

ABOVE THIS LINE FOR DIVISION USE ONLY

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



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

NSL 7339
 Apache Corporation's -873
 Jackrabbit State 15
 30-015-42987

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

POU
 - Artesian Graveling -
 YES
 96830

[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

2015 JUL 20 P 1:41 PM
 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.

Brian Wood

Consultant

7-20-15

Print or Type Name

Signature

Title

Date

brian@permitswest.com

e-mail Address

**REQUEST FOR ADMINISTRATIVE APPROVAL
APACHE CORPORATION'S
JACKRABBIT STATE 15
30-015-42987
2511' FNL & 976' FEL
SECTION 32, T. 17 S., R. 28 E., EDDY COUNTY, NM**

I. This proposed 5,300' deep oil well is on private surface and a State oil and gas lease. The well is nonstandard (242' too far south) for the Artesia; Glorieta-Yeso Pool (96830) due to LRE's NW State 17 (see EXHIBIT A), among other manmade objects (3 pipelines and meter run on north side of Apache's pad). That 3,225' deep Artesia; Queen-Grayburg-San Andres oil well is at 2237 FSL & 990 FEL.

Apache requests a nonstandard location due to land uses. The SENE Section 32 is occupied by 1 LRE injection well, 1 P&A well, 3 oil wells operated by LRE, various power lines, and other miscellaneous pipelines and roads. In addition, Apache has 2 approved oil wells and COG has an approved caliche pit in the same quarter-quarter.

A standard location must be $\geq 330'$ from the boundary of the quarter-quarter. In this case, it is 88' from the south side of unit letter H.

II. Form C-102 showing the well and 40-acre dedication is attached as Exhibit B. The well is 242' too far south.

III. Lease boundaries are shown on EXHIBIT C. The well encroaches to the south, southwest, and ewet. Artesia; Glorieta-Yeso dedications exist in unit letter H of Section 32 and 7 bordering or cornering quarter-quarters or lots. Apache operates the Artesia; Glorieta-Yeso wells in 5 of those 6 quarter-quarters (N2NE4 & SWNE Section 32 and SWNW & NWSW Section 33). LRE operates Glorieta-Yeso wells in N2SE4 Section 32. Unit letter D of Section 33 does not have Glorieta or Yeso wells. See Exhibit D. This information is current and correct.

IV. Archaeology is not an issue.

V. Surface issues (pipeline, meter run, road, well, et al) and the need to prevent waste and recover additional reserves drive the need for this nonstandard location.

VI. Apache does not believe directional drilling to a standard location is cost effective for this well.

VII. I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see EXHIBIT E) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in quarter-quarters that border the 40-acre spacing unit. Said notice was sent to:

LRE Operating, LLC
NM State Land Office
Occidental Permian Ltd.



Brian Wood, Consultant

7-20-15

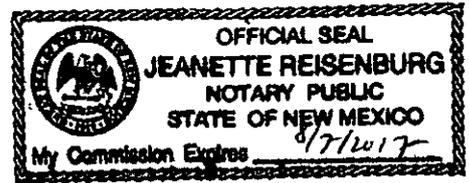
Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 20th day of July, 2015 by Brian Wood. Witness my hand and official seal.



Notary Public
My Commission Expires: 8/7/2017
Business Address: 37 Verano Loop, Santa Fe NM 87508



cc: Flores



Looking north toward LRE's NW State 17.

meter run



Jackrabbit State 13 center stake on ground in foreground.

EXHIBIT A

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone:(505)333-8181 Fax:(505)333-8720

DISTRICT II
811 S. First St., Arivaca, NM 88210
Phone:(505)748-1203 Fax:(505)748-8720

DISTRICT III
1000 Rio Huerfano, Aztec, NM 87410
Phone:(505)334-8178 Fax:(505)334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone:(505)726-3100 Fax:(505)726-3102

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-	Pool Code 96830	Pool Name Artesia; Glorieta - Yeso
Property Code 313975	Property Name JACKRABBIT STATE	Well Number 15
DGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3687'

