

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-025-40541  
 State PA #8  
 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

**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

2013 APR - 8 A 1:53  
 RECEIVED OCD

[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

4/5/13  
 Date

Agent for Apache Corporation  
 Title

drcatanach@netscape.com  
 E-Mail Address

April 5, 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  
State PA No. 8  
API No. (30-025-40541)  
330' FSL & 1600' FWL (Unit N)  
Section 18, T-22 South, R-37 East, NMPM,  
Paddock, Blinebry (Oil), Tubb (Oil), Drinkard & Wantz-Abo Pools  
Lea 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 State PA Well No. 8. This well will be drilled as a development oil well in the Paddock (49210), Blinebry Oil & Gas Pool (Oil-6660), Tubb Oil & Gas Pool (Oil-60240), Drinkard (19190), and Wantz-Abo (62700) Pools at an unorthodox oil well location for all horizons 330 feet from the South line and 1600 feet from the West line (Unit N) of Section 18, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

The proposed State PA No. 8 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Tubb Oil & Gas Pool comprising the SE/4 SW/4 of Section 18. This unit is currently dedicated to Apache's State PA No. 7 (API No. 30-025-40540) located at a standard well location 870 feet from the South line and 2310 feet from the West line.

In the Paddock, Blinebry Oil & Gas, Drinkard and Wantz-Abo Pools, the proposed State PA No. 8 will be dedicated to the SE/4 SW/4 of Section 18 thereby forming a standard 40-acre oil spacing and proration unit for each of these pools.

The Paddock, Drinkard and Wantz-Abo Pools are all 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 Blinebry and Tubb Oil & Gas Pools are currently governed by the General Rules and Regulations for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry and Tubb Oil & Gas Pools as established by Order No. R-8170, as amended. These rules require standard 160-acre gas spacing and proration units and 40-acre oil spacing and proration units. Setback requirements for gas wells to which more than 40 acres is dedicated are 660 feet to the outer boundary of the spacing unit or of the quarter section, and 330 feet to any governmental quarter-quarter section. The setback requirement for oil wells and gas wells to which no more than 40 acres is dedicated is 330 feet to the outer boundary of the spacing unit.

The attached vicinity map shows that the proposed unorthodox location is necessary in order to avoid an existing pipeline within the drill tract.

The affected offset tracts with regards to the unorthodox location in all horizons are the SW/4 SW/4 of Section 18 and the NW/4 NW/4 of Section 19, both in Township 22 South, Range 37 East. There is currently no production from the Paddock, Blinebry Oil & Gas, Tubb Oil & Gas, Drinkard or Wantz-Abo Pools within the affected offset tracts. The leasehold owner within the SW/4 SW/4 of Section 18 is XTO Energy, Inc. The leasehold owner within the NW/4 NW/4 of Section 19 is ExxonMobil Corporation. Notice of this application is being provided by certified mail return receipt requested to XTO Energy, Inc. and ExxonMobil Corporation in accordance with Division rules.

Attached is a Form C-102 showing the proposed well, spacing unit and the other existing well 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 Paddock, Blinebry Oil & Gas, Tubb Oil & Gas, Drinkard and Wantz-Abo Pools underlying the SE/4 SW/4 of Section 18 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-Hobbs

**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>30-025-40541</b>	Pool Code <b>49210, 6660, 60240, 19190 &amp; 62700</b>	Pool Name <b>Paddock, Blinebry Oil &amp; Gas (Oil), Tubb Oil &amp; Gas (Oil), Drinkard &amp; Wantz-Aho</b>
Property Code <b>26487</b>	Property Name <b>State PA</b>	Well Number <b>008</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>	Elevation <b>3434'</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
N	18	22 South	37 East		330	South	1600	West	Lea

**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>40</b>	Joint or Infill	Consolidate 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

<p>State PA No. 7 (Tubb Oil &amp; Gas Pool)</p> <p>State PA No. 8 (Proposed Well)</p> <p>1600'</p> <p>330'</p>	<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>
	<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>

**SECTION 18, TOWNSHIP 22 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.**

**APACHE CORPORATION  
STATE PA #8  
ELEV. - 3434'**

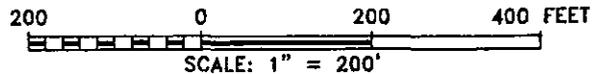
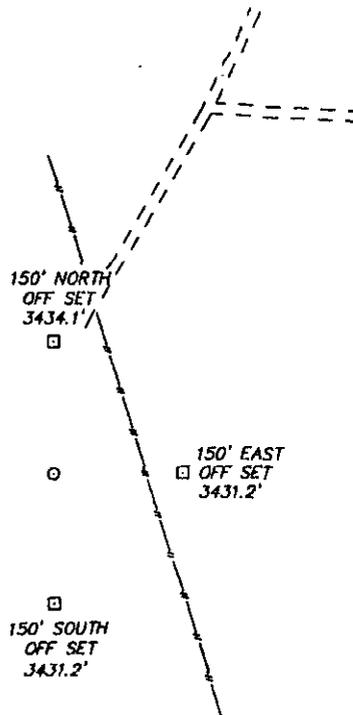
Lat - N 32°23'07.86"  
Long - W 103°12'18.91"  
NMSPCE- N 505818.530  
E 889567.206  
(NAD-83)

Lat - N 32°23'07.41"  
Long - W 103°12'17.23"  
NMSPCE- N 505758.433  
E 848382.152  
(NAD-27)

150' WEST  
OFF SET □  
3435.5'

150' EAST  
OFF SET □  
3431.2'

150' SOUTH  
OFF SET □  
3431.2'



**Directions to Location:**

FROM THE JUNCTION OF LEGION AND DELAWARE, GO WEST ON DELAWARE 1.3 MILES TO LEASE ROAD, ON LEASE ROAD GO SOUTH 0.6 MILES TO LEASE ROAD, ON LEASE ROAD GO WEST 0.2 MILES TURNING SOUTH ON LEASE ROAD FOR 0.3 MILES TO PROPOSED LOCATION.

**APACHE CORPORATION**

REF: STATE PA #8 / WELL PAD TOPO

THE STATE PA #8 LOCATED 330'

FROM THE SOUTH LINE AND 1600' FROM THE WEST LINE OF  
SECTION 18, TOWNSHIP 22 SOUTH, RANGE 37 EAST,

N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 26499

Drawn By: J. SMALL

Date: 04-13-2012

Disk: JMS 26499

Survey Date: 04-03-2012

Sheet 1 of 1 Sheets

**36 East**

**37 East**

**13**

**18**

**22 South**

**24**

**19**

Affected Offset  
Acreage  
Leasehold Owner:  
XTO Energy, Inc.

State PA No. 8  
(Proposed Well)

1600'

330'

Affected Offset  
Acreage  
Leasehold Owner:  
ExxonMobil Corp.



**Affected Offset Acreage**

**Apache Corporation**  
**Application for Non-Standard Well Location**  
**State PA No. 8**



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Sent To **ExxonMobil Corporation**  
 Street, Apt. or PO Box No. **P.O. Box 4610**  
 City, State, ZIP+4 **Houston, Texas 77210**

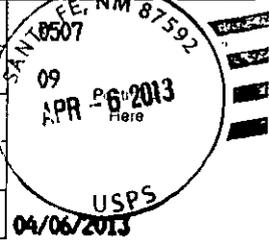
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<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.77</b>



Sent To **XTO Energy, Inc.**  
 Street, Apt. or PO Box No. **810 Houston Street**  
 City, State, ZIP+4 **Fort Worth, Texas 76102-6298**