

ABOVE THIS LINE FOR DIVISION USE ONLY

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



2014 OCT 15 A 9:11

**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
- [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.

- NSL 7187  
 - Apache Corporation  
 873  
 well  
 - OHLAW state  
 30-05-42565  
 Pool  
 - Artesia, Glendon  
 Yeso  
 96830

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

10/15/14  
 Date

drctanach@netscape.com  
 E-Mail Address

October 15, 2014

**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  
Outlaw State Well No. 4  
API No. (30-015-42565)  
915' FSL & 200' FEL (Unit P)  
Section 29, 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 Outlaw State No. 4. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed Outlaw State No. 4 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SE/4 of Section 29. This unit is currently dedicated to Apache's proposed: i) Outlaw State No. 1 (API No. 30-015-42563) located at a standard well location 440 feet from the South line and 330 feet from the East line; ii) Outlaw State No. 2 (API No. 30-015-42554) located at a standard well location 990 feet from the South line and 990 feet from the East line; and iii) Outlaw State No. 3 (API No. 30-015-42564) located at a standard well location 440 feet from the South line and 990 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.

The attached vicinity map shows that the proposed unorthodox well location is necessary in order to avoid pipelines and an existing well.

The affected offset tracts are:

**Tract No. 1:** NW/4 SW/4 of Section 28, T-17S, R-28E: This tract is currently operated by LRE Operating, LLC in the Glorieta-Yeso interval. Consequently, notice of this application will be provided to LRE Operating, LLC;

**Tract No. 2:** SW/4 SW/4 of Section 28, T-17S, R-28E: This unit is currently undeveloped in the Glorieta-Yeso interval. Notice of this application will be provided to the leasehold owners, which include Chase Oil Corporation and Mack C. Chase, Trustee of the Mack C. Chase and Marilyn Y. Chase Trust.

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 and notice letter.

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 SE/4 SE/4 of Section 29 that may otherwise not be recovered by the proposed producing wells, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,

