

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-015-TBD
 Lee Federal #72
 Apache Corp

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

6759

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

RECEIVED OGD
 2013 MAR -4 A 11: 22

[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

3/4/13
 Date

drctanach@netscape.com
 E-Mail Address

March 4, 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
Lee Federal Well No. 72
API No. (Not Assigned Yet)
1585' FSL & 1650' FEL (Unit J)
Section 20, 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 Lee Federal No. 72. This well will be drilled as a development oil well in the Cedar Lake Glorieta-Yeso Pool (96831).

The proposed Lee Federal No. 72 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the NW/4 SE/4 of Section 20. This unit is currently dedicated to Apache's existing Lee Federal No. 11 (API No. 30-015-32737) located at a standard well location 2310 feet from the South line and 1650 feet from the East 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 attached vicinity map shows that the proposed unorthodox well location is necessary in order to avoid pipelines.

The affected offset tracts are the SW/4 SE/4 and SE/4 SE/4 of Section 20, Township 17 South, Range 31 East. Apache currently operates wells that produce from the Glorieta-Yeso interval within the SW/4 SE/4. There is currently no Glorieta-Yeso production within the SE/4 SE/4. Please be advised that the working interest ownership between the NW/4 SE/4 and the S/2 SE/4 is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102 showing the proposed well, spacing unit, the other existing well in the spacing unit and the affected offset acreage. Also attached is 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 SE/4 of Section 20 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.

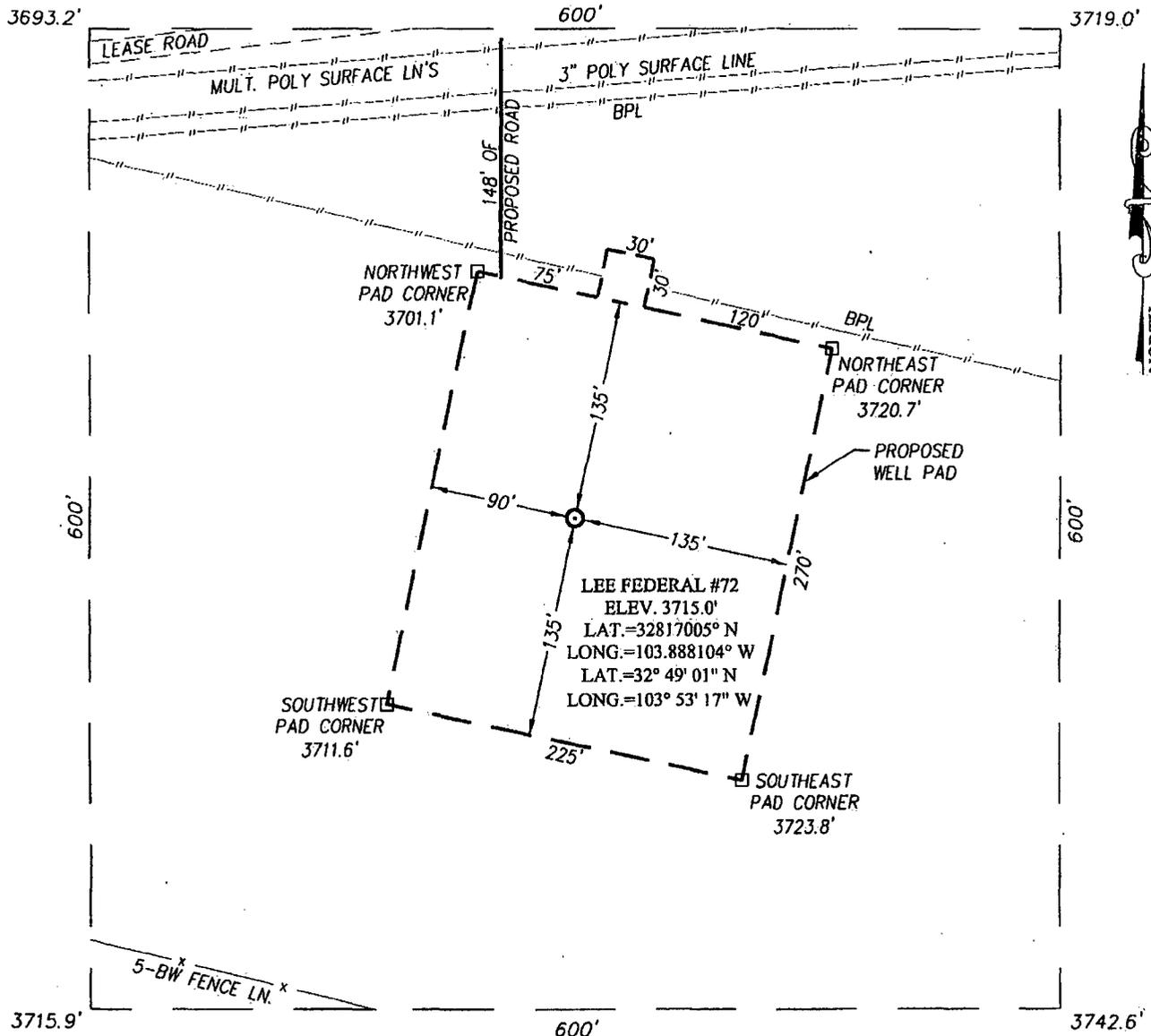
Sincerely,



David Catanach, Agent
Apache Corporation
303 Veterans Airpark Lane
Suite 3000
Midland, Texas 79705

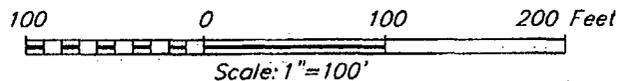
Xc: OCD-Artesia

SECTION 20, 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 ST. HWY. #529
 GO WEST APPROX. 1.0 MILE. TURN RIGHT AND GO NORTH
 APPROX. 300 FEET. TURN RIGHT AND GO EAST APPROX. 0.1
 MILES TO ROAD SURVEY. FOLLOW ROAD SURVEY SOUTH 148.
 FEET TO THE LOCATION.



APACHE CORPORATION

LEE FEDERAL #72 WELL
 LOCATED 1585 FEET FROM THE SOUTH LINE
 AND 1650 FEET FROM THE EAST LINE OF SECTION 20,
 TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

PROVIDING SURVEYING SERVICES
 SINCE 1946

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

Survey Date: 5/9/12	CAD Date: 6/19/12	Drawn By: AF
W.O. No.: 12110607	Rev.:	Rel. W.O.: