

6/14/2016 DATE IN	SUSPENSE	LC1 ENGINEER	6/14/2016 LOGGED IN	NSL TYPE	PMA 1616640849 APP NO.
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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

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.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Brian wood see Application Agent 6-14-16
Print or Type Name Signature Title Date

e-mail Address

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION'S
TONY FEDERAL 65D
30-015-43506**

RECEIVED OGD
2016 JUN 14 A 8:30

**SHL: 150 FNL & 2510 FWL 19-17s-31e, Eddy County, NM
BHL: 330 FNL & 2110 FEL 19-17s-31e, Eddy County, NM**

**TAKE POINTS:
FROM 202.3 FNL & 2400.3 FEL 19-17s-31e, Eddy County, NM
TO 330 FNL & 2110 FEL 19-17s-31e, Eddy County, NM**

I. This proposed directional oil well (TVD = 6400' & MD = 6438') is on BLM surface and 609.43 acre BLM lease NMLC-029395A. The lease comprises the south half of Section 18 and the north half of Section 19.

A portion of the well bore will be nonstandard (too far north and west) for the Cedar Lake; Glorieta-Yeso Pool (96831) due to the desire to optimize reservoir drainage and balance environmental concerns (pad overlaps a producing oil well pad within sand dune lizard habitat) with well bore collision concerns (6 other wells have been or will be drilled in unit letter B).

The well bore is all within B-19-17s-31e. Section 19 is more narrow than standard in the east-west direction. The north line of Section 19 is 5027.88' in length. (Section 19 is standard in the north-south direction.)

The first take point is 202.3' from the north line and 239.7' from the west line of dedicated acreage boundary (40 acres), instead of the standard $\geq 330'$. This is the most nonstandard of the take points. The nonstandard take points are toward the interior of the lease. No take point is closer to the lease boundary than 2110'. Producing this well from the proposed interval will prevent waste and recover additional reserves.

A standard location must be $\geq 330'$ from the boundary of the quarter-quarter. In this case, the first take point will be 90.3' outside the west drilling window boundary of unit B and 127.7' outside the north drilling window boundary of unit letter B.

II. Form C-102 showing the well bore and 40-acre dedication is attached as Exhibit A. Exhibit B is the survey report and provides more details.

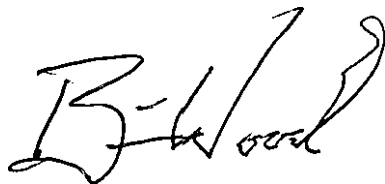
III. Lease boundaries are shown on Exhibit C. The well encroaches to the north, northwest, and west. These encroachments are nonstandard toward the interior of the lease. Cedar Lake; Glorieta-Yeso dedications exist in all eight bordering or cornering dedications, all of which are operated by Apache. Apache operates all Cedar Lake; Glorieta-Yeso wells in the dedications toward which the well encroaches. Working interest ownership and operating rights are common in all of Apache's dedications. This information is current and correct.

IV. Archaeology is not an issue.

V. Geology and the need to prevent waste and recover additional reserves are the catalyst for this nonstandard location.

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

VII. Most of the producing interval will be nonstandard for the Cedar Lake; Glorieta-Yeso Pool. I hereby certify that there is common ownership and partner approval of the working interest in the lease which comprises the proposed 40-acre spacing unit (NWNE 19-17s-31e) and the adjacent dedications (SESW & SWSE of Section 18 and NENW Section 19) of the sides and corner toward which it encroaches, and that the information is current and correct. Therefore, notice to any affected party is not required.



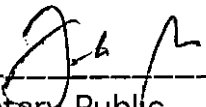
Brian Wood, Consultant

6.13.16

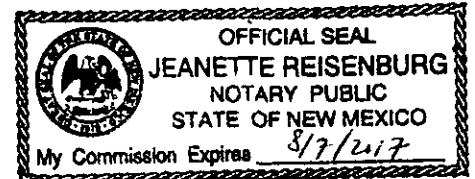
Date

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

The foregoing instrument was acknowledged before me this 13th day of June, 2016 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

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 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) 476-3463 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

X AMENDED REPORT
(1st perf point added)

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-43506	Pool Code 96831	Pool Name Cedar Lake; Glorieta-Yeso
Property Code 308738	Property Name TONY FEDERAL	Well Number 65D
OGRID No 873	Operator Name APACHE CORPORATION	Elevation 3677'

