

DATE IN 4.22.11	SUSPENSE	ENGINEER DIB	LOGGED IN 4.22.11	TYPE NSL	APP NO. 111246889
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PTGN

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Apache
 RECEIVED OGD
 N. B. T. Weems State # 17
 30-015-38407

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.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent for Apache Corporation
 Title

4/21/11
 Date

drcatanach@netscape.com
 E-Mail Address

April 21, 2011

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
~~N B Tween State No. 17~~
~~API No. (30-015-38407)~~
1070' FSL & 1650' FWL (Unit N)
Section 25, 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 N B Tween State No. 17. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed N B Tween State No. 17 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SW/4 of Section 25. This unit is currently dedicated to the existing Apache N B Tween State No. 2 (API No. 30-015-35974) located 990 feet from the South line and 2460 feet from the West line, and the existing N B Tween State No. 7 (API No. 30-015-36627) located 330 feet from the South line and 1650 feet from the West 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 an existing Chevron pipeline.

The affected offset acreage includes the NW/4 SW/4 and NE/4 SW/4 of Section 25, Township 17 South, Range 28 East. Both of these affected tracts are existing 40-acre spacing units in the Artesia Glorieta-Yeso Pool, and both are operated by Apache. Please note, however, that the working interest ownership between the SE/4 SW/4 and the two affected offset 40-acre tracts is not common. Consequently, Apache is providing notice

of this application to Chase Oil Corporation, the only other working interest owner in the affected offset tracts.

Attached is a Form C-102, vicinity map, a map showing the affected offset acreage, and proof of notice.

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 SW/4 of Section 25 that may otherwise not be recovered by the existing wells, thereby preventing waste, and will not violate correlative rights.

