Form 3160-5 (August 2007)

# UNITED STATES DEPARTMENT OF THE INTERIOR

OCD Artesia
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FORM APPROVED OMB NO. 1004-0135

	JREAU OF LAND MANA			·*  _		July 31, 2010	
	NOTICES AND REPO		ELLS	5	<ul> <li>Lease Serial No. NMLC029395A</li> </ul>	,	
Do not use thi	s form for proposals to I. Use form 3160-3 (AP	drill or to re	-enter an	6	. If Indian, Allottee		
SUBMIT IN TRI	PLICATE - Other instru	ctions on rev	erse side.	7	. If Unit or CA/Agre	ement, Name and/or No.	
1. Type of Well				8	. Well Name and No TONY FEDERAL		
② Oil Well ☐ Gas Well ☐ Oth  2. Name of Operator		SORINA FLO	NDE C	0	. API Well No.		
APACHE CORPORATION	E-Mail: sorina.flor	es@apachecor	p.com		30-015-42000-0	00-X1	
3a. Address 303 VETERANS AIRPARK LA MIDLAND, TX 79705	NE SUITE 3000	3b. Phone No Ph: 432-8	. (include area code) 8-1167	1	0. Field and Pool, or CEDAR LAKE	Exploratory	
4. Location of Well , (Footage, Sec., T.	, R., M., or Survey Description	1)	,	• 1	1. County or Parish,	and State	
Sec 19 T17S R31E Lot 1 295F 32.826293 N Lat, 103.912592			•		EDDY COUNT	Y, NM	
12. CHECK APPE	ROPRIATE BOX(ES) T	O INDIÇATE	NATURE OF N	NOTICE, REP	ORT, OR OTHE	R DATA	
TYPE OF SUBMISSION			TYPEOF	ACTION			
	☐ Acidize	Dee	pen ·	☐ Production	(Start/Resume)	☐ Water Shut-Off	
Notice of Intent 6	☐ Alter Casing		ture Treat	Reclamation		☐ Well Integrity	
☐ Subsequent Report	☐ Casing Repair	□ Nev	Construction	☐ Recomplet	Recomplete		
☐ Final Abandonment Notice	□ Change Plans	Pluj	g and Abandon	□ Temporari	ly Abandon	Change to Original A PD	
_	☐ Convert to Injection	☐ Plug	g Back	☐ Water Disp	oosal	1.0	
Top of Salt 450' S Base of Salt/Tansil 1191' Yates 1378' Y	andonment Notices shall be final inspection.)  (NMB000736  The directional plan for the Directional plan for the Directional plan for the Direction of the Build-and-Hold permains the same with extendion of the State of the Sta	Tony Federall attached ception that a	I #54 from the S-Measured depth I subsurface form  CEIVEI  APR 2 8 2014  OCD ARTE	curve plan  To will chanation tops	APPR	pled for record NMOCD  2 3 2014	
14. I hereby certify that the foregoing is  Com  Name(Printed/Typed) SORINA F	# Electronic Submission For APACH mitted to AFMSS for proce	242882 verifie E CORPORAT essing by WES	d by the BLM WellON, sent to the C BLEY INGRAM on Title SUBMIT	I Information Sy Carlsbad 04/23/2014 (14V ITING CONTA	vstem BUREAU C VWI0277SE) CARL	FRANDINE OFFICE	
	•				*. *. * # *.		
Signature (Electronic S		20 55252	Date 04/21/20		<del></del>	, 25	
	THIS SPACE FO	JH FEDERA	L OR STATE (	OFFICE USE	· · · · · · · · · · · · · · · · · · ·		
Approved By EDWARD FERNANI Conditions of approval, if any, are attached certify that the applicant holds legal or equ which would entitle the applicant to condu	d. Approval of this notice does itable title to those rights in the	not warrant or e subject lease	TitlePETROLE		R	Date 04/23/2014	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# Additional data for EC transaction #242882 that would not fit on the form

## 32. Additional remarks, continued

Seven Rivers

. 441

1688' (oil)

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TVD: 6400' MD: 6402'

\*copy of NSL-7004A is attached



KB @ 3725.00usft (Capstar 114)

臘

400

800

2800

3000

5800

200 400

Vertical Section at 256.52° (200 usft/in)

600

Project: Lea County, NM (NAD27 NME)

