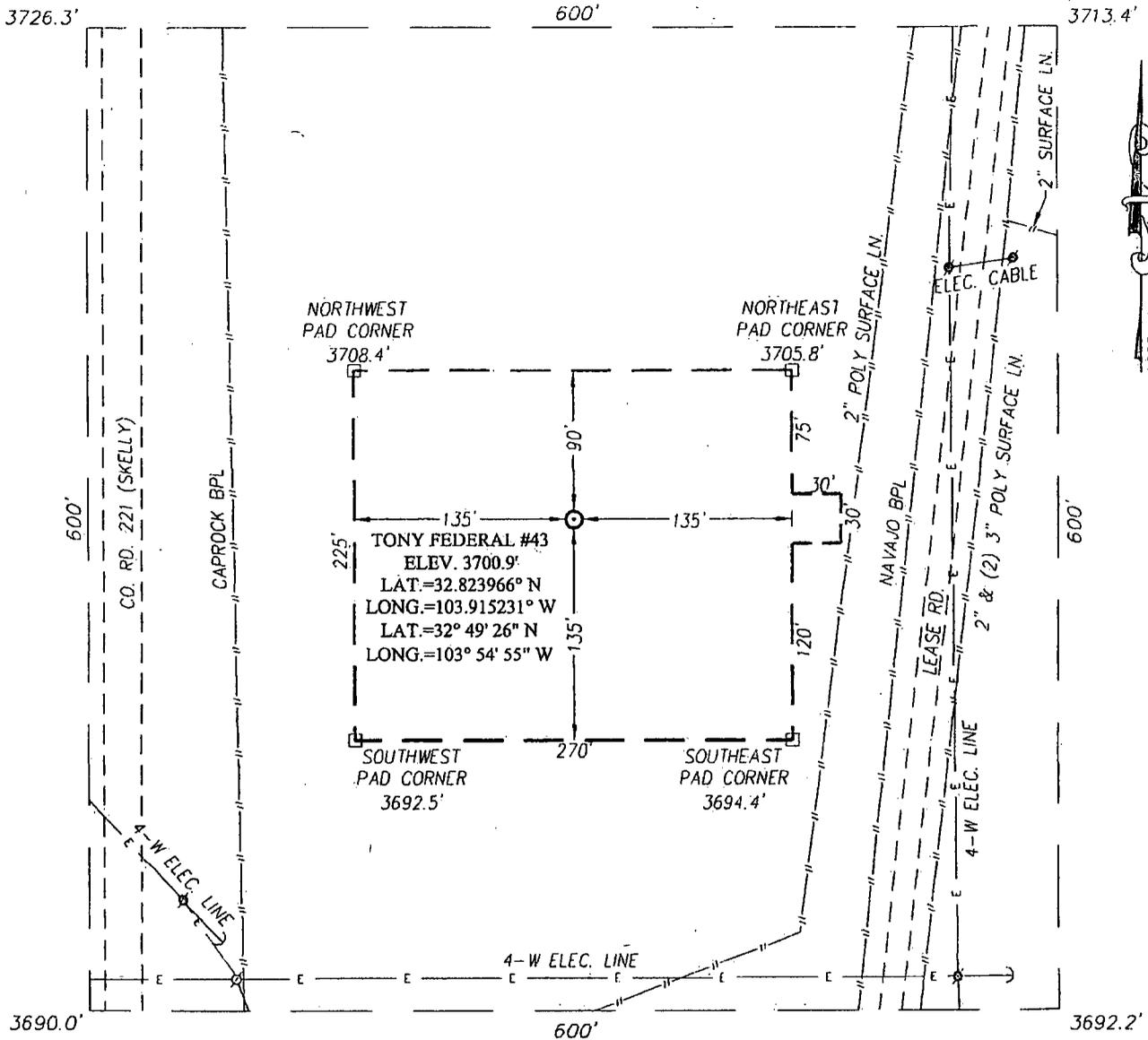
**31 East**



 **Affected Offset Acreage**

**Apache Corporation**  
**Application for Non-Standard Well Location**  
**Tony Federal No. 43 (API No. 30-015-40388)**

SECTION 19, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #221 (SKELLY) GO NORTH APPROX. 0.2 MILES. TURN RIGHT AND GO EAST APPROX. 0.1 MILES. TURN LEFT AND GO NORTH APPROX. 0.1 MILES. THE LOCATION STAKE IS 215 FEET WEST OF THE LEASE ROAD.

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

**APACHE CORPORATION**

TONY FEDERAL #43 WELL  
 LOCATED 1140 FEET FROM THE NORTH LINE  
 AND 330 FEET FROM THE WEST LINE OF SECTION 19,  
 TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 01/25/12	CAD Date: 02/11/12	Drawn By: AF
W.O. No.: 11112706	Rev.	Rel. W.O.:

Sheet 1 of 1

January 29, 2013

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: Burnett Oil Company, Inc.  
Burnett Plaza, Suite 1500  
801 Cherry Street, Unit 9  
Fort Worth, Texas 76102

Re: Apache Corporation  
Unorthodox Oil Well Location  
Tony Federal No. 43  
1140' FNL & 330' FWL (Unit D/Lot 1)  
Section 19, T-17 South, R-31 East, NMPM,  
Cedar Lake Glorieta-Yeso Pool  
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Apache Corporation ("Apache") for authorization to drill its Tony Federal No. 43 at an unorthodox oil well location in the Cedar Lake Glorieta-Yeso Pool 1140 feet from the North line and 330 feet from the West line (Unit D/Lot 1) of Section 19, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the NW/4 NW/4 of Section 19. This unit is currently dedicated to Apache's Tony Federal No. 22. The unorthodox location is necessary in order to avoid sand dunes within the NW/4 NW/4 of Section 19.

As the owner of an interest that may be affected by the proposed unorthodox oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

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

Enclosure

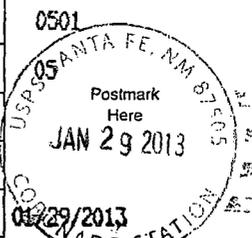
7012 2920 0002 1384 8195

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Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$ 6.77</b>



**Sent To** Burnett Oil Company, Inc.  
**Street, Apt. No. or PO Box** Burnett Plaza, Suite 1500  
**City, State, ZIP+4** 801 Cherry Street, Unit 9  
 Fort Worth, Texas 76102