

ABOVE THIS LINE FOR DIVISION USE ONLY

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



30-015-41053
 A State #73
 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 24 A 9:24
 RECEIVED OGD

[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

4/24/13
 Date

drcatanach@netscape.com
 E-Mail Address

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 30-015-41053	Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 308701	Property Name A State	Well Number 073
OGRID No. 873	Operator Name Apache Corporation	Elevation 3,667'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	17 South	28 East		2410	North	330	West	Eddy

Bottom Hole Location If Different From Surface

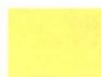
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidate Code	Order No.
40			

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">OPERATOR CERTIFICATION</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">SURVEYOR CERTIFICATION</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>		
	<p>_____</p>		

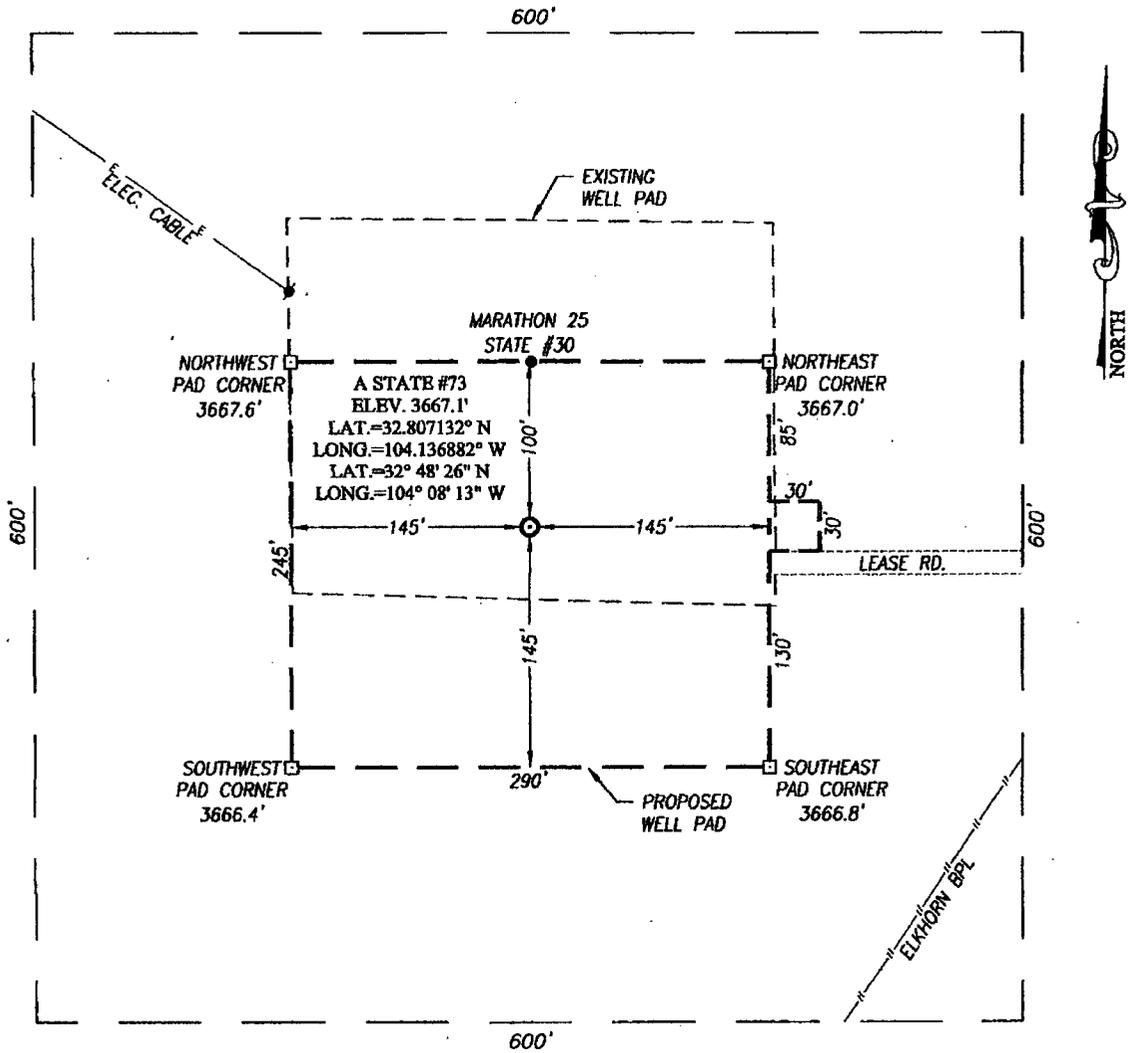
28 East



Affected Offset Acreage

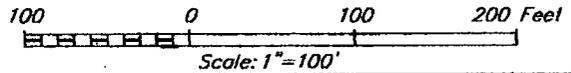
Apache Corporation
Application for Non-Standard Well Location
A State No. 73 (API No. 30-015-41053)

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.
EDDY COUNTY **NEW MEXICO**



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #209 (TURKEY TRACT) GO EAST ALONG U.S. HWY. #82 APPROX. 1.1 MILES. TURN LEFT AND GO NORTH APPROX. 0.2 MILES. TURN LEFT AND GO WEST APPROX. 0.4 MILES TO THIS LOCATION.