Surface Location

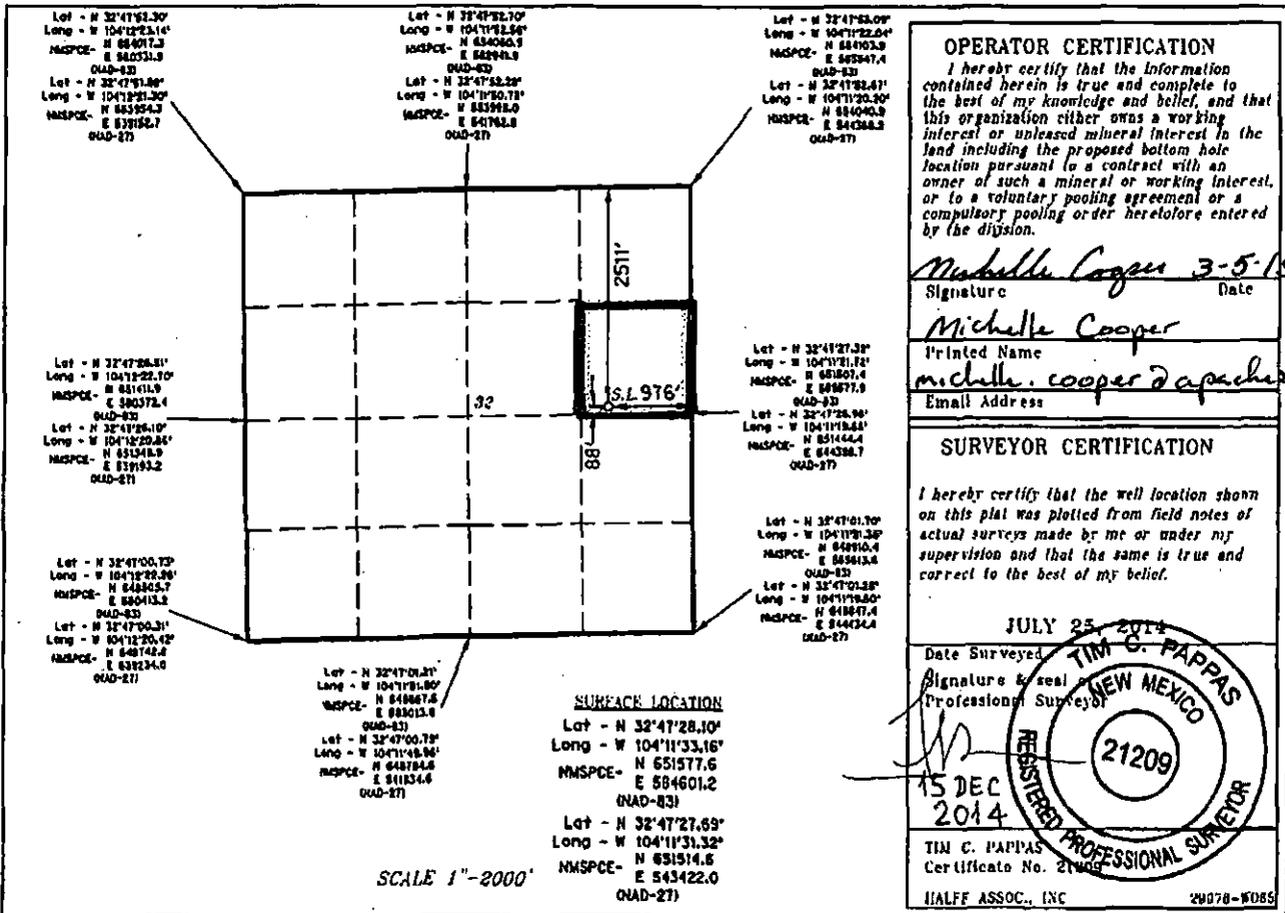
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	17 S	28 E		2511	NORTH	976	EAST	EDDY

Bottom Hole 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	Consolidation 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
 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 bottom hole 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.

Michelle Cooper 3-5-15
 Signature Date
 Printed Name
 michelle.cooper@apachecorp.com
 Email 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.

