

ABOVE THIS LINE FOR DIVISION USE ONLY

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



6924

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] 30-015-41051
- [A] Location - Spacing Unit - Simultaneous Dedication A state 69
 NSL NSP SD
- Check One Only for [B] or [C] Apache Corp.
- [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.

<u>David Catanach</u> Print or Type Name	<u>David Catanach</u> Signature	<u>Agent for Apache Corporation</u> Title
	<u>6/5/13</u> Date	<u>drctanach@netscape.com</u> E-Mail Address

June 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
A State No. 69
API No. (30-015-41051)
Surface Location: 2085' FNL & 2290' FEL (Unit G)
Bottomhole Location: 2310' FNL & 2310' FEL (Unit G)
Section 26, 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. 69. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed A State No. 69 will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 NE/4 of Section 26. This unit is currently dedicated to Apache's: i) proposed A State No. 47 (API No. 30-015-38580) located at a standard well location 2310 feet from the North line and 1650 feet from the East line; ii) proposed A State No. 57 (API No. 30-015-38970) located at a standard well location 1650 feet from the North line and 2310 feet from the East line; and iii) proposed A State No. 70 (API No. 30-015-41404) located at a standard well location 1700 feet from the North line and 1650 feet from the East 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.

An examination of the surface and bottomhole footage distances for the A State No. 69 appear to indicate that the well is located at a standard location. However, the survey plat for the well, prepared by Gary G. Eidson, indicates that the bottomhole location of the well is 295 feet from the western boundary and 312 feet from the southern

boundary of the spacing unit (See attached Form C-102). Consequently, Apache believes that the SW/4 NE/4 of Section 26 may be an irregular section.

Apache originally intended to drill this well at a standard surface location, however, the well is to be directionally drilled due to the presence of a pipeline and well/pad.

The affected offset tracts are the NW/4 SE/4, NE/4 SW/4 and the SE/4 NW/4 of Section 26. All three of the affected offset tracts are currently being developed in the Artesia Glorieta-Yeso Pool by numerous wells operated by Apache. Please note that the working interest ownership between the drill tract and all three affected offset tracts is common. Consequently, notice of this application is not required to be provided to any party.

Attached is a Form C-102 showing the proposed well, spacing unit, other proposed wells in the spacing unit and the affected offset acreage. Also attached is a Form C-102 provided to Apache by Gary G. Eidson 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 Artesia Glorieta-Yeso Pool underlying the SW/4 NE/4 of Section 26 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

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 30-015-41051	Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 308701	Property Name A State	Well Number 069
OGRID No. 873	Operator Name Apache Corporation	Elevation 3,666'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	17 South	28 East		2085	North	2290	East	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
G	26	17 South	28 East		2310	North	2310	East	Eddy

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

	OPERATOR CERTIFICATION	
	<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>	
	Signature _____	Date _____
<p>Affected Offset Tract Operator: Apache WI Ownership Common w/Drill Tract</p>	<p>Printed Name _____</p>	
	<p>E-mail Address _____</p>	
	<p>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>Affected Offset Tract Operator: Apache WI Ownership Common w/Drill Tract</p>	<p>Date of Survey _____</p>	
	<p>Signature and Seal of Professional Surveyor: _____</p>	
	<p>Certificate Number _____</p>	

