

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]

6587

- [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.
 Washington 33 State #71
 30-015-41684

- [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

10/23/13
 Date

drcatanach@netscape.com
 E-Mail Address

October 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
Washington 33 State Well No. 71
API No. (30-015-41684)
1550' FNL & 385' FEL (Unit H)
Section 33, 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 Washington 33 State No. 71. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed Washington 33 State No. 71 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 NE/4 of Section 33. This unit is currently dedicated to Apache's existing: i) Washington 33 State No. 51 (API No. 30-015-40113) located at a standard well location 1650' FNL & 885' FEL; and ii) Washington 33 State No. 52 (API No. 30-015-40076) located at an unorthodox well location 2325' FNL & 465' FEL.

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 pipeline.

The affected offset tracts are the NE/4 NE/4 of Section 33 and the NW/4 NW/4 of Section 34. The NE/4 NE/4 of Section 33 is currently operated in the Artesia Glorieta-Yeso Pool by Apache. Please note that the working interest ownership between the NE/4 NE/4 and the SE/4 NE/4 of Section 33 is common. The NW/4 NW/4 of Section 34 is also currently operated in the Artesia Glorieta-Yeso Pool by Apache. Please note that the

working interest ownership between the NW/4 NW/4 of Section 34 and the SE/4 NE/4 of Section 33 is not common. Consequently, notice of this application is being provided to the only other working interest owner in this tract, COG Operating, LLC, in accordance with Division rules.

Attached is a Form C-102 showing the proposed well, spacing unit and existing wells within the spacing unit. Also attached is a map showing the affected offset acreage and 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 SE/4 NE/4 of Section 33 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
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 30-015-41684		Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 309175	Property Name Washington 33 State		Well Number 71
OGRID No. 873	Operator Name Apache Corporation		Elevation 3682'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	33	17 South	28 East		1550	North	385	East	Eddy

Bottom Hole Location If Different From Surface

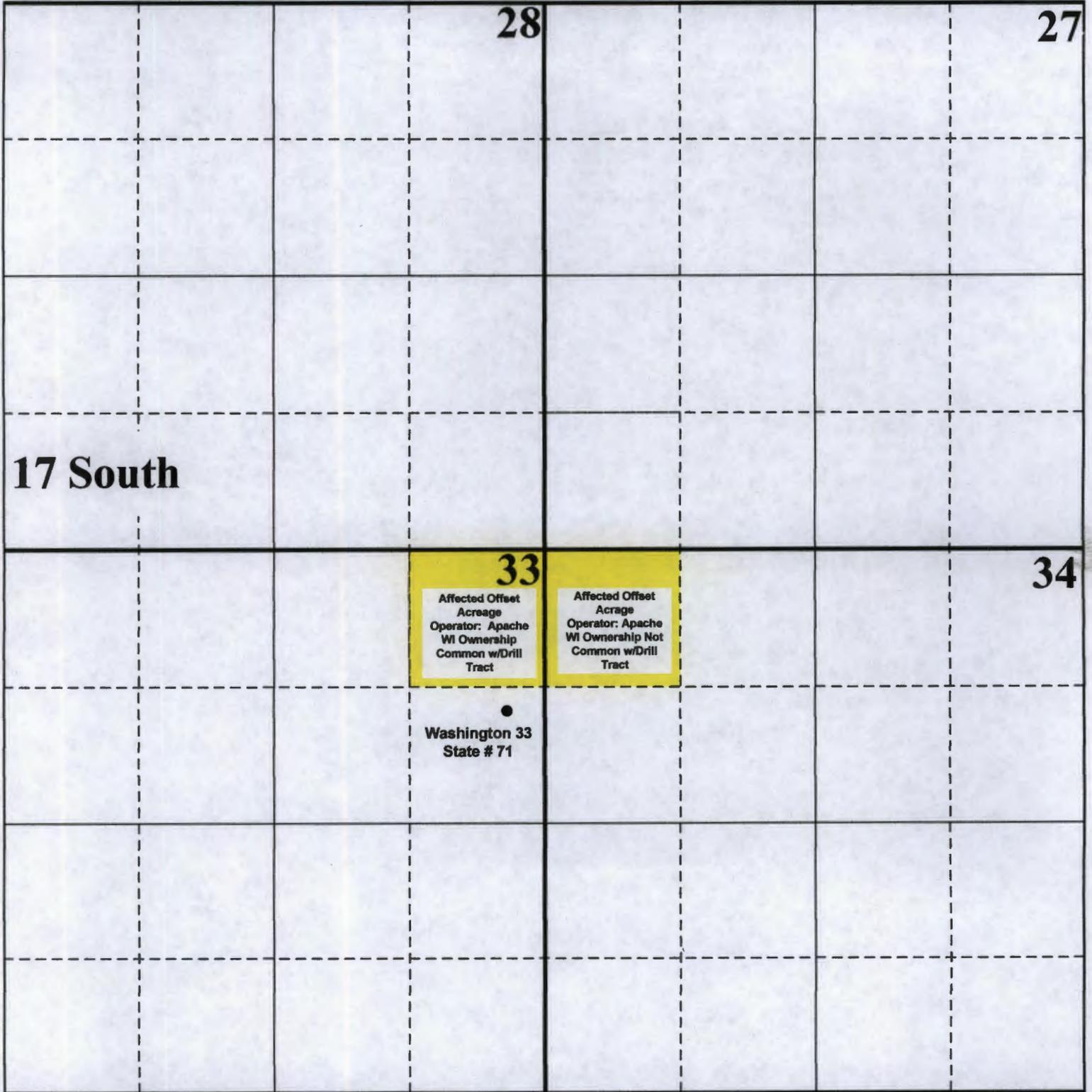
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidate 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