Surface Location

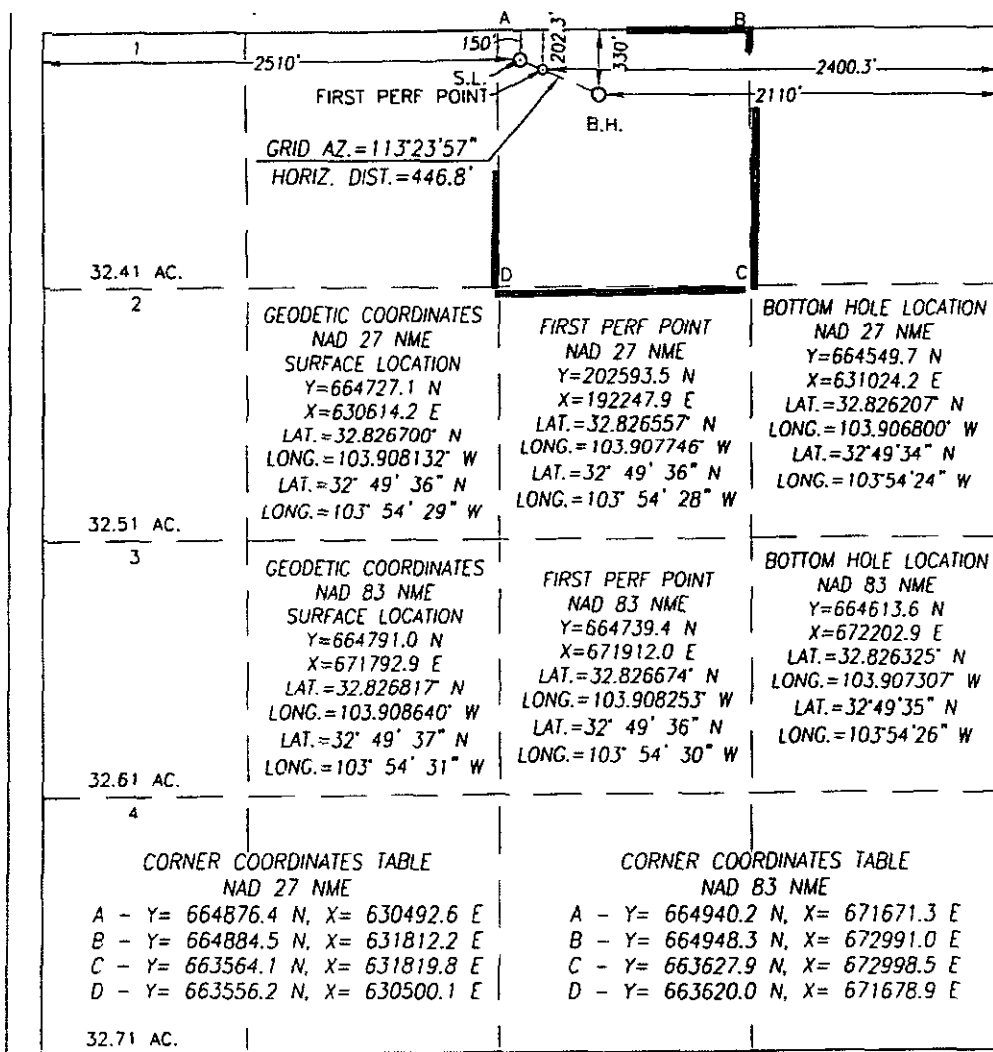
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	17-S	31-E		150	NORTH	2510	WEST	EDDY

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
B	19	17-S	31-E		330	NORTH	2110	EAST	EDDY

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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.

Brian Wood

6-13-16

Signature **Brian Wood** Date
Printed Name **brian@permitswest.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.