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

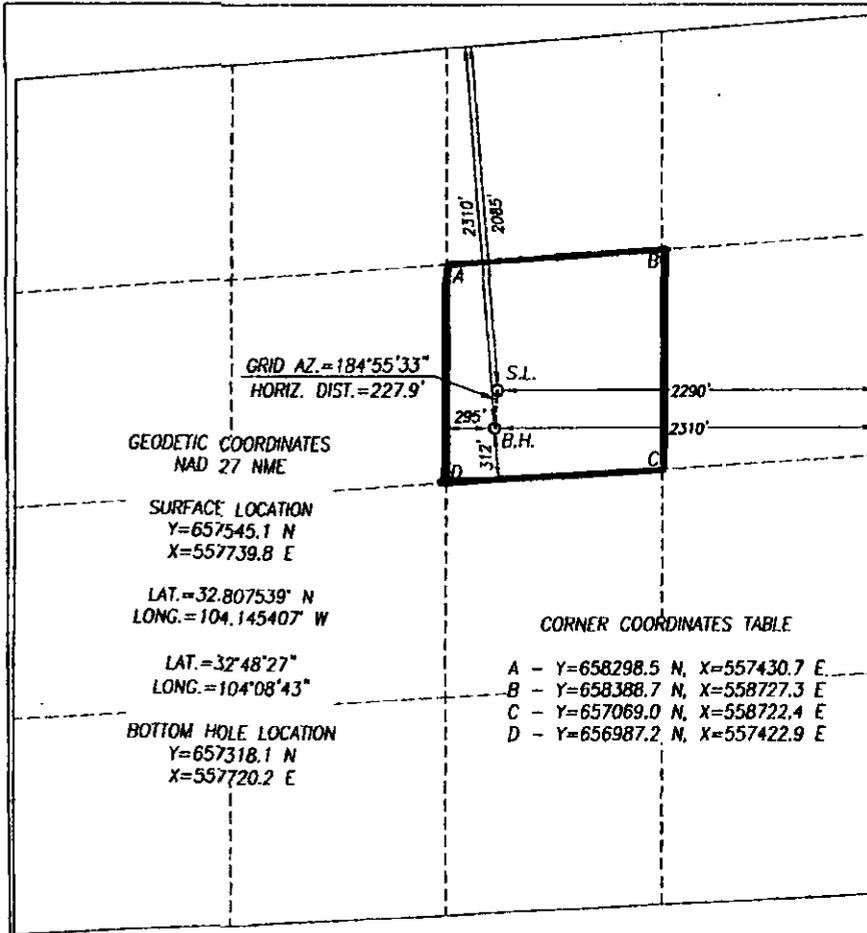
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015	Pool Code 96830	Pool Name Artesia; Glorietta Yero (0)
Property Code 308701	Property Name A STATE	Well Number 69
DGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3666'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	26	17-S	28-E		2085	NORTH	2290	EAST	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
G	26	17-S	28-E		2310	NORTH	2310	EAST	EDDY
Dedicated Acres 40		Joint or Infill	Consolidation 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



OPERATOR CERTIFICATION

I hereby certify that the information 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 bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Vicki Brown 2/4/13
Signature Date
Vicki Brown
Printed Name
vicki.brown@apachecorp.com
E-mail Address

