

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



June 24, 2016

Apache Corporation
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7428

Apache Corporation
OGRID 873
Tony Federal Well No. 65D
API No. 30-015-43506

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	150` FNL & 2510` FWL	B	19	17S	31E	Eddy
Top perforation	202.3` FNL & 2400.3` FEL	B	19	17S	31E	Eddy
Bottom perforation (Terminus)	330` FNL & 2110` FEL	B	19	17S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Unit B of Section 9	40	Cedar Lake; Glorieta - Yeso	96831

Reference is made to your application received on June 14, 2016.

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, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

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 optimize reservoir drainage and balance environmental concerns due to pad overlapping a producing oil well pad within a sand dune lizard habitat.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved in order to prevent waste and protect correlative rights.

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.



DAVID R. CATANACH

Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office