

ABOVE THIS LINE FOR DIVISION USE ONLY

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



NSL-6860

**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 \_\_\_\_\_

Apache Corp.  
 30-015-41501  
 AB State 647#3

- [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

8/23/13  
 Date

drcatanach@netscape.com  
 E-Mail Address

August 23, 2013

**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  
AB State 647 No. 3  
API No. (30-015-41501)  
2370' FSL & 1650' FWL (Unit K)  
Section 32, 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 AB State 647 No. 3. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830) at an unorthodox oil well location 2370 feet from the South line and 1650 feet from the West line (Unit K) of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

The proposed AB State 647 No. 3 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SW/4 of Section 32. This unit is currently dedicated to Apache's proposed: i) AB State 647 No. 2 (API No. 30-015-39927 located at a standard well location 1750 feet from the South line and 1765 feet from the West line; ii) AB State 647 No. 8 (API No. 30-015-41492) located at an unorthodox well location 1620 feet from the South line and 2270 feet from the West line; and iii) AB State 647 No. 2 (API No. 30-015-41500) located at an unorthodox location 2355 feet from the South line and 2600 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 is necessary in order to avoid an existing pipeline within the drill tract.

The affected offset tracts are the SW/4 NW/4 and the SE/4 NW/4 of Section 32. The SW4 NW/4 of Section 32 currently has no wells producing from the Glorieta-Yeso. The leasehold owners in this tract are Oxy USA, Inc. and Sacramento Partners. The SE/4 NW/4 of Section 32 is an existing 40-acre spacing unit in the Artesia Glorieta-Yeso Pool that is operated by Apache. Please note that the working interest ownership between the drill tract and the SE/4 NW/4 of Section 32 is not common. The affected WI owner within this tract is COG Operating, LLC. Notice of this application is being provided to Oxy USA, Inc., Sacramento Partners and COG Operating, LLC in accordance with Division rules.

Attached is a Form C-102 showing the proposed well, spacing unit, other wells in the spacing unit and the affected offset acreage. Also attached is a vicinity map.

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 NE/4 SW/4 of Section 32 that may otherwise not be recovered by the existing or proposed producing 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  
303 Veterans Airpark Lane  
Suite 3000  
Midland, Texas 79705

Xc: OCD-Artesia

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
**District II**  
 1301 W. Grand Avenue, Artesia, NM 88210  
**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
**District IV**  
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505

Form C-102  
 Revised July 16, 2010  
 Submit one copy to appropriate  
 District Office  
 AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-41501</b>		Pool Code <b>96830</b>	Pool Name <b>Artesia Glorieta-Yeso Pool</b>
Property Code <b>39734</b>	Property Name <b>AB State 647</b>		Well Number <b>3</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>		Elevation <b>3691</b>

**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>K</b>	<b>32</b>	<b>17 South</b>	<b>28 East</b>		<b>2370</b>	<b>South</b>	<b>1650</b>	<b>West</b>	<b>Eddy</b>

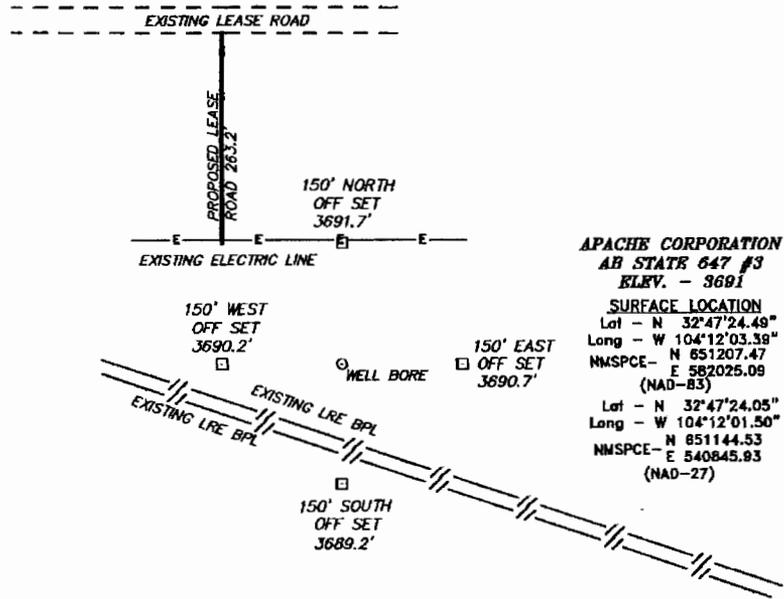
**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <b>40</b>	Joint or Infill	Consolidate Code		Order No.					