				1550'	<p align="center">OPERATOR CERTIFICATION</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>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
					<p align="center">SURVEYOR CERTIFICATION</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>

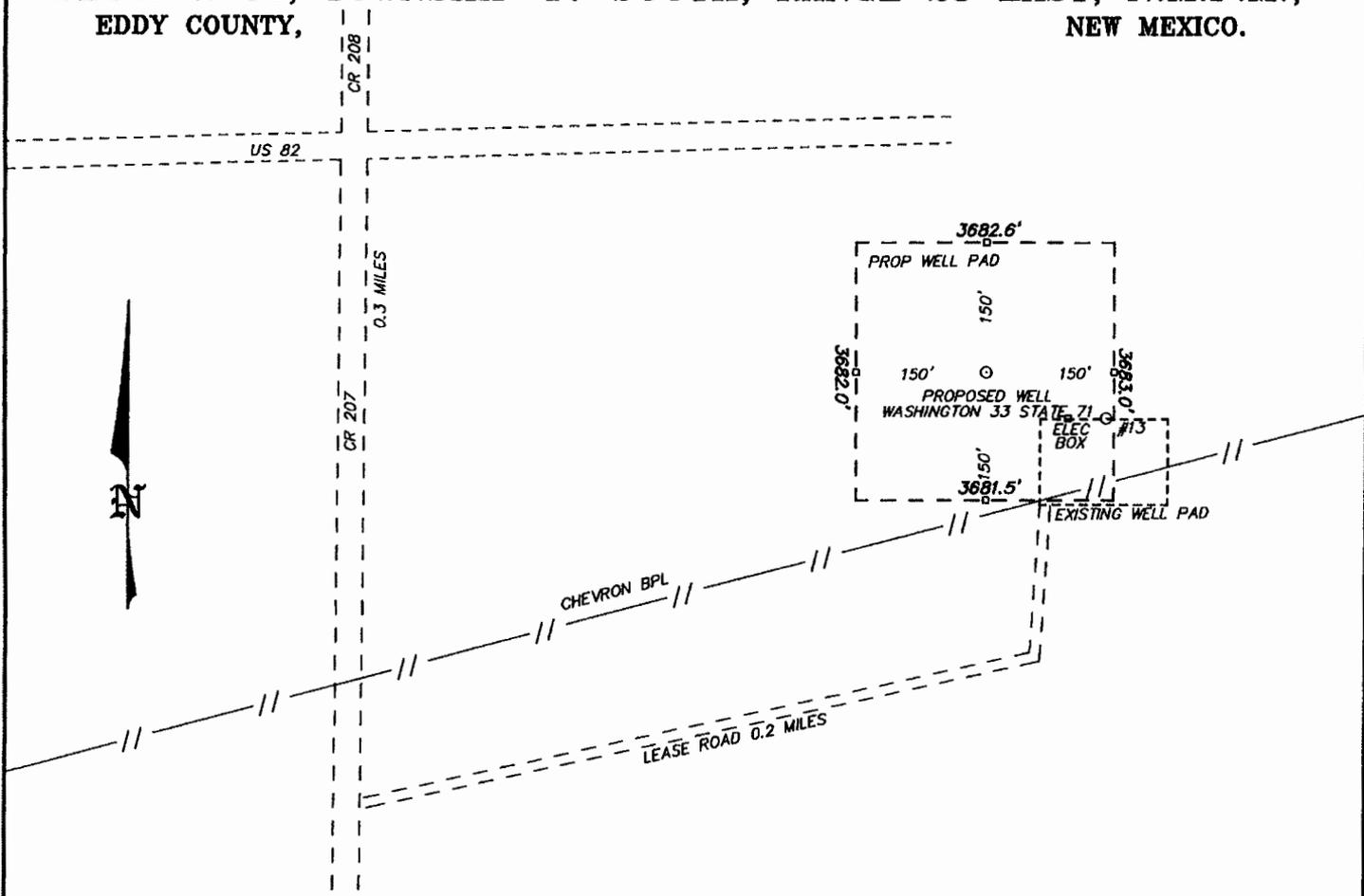
28 East



 **Affected Offset Acreage**

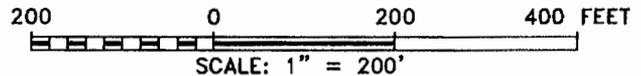
Apache Corporation
Application for Non-Standard Well Location
Washington 33 State No. 71

SECTION 33, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.



APACHE CORP
 WASHINGTON 33 STATE #71
 ELEV. - 3682'
 Lat - N 32°47'38.89"
 Long - W 104°10'25.47"
 NMSPCE- N 652675.7
 E 590378.2
 (NAD-83)
 Lat - N 32°47'38.47"
 Long - W 104°10'23.62"
 NMSPCE- N 652612.7
 E 549199.1
 (NAD-27)

LOCO HILLS, NM IS ±12 MILES TO THE NORTHEAST OF LOCATION.



Directions to Location:

FROM LOCO HILLS 90 WEST ON US 82 APPROX. 400 FEET WEST OF MILE MARKER 120 THEN SOUTH ON LEASE ROAD FOR 0.2 MILES, THEN EAST 100' TO LOCATION.

APACHE CORP

REF: WASHINGTON 33 STATE #71 / WELL PAD TOPO

THE WASHINGTON 33 STATE #71 LOCATED 1550' FROM THE NORTH LINE AND 385' FROM THE EAST LINE OF SECTION 33, 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: 29273 Drawn By: K. NORRIS

Date: 09-06-2013 Disk: KAN 29273