APACHE CORPORATION

**A STATE #73 WELL
 LOCATED 2410 FEET FROM THE NORTH LINE
 AND 330 FEET FROM THE WEST LINE OF SECTION 25,
 TOWNSHIP 17 SOUTH, RANGE 28 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: 1/18/13	CAD Date: 1/23/13	Drawn By: AF
W.O. No.: 13110024	Rev. .	Rel. W.O.:

April 24, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: See Attached Notice List

Re: Apache Corporation
Unorthodox Oil Well Location
A State No. 73 (API No. 30-015-41053)
2410' FNL & 330' FWL (Unit E)
Section 25, T-17 South, R-28 East, NMPM,
Artesia 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 it's A State No. 73 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 2410 feet from the North line and 330 feet from the West line (Unit E) of Section 25, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 NW/4 of Section 25. This unit is currently dedicated to Apache's proposed A State Wells No. 41, 59 and 74. The unorthodox location is necessary in order to avoid an existing well and well pad.

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

wells operated by Apache. Please note that the working interest ownership between the drill tract and the NE/4 SE/4 of Section 26 is common. The working interest ownership between the drill tract and the NW/4 SW/4 of Section 25 is not common. Consequently, notice of this application is being provided to the working interest owners in the NW/4 SW/4 of Section 25 which include COG Operating, Inc., Khody Land and Minerals Company, Marathon Oil Company and Yates Petroleum Corporation.

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

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Artesia Glorieta-Yeso Pool underlying the SW/4 NW/4 of Section 25 that may otherwise not be recovered by the proposed wells, 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

Apache Corporation
Application for Unorthodox Well Location
A State No. 73
Section 25, T-17S, R-28E, NMPM,
Eddy County, New Mexico
Notice List

COG Operating, Inc.
Attn: David Evans
600 W. Illinois Avenue
Midland, Texas 79701

Khody Land & Minerals Co.
Attn: Land Dept.
210 Park Avenue, Suite 900
Oklahoma City, OK 73101

Marathon Oil Company
Attn: Land Dept.
200 North Loraine, Suite 1310
Midland, Texas 79702

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, New Mexico 88210

April 24, 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
A State No. 73
API No. (30-015-41053)
2410' FNL & 330' FWL (Unit E)
Section 25, T-17 South, R-28 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 A State No. 73. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed A State No. 73 will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 NW/4 of Section 25. This unit is currently dedicated to Apache's: i) proposed A State No. 41 (API No. 30-015-40368) located at an unorthodox well location 1600 feet from the North line and 330 feet from the West line; ii) proposed A State No. 59 (API No. 30-015-38967) located at an unorthodox well location 2310 feet from the North line and 1100 feet from the West line; and iii) proposed A State No. 74 (API No. 30-015-41054) located at a standard well location 1740 feet from the North line and 860 feet from the West line.

The Artesia 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 an existing well and well pad.

The affected offset tracts are the NW/4 SW/4 of Section 25 and the NE/4 SE/4 of Section 26, both in Township 17 South, Range 28 East, NMPM. Both of the affected offset tracts are currently being developed in the Artesia Glorieta-Yeso Pool by numerous

Submit 1 Copy To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 1301 W. Grand Ave., 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 and Natural Resources.

Form C-103
 October 13, 2009

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-41053
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name A STATE
8. Well Number 73
9. OGRID Number 873
10. Pool name or Wildcat ARTESIA; GLORIETA-YESO (O)

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well Other

2. Name of Operator
APACHE CORPORATION

3. Address of Operator
303 VETERANS AIR PARK LANE, STE 3000
MIDLAND, TEXAS 79705

4. Well Location
 Unit Letter: E 2410 feet from the NORTH line and 330 feet from the WEST line
 Section 25 Township 17S Range 28E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3667 GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
 PERFORM REMEDIAL WORK PLUG AND ABANDON
 TEMPORARILY ABANDON CHANGE PLANS
 PULL OR ALTER CASING MULTIPLE COMPL
 DOWNHOLE COMMINGLE

SUBSEQUENT REPORT OF:
 REMEDIAL WORK ALTERING CASING
 COMMENCE DRILLING OPNS. P AND A
 CASING/CEMENT JOB

OTHER: CHANGE INCORRECT SECTION NUMBER

OTHER:

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4/16/2013 - Apache requests to have the Section number changed for the Surface Location on this permit. The correct Section is 25. The original plat is attached. It was correct as submitted, with Section 25 listed. Thank You.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Vicki Brown TITLE Drilling Tech DATE 4/16/2013

Type or print name Vicki Brown E-mail address: vicki.brown@apachecorp.com PHONE: 432-818-1117

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):