AUGUST 21, 2014

Date of Survey
Signature & Seal of Professional Surveyor:

Ronald J. Eidson 6/09/2016

Certificate Number **Gary C. Eidson 12641**
Ronald J. Eidson 3239

LSL REL W.O. 15110190 JWSC W.O. 16130436

EXHIBIT A



Project: Eddy County, NM (NAD27 NME)
Site: Tony Federal
Well: #65D
Wellbore: WB1
Design: Plan #1 04-06-15
Rig: Capstar 119



WELL DETAILS						
			Ground Level:	3677.00		
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	
0.00	0.00	664727.10	630614.20	32° 49' 36.11795 N	103° 54' 29.27698 W	

SECTION DETAILS									
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	3600.00	0.00	0.00	3600.00	0.00	0.00	0.00	0.00	0.00
3	4096.64	9.93	113.40	4094.15	-17.05	39.41	2.00	113.40	42.94
4	6437.57	9.93	113.40	6400.00	-177.40	410.00	0.00	0.00	446.73
PBHL-Tony Fed #65D									
KOP, Start 2"/100' Build									
EOC, Begin 9.93° Inc Hold									
TD at 6437.57 MD									

DESIGN TARGET DETAILS									
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape	
PBHL-Tony Fed #65D	6400.00	-177.40	410.00	664549.70	631024.20	32° 49' 34.34620 N	103° 54' 24.48052 W	Circle (Radius: 20.00)	
- plan hits target center									

FORMATION TOP DETAILS				
TVDPPath	MDPath	Formation	DipAngle	DipDir
257.00	257.00	Rustler		
428.00	428.00	T/Salt		
1288.00	1288.00	B/Salt		
1420.00	1420.00	Yates		
1717.00	1717.00	Seven Rivers		
2326.00	2326.00	Queen		
2696.00	2696.00	Grayburg		
3070.00	3070.00	San Andres		
4520.00	4528.96	Glorieta		
4582.00	4591.91	Yeso		

Map System: US State Plane 1927 (Exact solution)
Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866
Zone Name: New Mexico East 3001

