

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey
Division Director
Oil Conservation Division



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:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
Surface	295 FNL & 1140 FWL	C	19	17S	31E	Eddy
Bottom Hole	330 FNL & 990 FWL	1	19	17S	31E	Eddy

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
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

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,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with a large initial "J" and "B".

Jami Bailey
Director

JB/mam

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