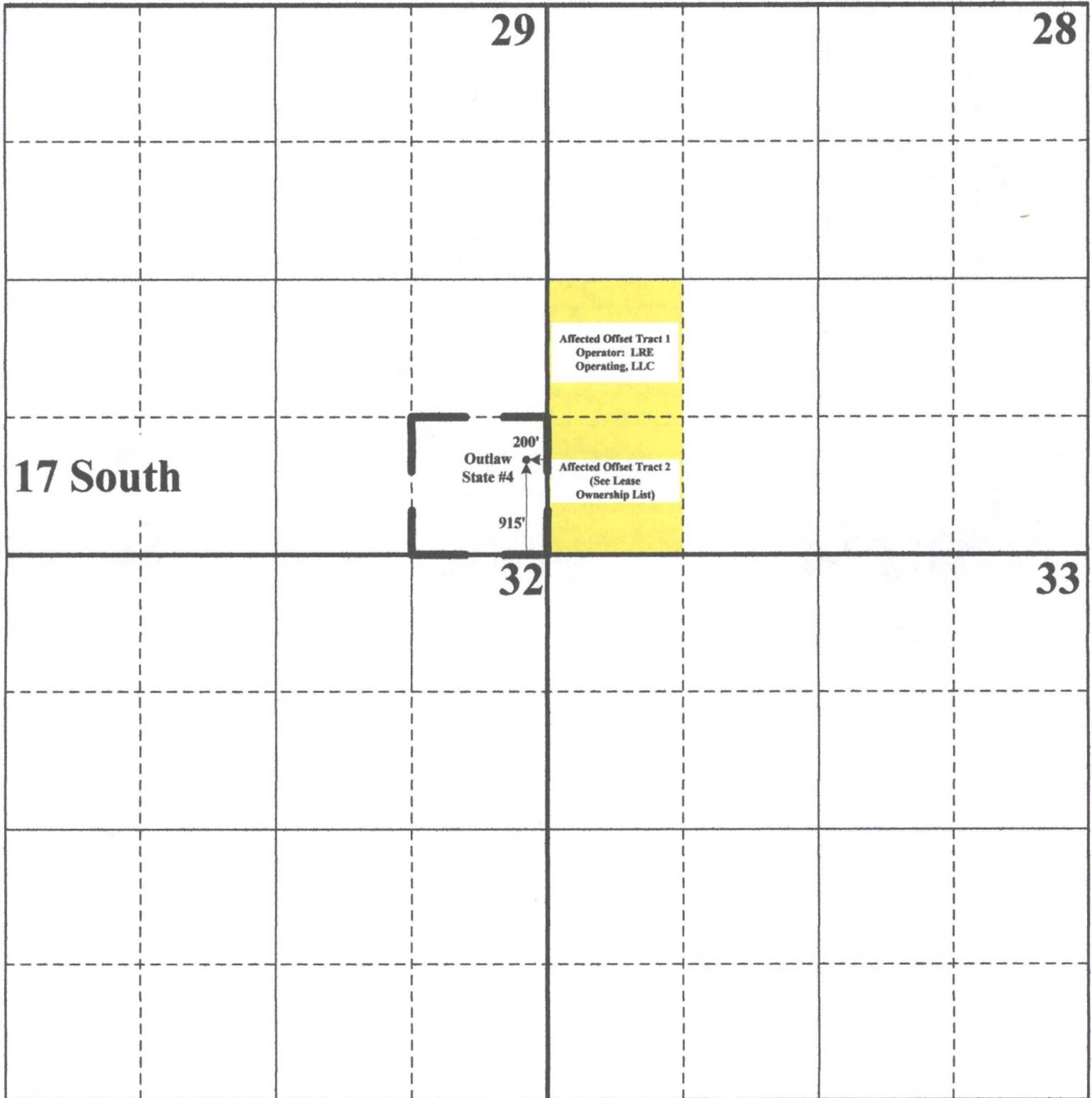


David Catanach, Agent  
Apache Corporation  
303 Veterans Airpark Lane  
Suite 3000  
Midland, Texas 79705

Xc: OCD-Artesia



**28 East**



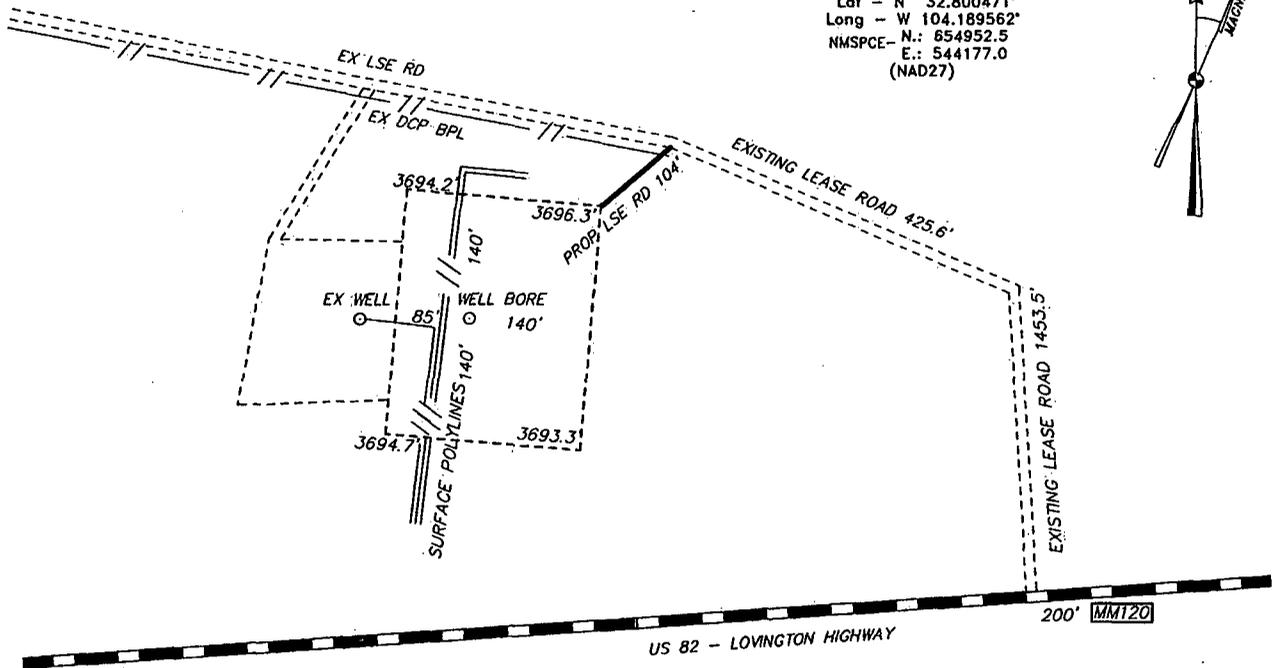
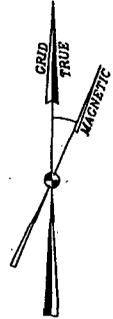
 **Affected Offset Acreage**