Site: Tony Federal

Well: #54

Wellbore: WB1/Job #1410679 Design: Plan #1 04-17-14 Rig: Capstar 114





Magnetic Field Strength: 48631.1snT Dip Angle: 60.60° Date: 04/15/2014 Model: BGGM2013

WELL DETAILS
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+N/-S	+E/-W	Northing	Easting	Latitude	l ongitude	
0.00	0.00	664573.80	629244,90	32° 49′ 34.65525 N	103° 54' 45.33116 W	

#### SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target	Annotation
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
2	1300.00	0.00	0.00	1300.00	0.00	0.00	0.00	0.00	0.00		KOP, 2*/100' Build
3	1387.25	1.74	256,52	1387,23		-1.29					EOC, Hold 1,74° Inc, 256,52° Azm
4	6402.34	1.74	256.52	6400.00	-35.90	-149.80	0.00	0.00	154.04	PBHL-Tony Fed #54	TD at 6402.34

### DESIGN TARGET DETAILS

Name TVD +N/-S PBHL-Tony Fed ≠54 6400.00 -35.90 - plan hits target center	+E/-W -149.80	Northing 664537.90	Easting 629095.10	Latitude 32° 49' 34,30591 N	Longitude 103° 54' 47.08635 W	Shape Circle (Radius: 20,00)	
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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 #54, Grid North

Latitude: 32° 49' 34,65525 N Longitude: 103° 54' 45,33116 W

Grid East: 629244.90 Grid North: 664573.80 Scale Factor: 1,000

Geomagnetic Model: BGGM2013 Sample Date: 15-Apr-14 Magnetic Declination: 7.55° Dip Angle from Horizontal; 60.60° Magnetic Field Strength: 48631

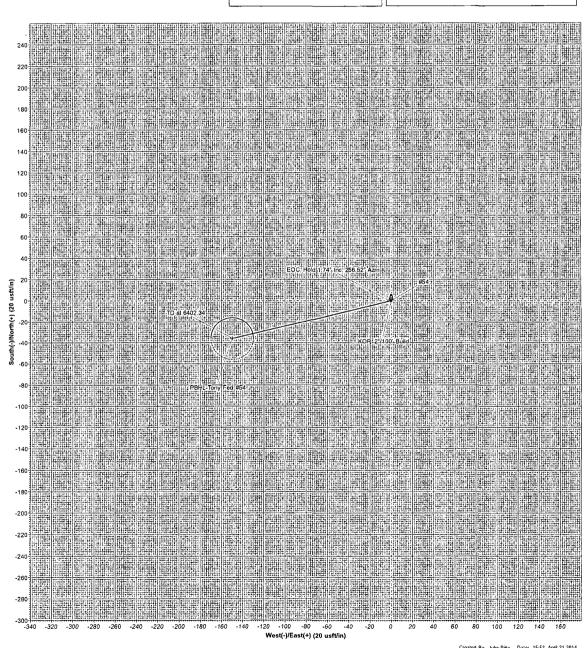
To convert a Magnetic Direction to a Grid Direction, Add 7.34° To convert a Magnetic Direction to a True Direction, Add 7.56° East To convert a True Direction to a Grid Direction, Subtract 0.23°

### FORMATION TOP DETAILS

TVDPath	MDPath	Formation	DipAngle	DipDir
149.00	149.00	Rustler	0.00	256.52
450,00	450,00	T/Salt	0.00	256.52
1191.00	1191,00	B/Salt	0.00	256.52
1378.00	1378,01	Yales	00.0	256.52
1688.00	1688.15	Seven Rivers	0.00	256.52
2299.00	2299.44	Queen		256.52
2647.00	2647.60	Grayburg	0.00	256.52
3023.00	3023.77	San Andres		256.52
4520.00	4521.47	Glorieta	0.00	256.52
4576,00	4577.49	Yeso	0.00	256.52

### LEGEND

- Plan #1 04-17-14





# **Apache Corporation**

Lea County, NM (NAD27 NME) Tony Federal #54

WB1/Job #1410679

Plan: Plan #1 04-17-14

# **Standard Planning Report**

21 April, 2014





Planning Report



 Database:
 GCR DB
 Local Co-ordinate Reference:
 Well #54

 Company:
 Apache Corporation
 TVD Reference:
 KB @ 3725.00usft (Capstar 114)

 Project:
 Lea County, NM (NAD27, NME)
 MD Reference:
 KB @ 3725.00usft (Capstar 114)