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

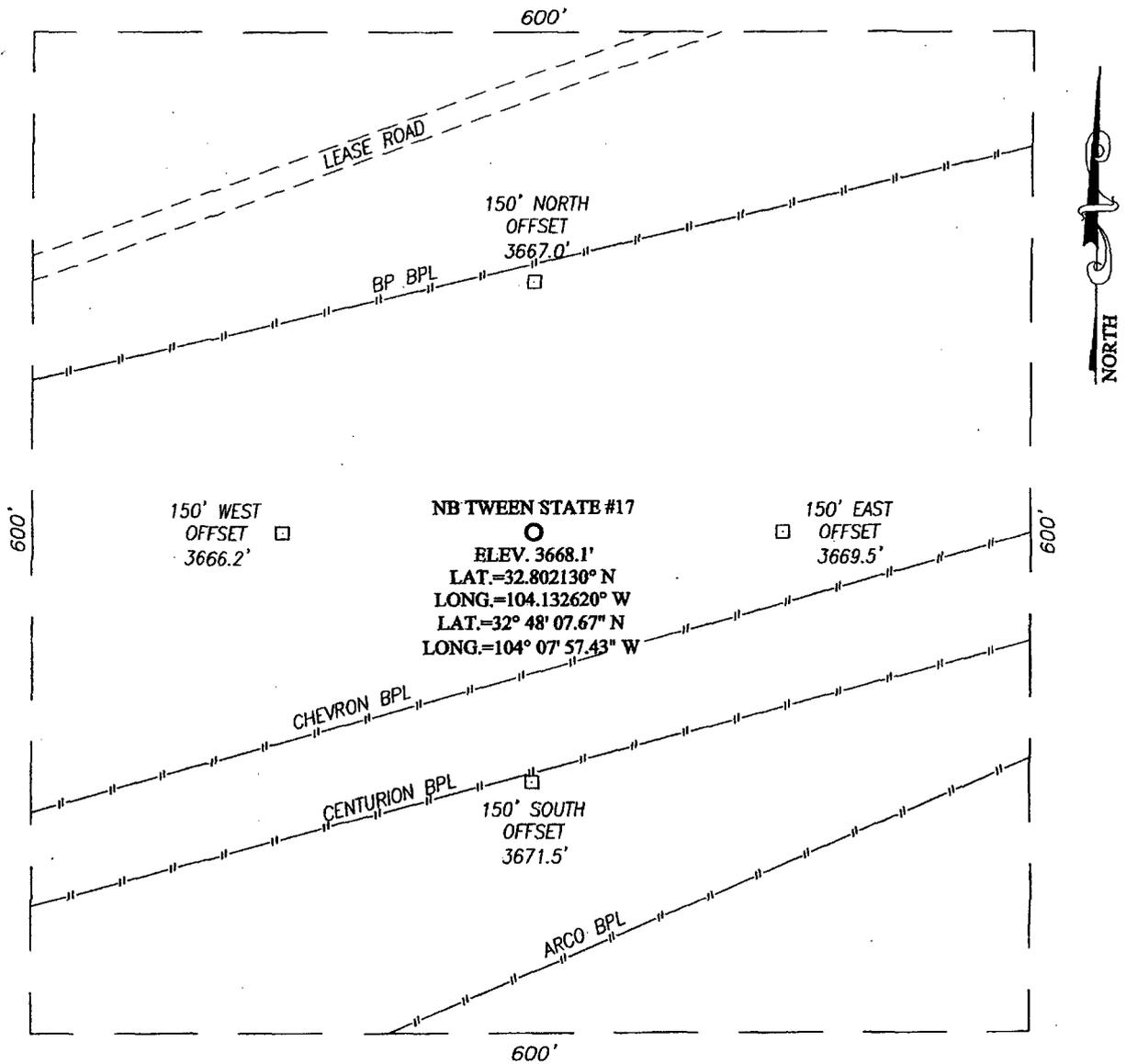
Sincerely,



David Catanach, Agent
Apache Corporation
6120 S. Yale, Suite 1500
Tulsa, Oklahoma 74136

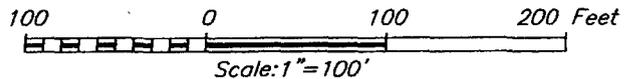
Xc: OCD-Artesia

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 (LOVINGTON HWY.) AND CO. RD. #209 (TURKEY TRACK RD.), GO EAST ON U.S. HWY. #82 APPROX. 1.1 MILES. TURN RIGHT AND GO SOUTHEAST APPROX. 300 FEET. TURN RIGHT AND GO SOUTHWEST APPROX. 0.15 MILES. THIS LOCATION STAKE IS APPROX. 250 FEET SOUTH OF LEASE ROAD.