**Apache Corporation**  
**Application for Non-Standard Well Location**  
**Outlaw State No. 4 (API No. 30-015-42565)**

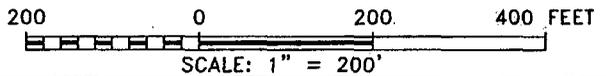
SECTION 29, TOWNSHIP 17 SOUTH, RANGE 28 EAST. N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO.

APACHE CORPORATION  
 OUTLAW STATE #4  
 ELEV. - 3896'

Lat - N 32.800586°  
 Long - W 104.190074°  
 NAD83  
 NADSPCE - N.: 655015.5  
 E.: 585356.1  
 (NAD83)  
 Lat - N 32.800471°  
 Long - W 104.189562°  
 NADSPCE - N.: 654952.5  
 E.: 544177.0  
 (NAD27)



ARTESIA, NM IS ±12 MILES TO THE NORTHWEST OF LOCATION.



Directions to Location:

FROM LOCO HILLS GO WEST ON US HWY 82,  
 APPROX 200 FEET WEST OF MILE MARKER 120 TURN  
 NORTHWEST ON LEASE ROAD 0.35 MILES TO  
 PROPOSED LEASE ROAD ON LEFT.



REF: OUTLAW STATE #4 / WELL PAD TOPO

THE OUTLAW STATE #4. LOCATED 915' FROM  
 THE SOUTH LINE AND 200' FROM THE EAST LINE OF  
 SECTION 29, TOWNSHIP 17 SOUTH, RANGE 28 EAST.

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



P.O. Box 1786 (575) 393-7316 - Office  
 1120 N. West County Rd. (575) 392-2206 - Fax  
 Hobbs, New Mexico 88241 basin-surveys.com

October 15, 2014

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: LRE Operating, LLC  
1111 Bagby St., Suite 4600  
Houston, Texas 77002

Chase Oil Corporation  
P.O. Box 960  
Artesia, New Mexico 88211

Mack C. Chase, Trustee  
Mack C. Chase & Marilyn Y. Chase Trust  
P.O. Box 960  
Artesia, New Mexico 88211

Re: Apache Corporation  
Application for Unorthodox Well Location  
Outlaw State No. 4  
915' FSL & 200' FEL (Unit P)  
Section 29, 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 its Outlaw State No. 4 at the unorthodox oil well location in the Artesia Glorieta-Yeso Pool described above. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SE/4 of Section 29. This unit is currently dedicated to Apache's proposed Outlaw State Wells No. 1, 2 and 3. The unorthodox location is necessary in order to avoid pipelines and an existing well within the drill tract.

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

7012 0470 0001 5964 8404

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Return Receipt Fee (Endorsement Required)	\$2.70	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total		\$7.19

10/15/2014

**To:** Chase Oil Corporation  
 P.O. Box 960  
 Artesia, New Mexico 88211

PS Form 3800, August 2006. See Reverse for Instructions.

7012 0470 0001 5964 8411

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Total		\$7.19

10/15/2014

**To:** Mack C. Chase, Trustee  
 Mack C. Chase & Marilyn Y. Chase  
 Trust  
 P.O. Box 960  
 Artesia, New Mexico 88211

PS Form 3800, August 2006. See Reverse for Instructions.

7012 0470 0001 5964 8398

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HOUSTON, TX 77002

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Total		\$7.19

10/15/2014

**To:** LRE Operating, LLC  
 1111 Bagby St., Suite 4600  
 Houston, Texas 77002

PS Form 3800, August 2006. See Reverse for Instructions.