Survey Date: 08-28-2013 Sheet 1 of 1 Sheets

October 23, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: COG Operating, LLC
600 W. Illinois Avenue
Midland, Texas 79701

Re: Apache Corporation
Application for Unorthodox Well Location
Washington 33 State No. 71 (API No. 30-015-41684)
1550' FNL & 385' FEL (Unit H)
Section 33, 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 its Washington 33 State Well No. 71 at the unorthodox well location described above. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 NE/4 of Section 33. This unit is currently dedicated to Apache's existing Washington 33 State Wells No. 51 and 52. 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

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT

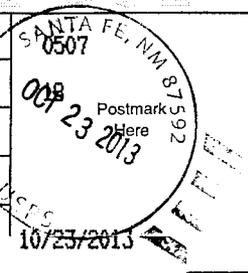
(Domestic Mail Only; No Insurance Coverage Provided)

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

MIDLAND, TX 79701

Postage	\$	\$1.12
Certified Fee		\$3.10
Return Receipt Fee (Endorsement Required)		\$2.55
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.77

COG Operating, LLC



Sent To: **600 W. Illinois Avenue**
Street, or PO: **Midland, Texas 79701**
City, State, ZIP+4: _____

PS Form 3849

Instructions

7013 0600 0001 8715 1462 2947 5729 T000 0000