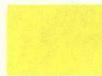
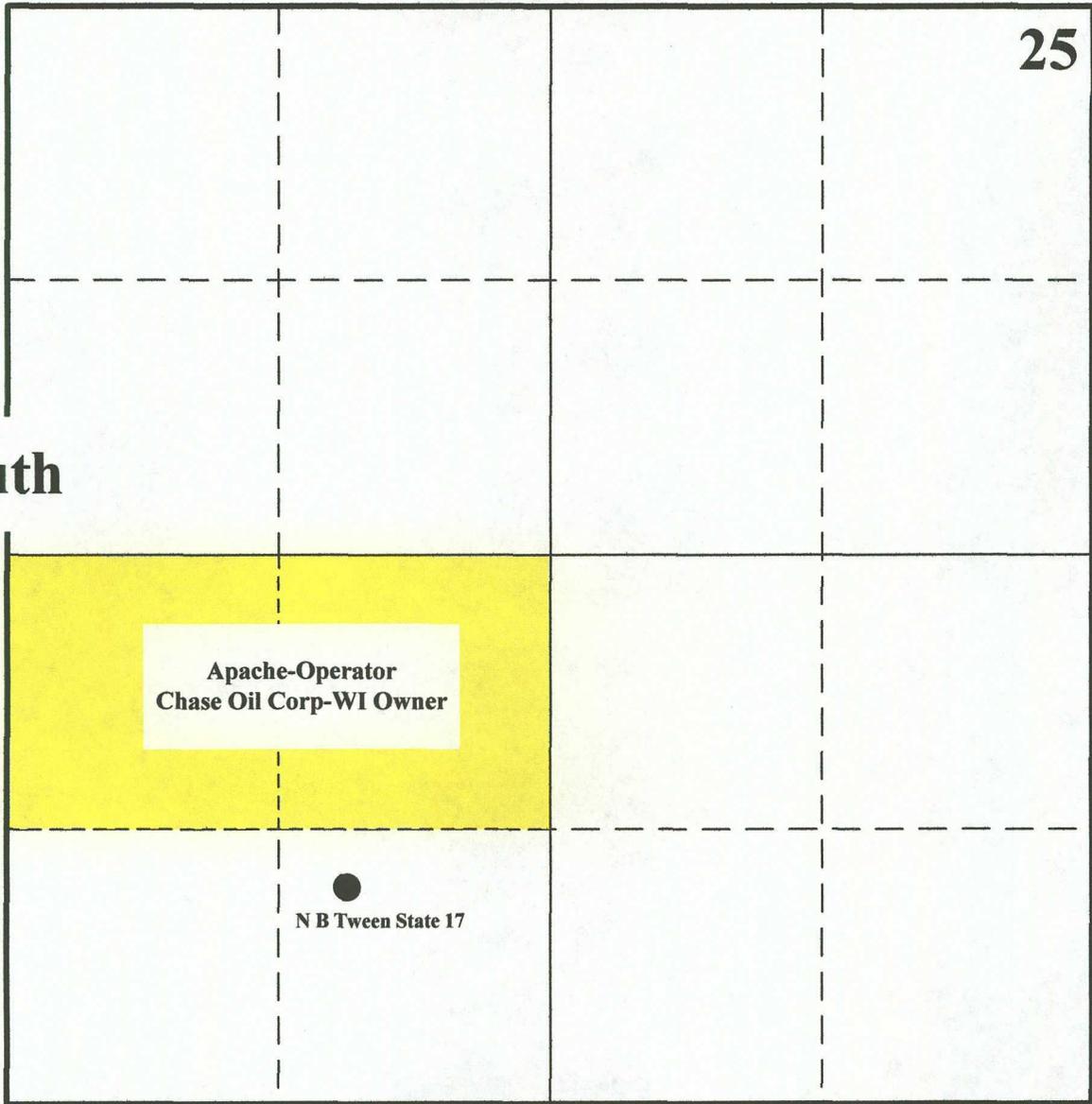


PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117

APACHE CORPORATION			
NB TWEEN STATE #17 WELL LOCATED 1070 FEET FROM THE SOUTH LINE AND 1650 FEET FROM THE WEST LINE OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO.			
Survey Date: 12/20/10	Sheet 1 of 1 Sheets		
W.O. Number: 10.11.1817	Dr By: DSS	Rev 1:N/A	
Date: 12/28/10	10111817	Scale: 1"=100'	

28 East

17 South



Affected Offset Acreage

Apache Corporation
Application for Non-Standard Well Location
N B Tween State No. 17 (API No. 30-015-38407)

April 21, 2011

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Chase Oil Corporation
11352 Lovington Highway
Artesia, New Mexico 88210
Attn: Staci Sanders

Re: Apache Corporation
Unorthodox Well Location
N B Tween State No. 17
1070' FSL & 1650' FWL (Unit N)
Section 25, T-17 South, R-28 East, NMPM,
Artesia Glorieta-Yeso Pool
Eddy County, New Mexico

Dear Ms. Sanders:

Enclosed please find a copy of the application filed by Apache Corporation for authorization to drill its N B Tween State No. 17 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool. The proposed unorthodox location is necessary in order to avoid an existing Chevron pipeline. The N B Tween State No. 17 will be dedicated to an existing 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SW/4 of Section 25.

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
6120 S. Yale
Suite 1500
Tulsa, Oklahoma 74136

Enclosure

7010 0780 0002 0895 0698

U.S. Postal Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only. No Insurance Coverage Provided)

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

ARTESIA NM 88210 **OFFICIAL USE**

Postage	\$ 1.08
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.30
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.23

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05
Postmark Here
APR 22 2011
04/23/2011
US POSTAL SERVICE, N.M.S.
BONNADO STATION

Sent To *Chase Oil Corporation*
 Street, Apt. No. or PO Box No. *11352 Korington Highway*
 City, State, ZIP+4 *Artesia, New Mexico 88210*