 Site:
 Tony, Federal
 North Reference:
 Grid

 Well:
 #54
 Survey/Calculation/Method:
 Minimum Curvature

 Wellbore:
 WB 17, Job #1410679

 Design:
 Plan #1: 04=17-14

Project Lea County NM:(NAD27/NME)

Map System: Geo Datum: US State Plane 1927 (Exact solution)

NAD 1927 (NADCON CONUS)

Map Zone:

New Mexico East 3001

System Datum:

Mean Sea Level

Tony Federal Site 666.516.20 usft Site Position: Northing: Latitude: 32° 49' 53.88921 N Easting: 628,898.80 usft 103° 54' 49.29676 W Мар Longitude: From: 13-3/16 " **Grid Convergence:** 0.23° **Position Uncertainty:** 0.00 usft Slot Radius:

Well #54 💸 **Well Position** +N/-S -1,942.40 usft Northing: 664,573.80 usft Latitude: 32° 49' 34.65525 N +E/-W 346.10 usft Easting: 629,244.90 usft Longitude: 103° 54' 45.33116 W **Position Uncertainty** 0.00 usft Wellhead Elevation: **Ground Level:** 3,714.00 usft

 Wellbore
 WB1/Job#1410679

 Magnetics
 Model Name
 Sample Date
 Declination
 Dip Angle
 Field Strength

 (i)
 (ii)
 (iii)
 (iii)
 (iii)

 BGGM2013
 04/15/14
 7.56
 60.60
 48,631

Audit Notes: Version: Phase: PLAN Tie On Depth: 0.00 Vertical Section: Depth From (TVD) Direction (usft) (°) (usft) (usft) 0.00 0.00 0.00 256.52

Measured   Vertical   Dogleg   Build   Turn   Tur	Plan Sections				40.00				(4) (4) (7)		
(usft)         (;)         (;)         (usft)         (usft)         (7/100usft)         (7/100usft)         (7/100usft)         (7/100usft)         (;)         Target           0.00	Measured		to and	as missaus croppings of the second		OCCUPATION SHOP SHOP NOT SHAPE	ASSESSMENT OF THE PARTY OF THE	ARTHUR DESCRIPTION OF THE PARTY	CONTRACTOR OF THE SECOND	egge glasses	
0.00         0.00 <th< th=""><th>Depth Inc (usft)</th><th>lination (°)</th><th>Azimuth (°)</th><th>A Communication of the Communi</th><th>BOOK COLONIA CONTROL SONO</th><th>Street Street Co. of the Street Street</th><th></th><th></th><th>DEC AND DESCRIPTION OF THE PROPERTY OF</th><th>√TFO (°)</th><th>Target</th></th<>	Depth Inc (usft)	lination (°)	Azimuth (°)	A Communication of the Communi	BOOK COLONIA CONTROL SONO	Street Street Co. of the Street Street			DEC AND DESCRIPTION OF THE PROPERTY OF	√TFO (°)	Target
1,300.00 0.00 0.00 1,300.00 0.00 0.00 0.00 0.00 0.00 0.00 1,387.25 1.74 256.52 1,387.23 -0.31 -1.29 2.00 2.00 -118.60 256.52			*** * * * * * * * * * * * * * * * * *					let Trees			
1,387.25 1.74 256.52 1,387.23 -0.31 -1.29 2.00 2.00 -118.60 256.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
, , , , , , , , , , , , , , , , , , , ,	1,300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0.00	
6,402.34 1.74 256.52 6,400.00 -35.90 -149.80 0.00 0.00 0.00 0.00 PBHL-Tony Fed #54	1,387.25	1.74	256,52	1,387.23	-0.31	-1.29	2.00	2.00	-118.60	256.52	
	6,402.34	1.74	256.52	6,400.00	-35.90	-149.80	0.00	0.00	0.00	0.00 F	PBHL-Tony Fed #54



Planning Report



Database: GCRIDB:
Company: Apache Corporation.
Project: 1 Lea County NM (NAD27 NME)
Site: 1Tony, Federal
Well: #54
Wellbore: WB1/Job #1410679
Design: Plan #1 04417-14

Local Co-ordinate Reference: TVD Reference: MD Reference: North Reference: Survey Calculation Method: Well #54 KB @ 3725.00usft (Capstar 114) & KB @ 3725.00usft (Capstar 114) & Grid Minimum Curvature