Local Origin: Well #65D, Grid North

Latitude: 32° 49' 36.11795 N
Longitude: 103° 54' 29.27698 W

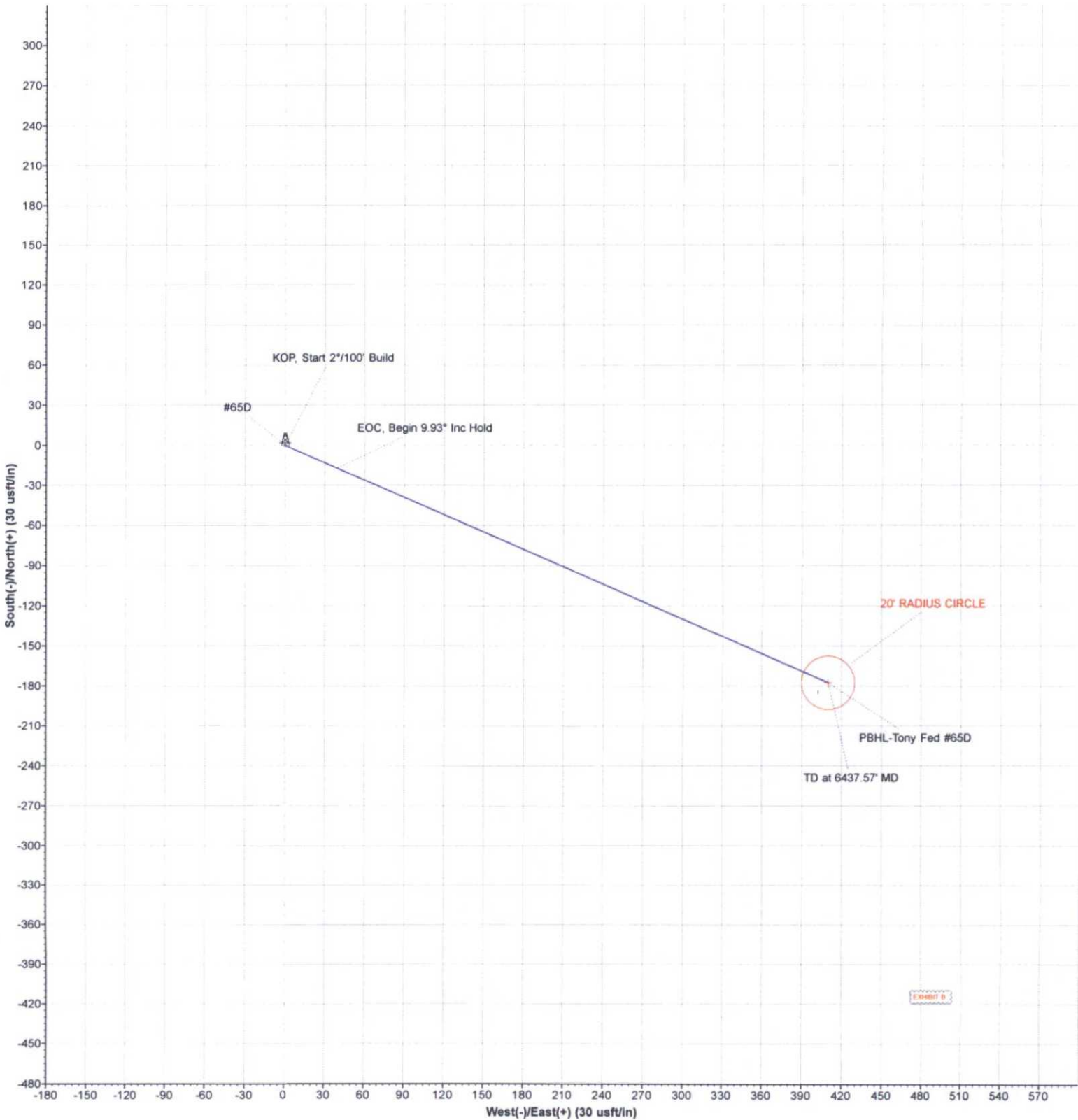
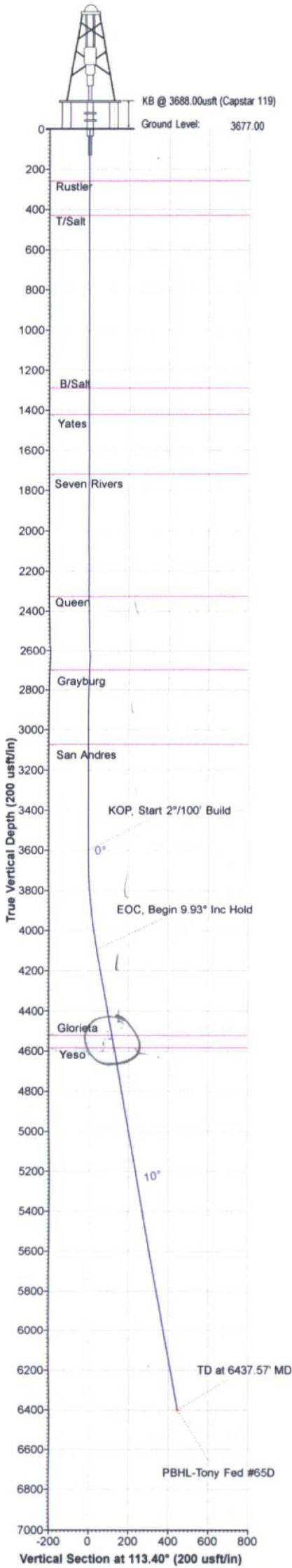
Grid East: 630614.20
Grid North: 664727.10
Scale Factor: 1.000

Geomagnetic Model: HDGM
Sample Date: 06-Apr-15
Magnetic Declination: 7.70°
Dip Angle from Horizontal: 60.78°
Magnetic Field Strength: 48570

To convert a Magnetic Direction to a Grid Direction, Add 7.47°
To convert a Magnetic Direction to a True Direction, Add 7.70° East
To convert a True Direction to a Grid Direction, Subtract 0.23°

LEGEND

Plan #1 04-06-15



Database:	Compass 5000 GCR	Local Co-ordinate Reference:	Well #65D
Company:	Apache Corporation	TVD Reference:	KB @ 3688.00usft (Capstar 119)
Project:	Eddy County, NM (NAD27 NME)	MD Reference:	KB @ 3688.00usft (Capstar 119)
Site:	Tony Federal	North Reference:	Grid
Well:	#65D	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB1		
Design:	Plan #1 04-06-15		

Project	Eddy County, NM (NAD27 NME)		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	New Mexico East 3001		

Site		Tony Federal			
Site Position:		Northing:	666,516.20 usft	Latitude:	32° 49' 53.88921 N
From:	Map	Easting:	628,898.80 usft	Longitude:	103° 54' 49.29676 W
Position Uncertainty:	0.00 usft	Slot Radius:	13-3/16 "	Grid Convergence:	0.23

Well	#65D					
Well Position	+N/-S	-1,789.10 usft	Northing:	664,727.10 usft	Latitude:	32° 49' 36.11795 N
	+E/-W	1,715.40 usft	Easting:	630,614.20 usft	Longitude:	103° 54' 29.27698 W
Position Uncertainty		0.00 usft	Wellhead Elevation:	0.00 usft	Ground Level:	3,677.00 usft