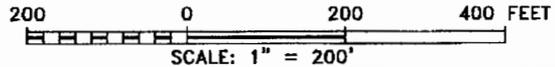
No Allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the Division

				<p align="center"><b>OPERATOR CERTIFICATION</b></p> <p><i>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 bottomhole location or has a right to drill this well at this 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.</i></p>	
<p>Affected Offset Tract Leasehold Owners: Oxy USA, Inc. Sacramento Partners</p>				<p>Affected Offset Tract Operator: Apache WI Ownership Not Common w/Drill Tract</p>	
<p align="center">1650'</p> <p align="center">2370'</p>				<p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
				<p align="center"><b>SURVEYOR CERTIFICATION</b></p> <p><i>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.</i></p>	
				<p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>	

SECTION 32, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



WELL IS LOCATED ±12 MILES SOUTHEAST OF ARTESIA, NEW MEXICO.



Directions to Location:

FROM HIGHWAY 82 AND ILLINOIS CAMP GO SOUTH  
0.3 MILES TURN WEST GO 0.2 MILES TO PROPOSED  
WELL LOCATION.

**APACHE CORPORATION**

REF: AB STATE 647 #3/ WELL PAD TOPO

THE AB STATE 647 #3 LOCATED 2370'  
FROM THE SOUTH LINE AND 1650' FROM THE WEST LINE OF  
SECTION 32, TOWNSHIP 17 SOUTH, RANGE 28 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

**BASIN SURVEYS** P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 28799

Drawn By: D. JONES

Date: 06-12-2013

Disk: DAJ 28799

Survey Date: 06-06-2013

Sheet 1 of 1 Sheets

August 23, 2013

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: **SEE ATTACHED NOTICE LIST**

Re: Apache Corporation  
Unorthodox Oil Well Location  
AB State 647 No. 3 (API No. 30-015-41501)  
2370' FSL & 1650' FWL (Unit K)  
Section 32, T-17 South, R-28 East, NMPM,  
Artesia Glorieta-Yeso Pool  
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Apache Corporation ("Apache") for authorization to drill it's AB State 647 No. 3 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 2370 feet from the South line and 1650 feet from the West line (Unit K) of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SW/4 of Section 32. This unit is currently dedicated to Apache's proposed AB State 647 Wells No. 2, 8 and 2. The unorthodox location is necessary in order to avoid an existing pipeline within the drill tract.

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  
303 Veterans Airpark Lane  
Suite 3000  
Midland, Texas 79705

Enclosure

Apache Corporation  
Application for Unorthodox Well Location  
AB State 647 No. 3  
Section 32, T-17S, R-28E, NMPM,  
Eddy County, New Mexico  
Notice List

Oxy USA, Inc.  
P.O. Box 50250  
Midland, Texas 79710

Sacramento Partners  
105 S. 4<sup>th</sup> Street  
Artesia, New Mexico 88210

COG Operating, LLC  
One Concho Center  
600 W. Illinois Ave.  
Midland, Texas 79701

7013 0600 0001 8715 1431

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ARTESIA NM 88210

Postage	\$	\$1.12
Certified Fee		\$3.10
Return Receipt Fee (Endorsement Required)		\$2.55
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total</b>	<b>\$</b>	<b>\$6.77</b>



Sent \_\_\_\_\_  
 Street or P.O. Box \_\_\_\_\_  
 City, State, and ZIP+4® \_\_\_\_\_  
 PS Form 3800, August 2012 For Instructions

**Sacramento Partners**  
**105 S. 4th Street**  
**Artesia, New Mexico 88210**

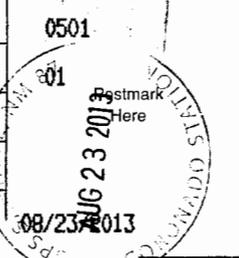
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Sent \_\_\_\_\_  
 Street or P.O. Box \_\_\_\_\_  
 City, State, and ZIP+4® \_\_\_\_\_  
 PS Form 3800, August 2012 For Instructions

**Oxy USA, Inc.**  
**P.O. Box 50250**  
**Midland, Texas 79710**

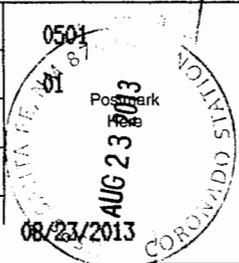
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MIDLAND TX 79701

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 Street or P.O. Box \_\_\_\_\_  
 City, State, and ZIP+4® \_\_\_\_\_  
 PS Form 3800, August 2012 For Instructions

**COG Operating, LLC**  
**One Concho Center**  
**600 W. Illinois Ave.**  
**Midland, Texas 79701**