Planned Survey		Aleccided Co			production of the state of	ria tale facility	747 (15 A) A		
		7							100
Measured			Vertical		ara gra	/ertical	Dogleg	Build	Turn
Depth Incl	lination	Azimuth	Depth	+N/-S	+E/-W	Section	Rate	Rate	Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft) (	/100usft) (°	/100usft) (	/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
149.00	0.00	0.00	149.00	0.00	0.00	0.00	0.00	0.00	0.00
Rustler +									
450.00	0.00	0.00	450.00	0.00	0.00	0.00	0.00	0.00	0.00
T/Salt									
1,191.00	0.00	0.00	1,191.00	0.00	0.00	0.00	0.00	0.00	0.00
1.300.00	0.00	0.00	1,300.00	0.00	0.00	0.00	0.00	0.00	0,00
KOP: 2°/100' Build	NAME OF TAXABLE PARTY O	Date of the Control o	·			ACTION OF THE PROPERTY OF THE		F #= 35 %	en Program de Bourdin authoris (Program)
And British Control of the Assessment Section 4000 and and	PUPPER STATE STATE OF				Carlo Bullette or All States		STELLINE STATE STATE OF STATE	The state of the s	Company of the San
1,378.01	1.56	256.52	1,378.00	-0.25	-1.03	1.06	2.00	2.00	0.00
1,387.25	1.74	256.52	1,387.24	-0.31	-1,29	1.33	2.00	2.00	0.00
EOC: Hold 1.74° Ir									
1,400.00	1.74	256.52	1,399.98	-0.40	-1.67	1.72	0.00	0.00	0.00
1,500.00	1.74	256.52	1,499.93	-1.11	-4.63	4.76	0.00	0.00	0.00
1,600.00	1.74	256,52	1,599.89	-1.82	-7.59	7.81	0.00	0.00	0.00
1,688.15	1.74	256.52	1,688.00	-2.45	-10.20	10.49	0.00	0.00	0.00
Seven Rivers	11.00				in the second				
1,700.00	1.74	256.52	1,699.84	-2.53	-10.55	10.85	0.00	0.00	0.00
1,800.00	1.74	256.52	1,799.80	-3.24	-13.51 16.49	13.90	0.00 0.00	0.00 0.00	0.00 0.00
1,900.00 2,000.00	1.74 1.74	256.52 256.52	1,899.75 1,999.70	-3.95 -4.66	-16.48 -19.44	16.94 19.99	0.00	0.00	0.00
· ·									i
2,100.00	1.74	256.52	2,099.66	-5.37	-22.40	23.03	0.00	0.00	0.00
2,200.00 2,299.44	1.74 1.74	256.52 256.52	2,199.61 2,299.00	-6.08 -6.78	-25.36 -28.30	26.08 29.11	0.00 0.00	0.00 0.00	0.00 0.00
Queen		230,32	2,233.00		-20.50	23.11			
2,300.00	1.74	256.52	2,299.56	-6.79	-28.32	29.12	0.00	0.00	0.00
2,400.00	1.74	256.52	2,399.52	-7.50	-31.28	32.17	0.00	0.00	0.00
2,500.00	1.74	256.52	2,499.47	-8.21	-34.24	35.21	0.00	0.00	0.00
2,600.00	1.74	256.52	2,599.42	-8.92	-37.20	38.26	0.00	0.00	0.00
2,647.60	1.74	256.52	2,647.00	-9.25	-38.61	39.71	0.00	0.00	0.00
Grayburg :				1311.11					
2,700.00	1.74	256.52	2,699.38	-9.63	-40.17	41.30	0.00	0.00	0.00
2,800.00	1.74	256.52	2,799.33	-10.34	-43.13	44.35	0.00	0.00	0.00
2,900.00	1.74	256.52	2,899.29	-11.05	-46.09	47.39	0.00	0.00	0.00
3,000.00	1.74	256.52 256.52	2,999.24	-11.75	-49.05	50.44 51.16	0,00 0,00	0.00 0.00	0.00 0.00
3,023.77	1.74	236.32	3,023.00	-11.92	-49.75	51.16	0.00	0.00	0.00
3,100.00	1.74	256.52	3,099.19	-12.46	-52.01	53.48	0.00	0.00	0.00
3,200.00	1.74	256.52	3,199.15	-13.17	-54.97	56.53	0.00	0.00	0.00
3,300.00	1.74	256.52	3,299.10	-13.88	-57,93	59.57	0.00	0.00	0.00
3,400.00	1.74	256.52 256.52	3,299.10	-13.88 -14.59	-57.93 -60.89	62.62	0.00	0.00	0.00
3,500.00	1.74	256.52	3,499.01	-15.30	-63.86	65.66	0.00	0.00	0.00
3,600.00	1.74	256.52	3,598.96	-16.01	-66.82	68.71	0.00	0.00	0.00
3,700.00	1.74	256.52	3,698.91	-16.72	-69.78	71.75	0.00	0.00	0.00
3,800.00	1.74	256.52	3,798.87	-17.43	-72.74	74.80	0.00	0.00	0.00
3,900.00	1.74	256.52	3,898.82	-18.14	-75.70	77.84	0.00	0.00	0.00
4,000.00	1.74	256.52	3,998.77	-18.85	-78.66	80,89	0.00	0.00	0.00
4,100.00	1.74	256.52	4,098.73	-19.56	-81.62	83.93	0.00	0.00	0.00
4,200.00	1.74	256.52	4,198.68	-20.27	-84.58	86.98	0.00	0.00	0.00
4,300.00	1.74	256.52	4,298.64	-20.98	-87.55	90.02	0.00	0.00	0.00
4,400.00	1.74	256,52	4,398.59	-21,69	-90.51	93.07	0.00	0.00	0.00
4,500.00	1.74	256.52	4,498.54	-22.40	-93.47	96.11	0.00_	0.00	0.00