Wellbore	WB1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	HDGM	4/6/2015	7.70	60.78	48,570

Design	Plan #1 04-06-15			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	113.40

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,096.64	9.93	113.40	4,094.15	-17.05	39.41	2.00	2.00	22.83	113.40	
6,437.57	9.93	113.40	6,400.00	-177.40	410.00	0.00	0.00	0.00	0.00	PBHL-Tony Fed #65D

EXHIBIT B

Database:	Compass 5000 GCR	Local Co-ordinate Reference:	Well #65D
Company:	Apache Corporation	TVD Reference:	KB @ 3688.00usft (Capstar 119)
Project:	Eddy County, NM (NAD27 NME)	MD Reference:	KB @ 3688.00usft (Capstar 119)
Site:	Tony Federal	North Reference:	Grid
Well:	#65D	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB1		
Design:	Plan #1 04-06-15		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
257.00	0.00	0.00	257.00	0.00	0.00	0.00	0.00	0.00	0.00
Rustler									
428.00	0.00	0.00	428.00	0.00	0.00	0.00	0.00	0.00	0.00
T/Salt									
1,288.00	0.00	0.00	1,288.00	0.00	0.00	0.00	0.00	0.00	0.00
B/Salt									
1,420.00	0.00	0.00	1,420.00	0.00	0.00	0.00	0.00	0.00	0.00
Yates									
1,717.00	0.00	0.00	1,717.00	0.00	0.00	0.00	0.00	0.00	0.00
Seven Rivers									
2,326.00	0.00	0.00	2,326.00	0.00	0.00	0.00	0.00	0.00	0.00
Queen									
2,696.00	0.00	0.00	2,696.00	0.00	0.00	0.00	0.00	0.00	0.00
Grayburg									
3,070.00	0.00	0.00	3,070.00	0.00	0.00	0.00	0.00	0.00	0.00
San Andres									
3,600.00	0.00	0.00	3,600.00	0.00	0.00	0.00	0.00	0.00	0.00
KOP, Start 2°/100' Build									
3,700.00	2.00	113.40	3,699.98	-0.69	1.60	1.75	2.00	2.00	0.00
3,800.00	4.00	113.40	3,799.84	-2.77	6.40	6.98	2.00	2.00	0.00
3,900.00	6.00	113.40	3,899.45	-6.23	14.40	15.69	2.00	2.00	0.00
4,000.00	8.00	113.40	3,998.70	-11.07	25.59	27.88	2.00	2.00	0.00
4,096.64	9.93	113.40	4,094.16	-17.05	39.41	42.94	2.00	2.00	0.00
EOC, Begin 9.93° Inc Hold									
4,100.00	9.93	113.40	4,097.47	-17.28	39.94	43.52	0.00	0.00	0.00
4,200.00	9.93	113.40	4,195.97	-24.13	55.77	60.77	0.00	0.00	0.00
4,300.00	9.93	113.40	4,294.47	-30.98	71.60	78.02	0.00	0.00	0.00
4,400.00	9.93	113.40	4,392.97	-37.83	87.43	95.27	0.00	0.00	0.00
4,500.00	9.93	113.40	4,491.47	-44.68	103.27	112.52	0.00	0.00	0.00
4,528.96	9.93	113.40	4,520.00	-46.67	107.85	117.51	0.00	0.00	0.00
Glorieta									
4,591.91	9.93	113.40	4,582.00	-50.98	117.82	128.37	0.00	0.00	0.00
Yeso									
4,600.00	9.93	113.40	4,589.97	-51.53	119.10	129.77	0.00	0.00	0.00
4,700.00	9.93	113.40	4,688.47	-58.38	134.93	147.02	0.00	0.00	0.00
4,800.00	9.93	113.40	4,786.97	-65.23	150.76	164.27	0.00	0.00	0.00
4,900.00	9.93	113.40	4,885.47	-72.08	166.59	181.51	0.00	0.00	0.00
5,000.00	9.93	113.40	4,983.98	-78.93	182.42	198.76	0.00	0.00	0.00
5,100.00	9.93	113.40	5,082.48	-85.78	198.25	216.01	0.00	0.00	0.00
5,200.00	9.93	113.40	5,180.98	-92.63	214.08	233.26	0.00	0.00	0.00
5,300.00	9.93	113.40	5,279.48	-99.48	229.91	250.51	0.00	0.00	0.00
5,400.00	9.93	113.40	5,377.98	-106.33	245.74	267.76	0.00	0.00	0.00
5,500.00	9.93	113.40	5,476.48	-113.18	261.57	285.01	0.00	0.00	0.00
5,600.00	9.93	113.40	5,574.98	-120.03	277.41	302.26	0.00	0.00	0.00
5,700.00	9.93	113.40	5,673.48	-126.88	293.24	319.51	0.00	0.00	0.00
5,800.00	9.93	113.40	5,771.98	-133.73	309.07	336.76	0.00	0.00	0.00
5,900.00	9.93	113.40	5,870.49	-140.58	324.90	354.01	0.00	0.00	0.00
6,000.00	9.93	113.40	5,968.99	-147.43	340.73	371.26	0.00	0.00	0.00
6,100.00	9.93	113.40	6,067.49	-154.28	356.56	388.50	0.00	0.00	0.00
6,200.00	9.93	113.40	6,165.99	-161.13	372.39	405.75	0.00	0.00	0.00
6,300.00	9.93	113.40	6,264.49	-167.98	388.22	423.00	0.00	0.00	0.00