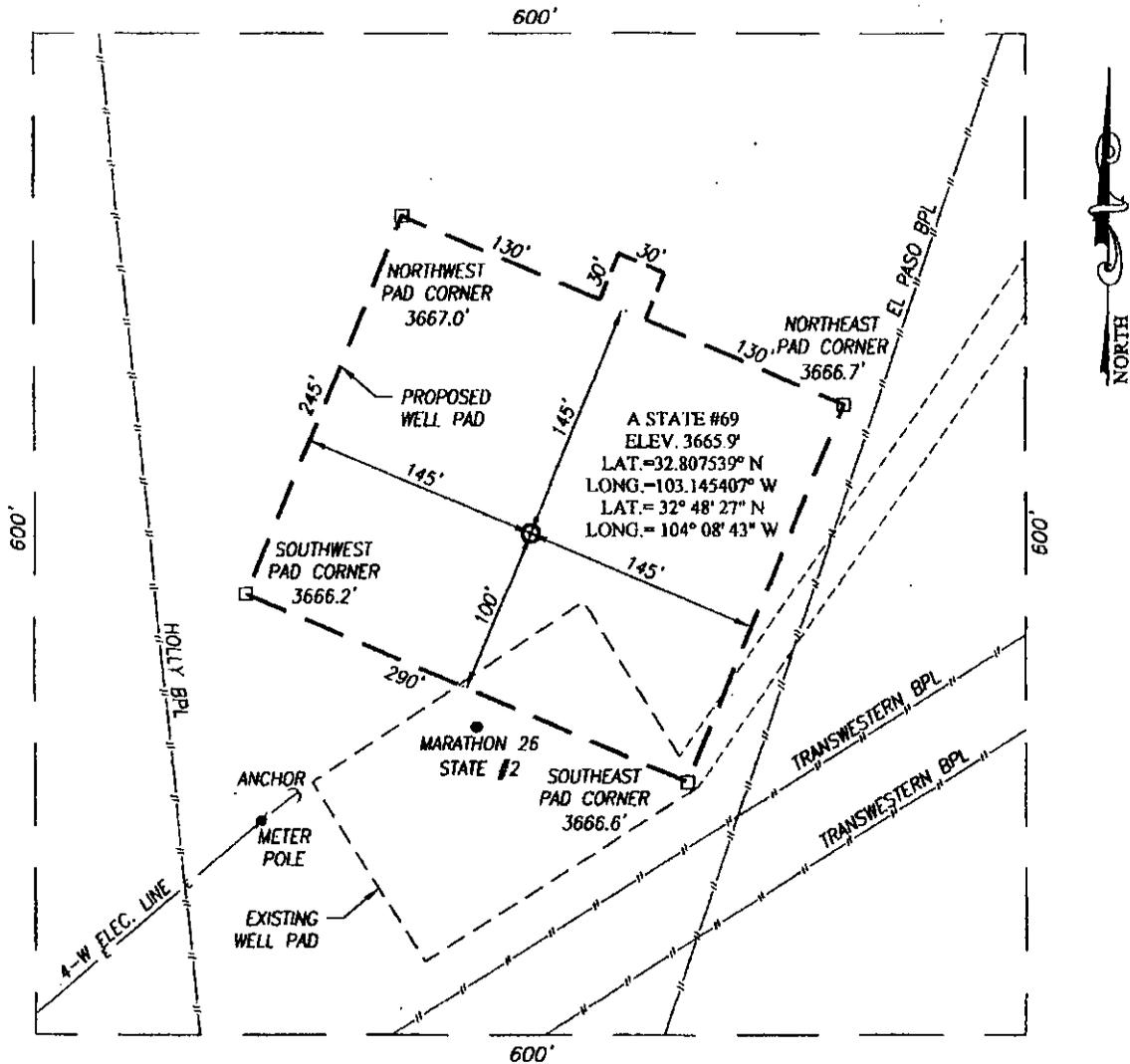
SURVEYOR CERTIFICATION

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.

JANUARY 21, 2013
Date of Survey
Signature & Seal of Professional Surveyor:

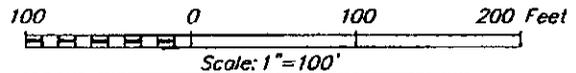
GARY G. EIDSON
NEW MEXICO
12641
Professional Surveyor
12641
Gary G. Eidson
3239
BKL
N.M.S.C. W.O.: 13.11.0020

SECTION 26, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO A STATE #69

FROM THE INTERSECTION OF HIGHWAY 62-180 AND CO. RD. 209 (TURKEY TRACT) GO NORTH APPROX. 0.6 MILES; TURN RIGHT AND GO EAST APPROX. 0.15 MILES, THIS LOCATION IS APPROX. 0.1 MILE SOUTH.



APACHE CORPORATION

A STATE #69 WELL
 LOCATED 2085 FEET FROM THE NORTH LINE
 AND 2290 FEET FROM THE EAST LINE OF SECTION 26,
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date: 1/21/13	CAD Date: 1/23/13	Drawn By: BKL
W.O. No.: 13110020	Rev.:	Rel. W.O.:

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
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 HOBBS, N.M. 88240
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