

State of New Mexico
Energy, Minerals and Natural Resources Department

69Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



March 11, 2014

Apache Corp
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7035
Administrative Application Reference No. pMAM1403749759

Apache Corp
OGRID 873
AAO Federal Well No. 24
API No. 30-015-Pending

Proposed Location:

<u>Footages</u>	<u>Lot</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
984 FNL & 243 FEL	1	1	18S	27E	Eddy

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 NE/4 of Section 1	40.04	Red Lake; Glorieta-Yeso, Northeast	96836

Reference is made to your application received on February 6, 2014.

You have requested to drill this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location to avoid a deep ravine within the drill tract.

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It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12.A(2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.13.B NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" being more prominent than the last name "Bailey".

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management – Carlsbad