JULY 25, 2014
 Date Surveyed
 Signature & Seal
 Professional Surveyor
 15 DEC 2014
 TIM C. PAPPAS
 Certificate No. 21209
 REGISTERED PROFESSIONAL SURVEYOR
 IALFF ASSOC., INC. 29078-F085

EXHIBIT B



- Cartographic Features**
- County Boundaries
 - County Seats
 - City, Town or Village
 - ▲ SLO District Offices
 - SLO District Boundary
 - Hwy Mileposts
 - Interstate
 - US Hwy
 - NM Hwy
 - Local Road
 - Continental Divide
- Federal Minerals Ownership**
- All Minerals
 - Coal Only
 - Oil and Gas Only
 - Oil, Gas and Coal Only
 - Other Minerals
- State Trust Lands**
- Surface Estate
 - Subsurface Estate
 - Surface and Subsurface Estate
- State Leases**
- Oil and Gas Leases
 - Agricultural Leases
 - Commercial Leases
 - Minerals Leases
 - Not Available for Oil and Gas Leasing
 - Oil and Gas Leasing Influenced by Restriction
- Oil and Gas Related Features**
- Oil and Gas Unit Boundary
 - Participating Areas in Units
 - Geologic Regions
 - ★ Volcanic Vents
 - NMOCD Order R-111-P Potash Enclave Outline
- NMOCD Oil and Gas Wells**
- CO₂
 - Gas
 - Injection
 - Miscellaneous
 - Oil
 - Salt Water Disposal
 - ◆ Water
 - ◆ DA or PA

New Mexico State Land Office
Oil, Gas and Minerals

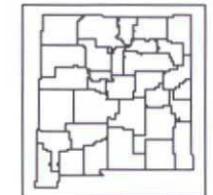
0 0.05 0.1 0.2 0.3 0.4 Miles
 Universal Transverse Mercator Projection, Zone 13
 1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

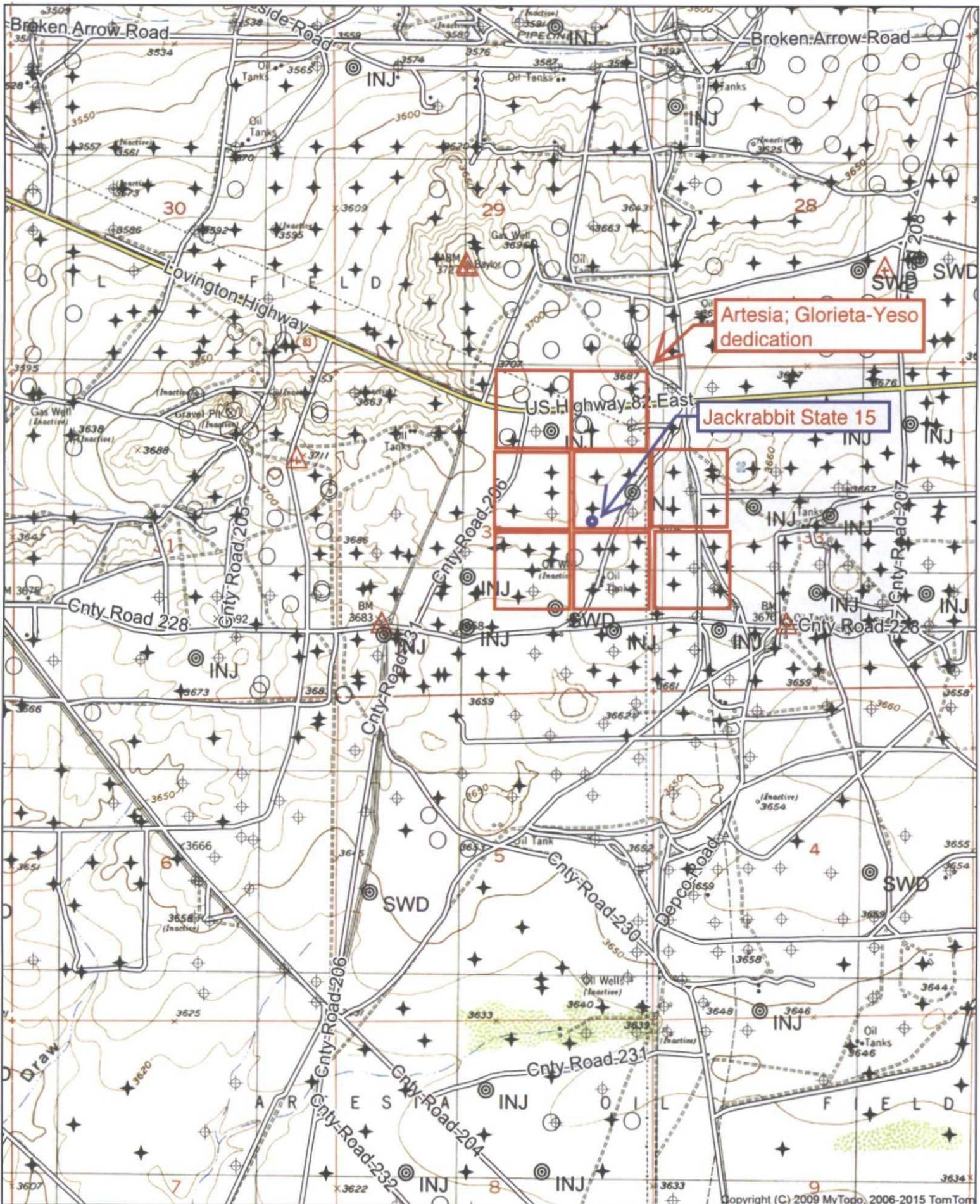
Land Office Geographic Information Center
 logic@slo.state.nm.us