Planning Report



Database: GCRIDB LocaliCo-ordinate Reference: TVD/Reference: TVD/Reference: TVD/Reference: TVD/Reference: Project: Itea/County: NM/(NAD27NME) MD/Reference: MD/Reference: North Reference: North Reference: Well: #54.

Welliore: WB1/Job #1410679 Design: Plan #13/04-17514

Well #54 KB @ 3725 90usti (Capstar 114) KB @ 3725 90usti (Capstar 114) Grid Minimum Curvature

ined Survey									
Measured		-11 - 12 mar	Vertical			Vertical	Dogleg	Build	Turn
Depth	Inclination	Azimuth	Depth	+N/-S	+E/-W	Section	Rate	Rate	Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(°/100üsft)	(°/100üsft)	(°/100usft)
4,521.47	1,74	256.52	4,520.00	-22.55	-94.10	96.77	0.00	0.00	0.00
: Glorieta :⇒ →									
4,577.49	1.74	256.52	4,576.00	-22.95	-95.76	98.47	0.00	0.00	0.00
*Yeso					Aurilland St.				
4,600.00	1.74	256.52	4,598.50	-23.11	-96.43	99.16	0.00	0.00	0.00
4,700.00	1.74	256.52	4,698.45	-23.82	-99.39	102.20	0.00	0.00	0.00
4,800.00	1.74	256.52	4,798.40	-24.53	-102.35	105.25	0.00	0.00	0.00
4,900.00	1.74	256.52	4,898.36	-25.24	-105.31	108.29	0.00	0.00	0.00
5,000.00	1.74	256.52	4,998.31	-25.95	-108.27	111.34	0.00	0.00	0.00
5,100.00	1.74	256.52	5,098.26	-26.66	-111.23	114.38	0.00	0.00	0.00
5,200.00	1.74	256.52	5,198.22	-27.37	-114.20	117.43	0.00	0.00	0.00
5,300.00	1.74	256.52	5,298.17	-28.08	-117.16	120.47	0.00	0.00	0.00
5,400.00	1.74	256.52	5,398.13	-28.79	-120.12	123.52	0.00	0.00	0.00
5,500.00	1.74	256.52	5,498.08	-29.50	-123.08	126.56	0.00	0.00	0.00
5,600.00	1.74	256.52	5,598.03	-30.21	-126.04	129.61	0.00	0.00	0.00
5,700.00	1.74	256.52	5,697.99	-30.92	-129.00	132.65	0.00	0.00	0.00
5,800.00	1.74	256,52	5,797.94	-31.63	-131.96	135.70	0.00	0.00	0.00
5,900.00	1.74	256.52	5,897.89	-32.34	-134.92	138.75	0.00	0.00	0.00
6,000.00	1.74	256.52	5,997.85	-33.04	-137.89	141.79	0.00	0.00	0.00
6,100.00	1.74	256,52	6,097.80	-33.75	-140.85	144.84	0.00	0.00	0.00
6,200.00	1.74	256.52	6,197.75	-34.46	-143.81	147.88	0.00	0.00	0.00
6,300.00	1.74	256.52	6,297.71	-35.17	-146.77	150.93	0.00	0.00	0.00
6,400.00	1.74	256.52	6,397.66	-35.88	-149.73	153.97	0.00	0.00	0.00
6,402.34	1.74	256.52	6,400.00	-35.90	-149.80	154.04	0.00	0.00	0.00
TD at 6402.34	4 - PBHL-Tonv F	ed #54	FERE SAND			Contract Contract			ALC: N. P. ST. ALC: ALC: ALC: ALC: ALC: ALC: ALC: ALC:

Design Targets  Target Name  Shit/miss/target  Shape	Angle D		TVD (usft)			Northing (usft)	Easting (usft)	Latitude	L'ongitude .	
PBHL-Tony Fed #54 - plan hits target center - Circle (radius 20.00)	0.00	0.00	6,400.00	-35.90	-149.80	664,537.90	629,095.10	32° 49′ 34.30591 N	l 103° 54' 47.08836 V	1

Formations Measured	Vertical <sup>eff</sup>			Ölip
Depth	COST OF THE COST O	Name Lithology	Dip D	irection ((i))
149.00	149.00	Rustler	0.00	256.52
450.00	450.00	T/Salt	0.00	256.52
1,191.00	1,191.00	B/Salt	0.00	256.52
1,378.01	1,378.00	Yates	0.00	256.52
1,688.15	1,688.00	Seven Rivers	0.00	256.52
2,299.44	2,299.00	Queen	0.00	256.52
2,647.60	2,647.00	Grayburg	0.00	256.52
3,023.77	3,023.00	San Andres	0.00	256.52
4,521.47	4,520.00	Glorieta	0.00	256.52
4,577.49	4,576.00	Yeso	0.00	256.52



Planning Report



Database: GCR:DB: Local Co-ordinate Reference: Well:#54	
Company: Apache Corporation: TVD'Reference: KBi@:3725.	00usft (Capstar 114)
Project: Lea County NM (NAD27:NME) MDIReference: KB @:3725:	JUUST (Capstar 114)
Site: North Reference: Grid	
Well: # 54. #54 Survey.Calculation Method: Minimum.Cu	invature 3.
Well. 301/ey Calculation metriod.	
Wellbore: WB1/Job #1410679 **	
Document 1 Plan #1 04-17-14	

Plan Annotations  Measured Depth (usft)	Vertical Depth ((usft)	Local Coordina +N/-S: (usfi)	tes +E/-W -(usft)	Comment
1,300.00	1,300.00	0.00	0.00	KOP, 2°/100' Build
1,387.25	1,387.24	-0.31	-1.29	EOC, Hold 1.74° Inc, 256.52° Azm
6,402.34	6,400.00	-35.90	-149.80	TD at 6402.34

# State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Brett F. Woods, Ph.D. Deputy Cabinet Secretary

March 4, 2014

Apache Corp

Attn: Mr. David Catanach

## ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7004-A Administrative Application Reference No. pMAM1404338284

Apache Corp OGRID 873 Tony Federal Well No. 54 API No. 30-015-42000

### **Proposed Location:**

	Footages	Unit/	Lot Section	Towns	hip Range	County
Surface	295 FNL & 1140 FWL	С	19	17S	31E	Eddy
<b>Bottom Hole</b>	330 FNL & 990 FWL	1	19	17S	31E	Eddy

### **Proposed Unit:**

Description	Acres	Pool	Pool Code
NW/4 NW/4 of Section 19	32.41	Cedar Lake; Glorieta-Yeso	96831

Reference is made to your application received on February 12, 2014.

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 or lot outer boundary. This location is less than 330 feet from a lot outer boundary. Even though the surface location is in Unit C, the entire perforated interval is located in Lot 1/ Unit D of section 19.

Lot 1/Unit D of Section 19 is an irregular Section comprising of 32.41 acres. The dimensions of this irregular Section are 1320 feet high, and 1069 feet wide, thereby making the 1220 South St. Francis Drive • Santa Fe, New Mexico 87505

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March 4, 2014 Page 2

bottom-hole location of this well which is 330 feet from the North line and 990 feet from the West line unorthodox.

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 avoid a drainage draw and sand dunes in the area.

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

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This Order supersedes Order No. NSL-7004.

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.

Sincerely,

Jami Bailey Director

JB/mam

cc:

New Mexico Oil Conservation Division – Artesia Bureau of Land Management-Carlsbad