Database:	Compass 5000 GCR	Local Co-ordinate Reference:	Well #65D
Company:	Apache Corporation	TVD Reference:	KB @ 3688.00usft (Capstar 119)
Project:	Eddy County, NM (NAD27 NME)	MD Reference:	KB @ 3688.00usft (Capstar 119)
Site:	Tony Federal	North Reference:	Grid
Well:	#65D	Survey Calculation Method:	Minimum Curvature
Wellbore:	WB1		
Design:	Plan #1 04-06-15		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
6,400.00	9.93	113.40	6,362.99	-174.83	404.05	440.25	0.00	0.00	0.00
6,437.57	9.93	113.40	6,400.00	-177.40	410.00	446.73	0.00	0.00	0.00
TD at 6437.57' MD - PBHL-Tony Fed #65D									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
- hit/miss target									
- Shape									
PBHL-Tony Fed #65D	0.00	0.00	6,400.00	-177.40	410.00	664,549.70	631,024.20	32° 49' 34.34620 N	103° 54' 24.48052 W
- plan hits target center									
- Circle (radius 20.00)									

Formations						
Measured Depth (usft)	Vertical Depth (usft)	Name	Lithology	Dip (°)	Dip Direction (°)	
257.00	257.00	Rustler				
428.00	428.00	T/Salt				
1,288.00	1,288.00	B/Salt				
1,420.00	1,420.00	Yates				
1,717.00	1,717.00	Seven Rivers				
2,326.00	2,326.00	Queen				
2,696.00	2,696.00	Grayburg				
3,070.00	3,070.00	San Andres				
4,528.96	4,520.00	Glorieta				
4,591.91	4,582.00	Yeso				

Plan Annotations				
Measured Depth (usft)	Vertical Depth (usft)	Local Coordinates		Comment
		+N/-S (usft)	+E/-W (usft)	
3,600.00	3,600.00	0.00	0.00	KOP, Start 2°/100' Build
4,096.64	4,094.16	-17.05	39.41	EOC, Begin 9.93° Inc Hold
6,437.57	6,400.00	-177.40	410.00	TD at 6437.57' MD

EXHIBIT B



Tony Federal 65D

BLM O&G lease
NMLC-029395A



Quad: LOCO HILLS
Scale: 1 inch = 2,000 ft.

EXHIBIT C

- LEGEND**
- New
 - ★ Active
 - ⊕ P&A
 - ⊙ INJ
 - ⊙ SWD
 - ⊙ Water

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Tuesday, June 28, 2016 11:47 AM
To: brian@permitswest.com
Cc: Bayliss, Randolph, EMNRD; Sharp, Karen, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD; Jones, William V, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'; 'scaffey@blm.gov'; 'rjsanche@blm.gov'; 'jstovall@blm.gov'
Subject: NSL - 7428 _Tony Federal Well 65 D; 19 17S 31E; Eddy County
Importance: High

Mr. Brian Wood

The following permits has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/imaging/WellFileCriteria.aspx>

NSL-7428

Apache Corporation

API: 30-015-43506

WELL: Tony Federal Well 65 D; 19 17S 31E; Eddy County

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

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