Created On: 2/26/2015 8:12:58 AM

EXHIBIT C



www.nmstatelands.org



Copyright (C) 2009 MyTopo, 2006-2015 TomTom

Quad: RED LAKE
 Scale: 1 inch = 2,000 ft.

EXHIBIT D

PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 20, 2015

Bobby Reynolds
 LRE Operating, LLC
 1111 Bagby St., Suite 4600
 Houston, TX 77002

Dear Bobby,

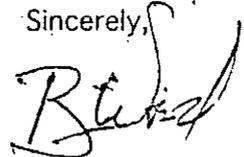
As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying for NSL approval for its Jackrabbit State 15 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 242' further south than is standard (see attached application). Thus, it is a nonstandard location. The NSL is due to land uses (road, pipelines, meter run, well, et al).

Well Name: Jackrabbit State 15 ID: 5,300'
Proposed NSL Zone: Artesia; Glorieta-Yeso (O)
NSL Acreage Dedication: 40 acres (SENE Section 32, T. 17 S., R. 28 E., Eddy County, NM) on NMSLO lease X0-0647-0405
Location: ~12 air mile west of Loco Hills, NM at 2511 FNL & 976 FEL 32-17s-28e
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,


Brian Wood

EXHIBIT E

7015 0640 0000 6218 5939

U.S. Postal Service	
CERTIFIED MAIL® RECEIPT	
Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee	\$ 3.45
Extra Services & Fees (check box, add fee to postage)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$ 2.80
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To	LRE
Street and Apt. No., or PO Box No.	
City, State, ZIP+4®	Houston
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

Postmark Here: JUL 20 2015

July 20, 2015

NM State Land Office
 P. O. Box 1148
 Santa Fe NM 87504

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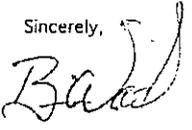
Sincerely,

 Brian Wood

EXHIBIT E

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com

OFFICIAL USE

Certified Mail Fee \$ 3.45

Extra Services & Fees (check box, add fee) \$ 0.00

Return Receipt (hardcopy) \$ 2.80 (p. 10)

Return Receipt (electronic)

Certified Mail Restricted Delivery

Adult Signature Required

Adult Signature Restricted Delivery

Postage \$ 6.96

Total Postage and Fees \$ 10.41

Sent To *SLO*

Street and Apt. No., or PO Box No. *QUICKSEND CENTER*

City, State, ZIP+4® *SANTA FE NM 87508-0270*

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

July 20, 2015

Occidental Permian Ltd.
 P. O. Box 4294
 Houston TX 77210

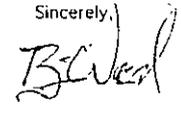
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Return Receipt (electronic)

Certified Mail Restricted Delivery

Adult Signature Required

Adult Signature Restricted Delivery

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Total Postage and Fees \$ 10.41

Sent To *666 DE W-14*

Street and Apt. No., or PO Box No. *666 DE W-14*

City, State, ZIP+4® *SANTA FE NM 87508-0270*

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions