

DATE IN 4/16/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 4/16/04	TYPE NSL	APP NO. PMAM141064253-2
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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]

[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 _____

NSL

Apache Corporation
873

Well
- Tony Federal #48
30-015-41989

Pool
- Cedar Lake
Glorieta - yeso
Pool
96831

[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

4/16/14
Date

drcatanach@netscape.com
E-Mail Address

April 16, 2014

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
Tony Federal No. 48
API No. (30-015-41989)
Surface Location: 1650' FSL & 800' FWL (Unit L/Lot 3)
Bottomhole Location: 1650' FSL & 990' FWL (Unit L/Lot 3)
Section 18, T-17 South, R-31 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 Tony Federal No. 48. This well will be drilled as a development oil well in the Cedar Lake Glorieta-Yeso Pool (96831).

The proposed Tony Federal No. 48 will be dedicated to an existing 32.2-acre oil spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the NW/4 SW/4 of Section 18. This unit is currently dedicated to Apache's: i) existing Tony Federal No. 3 (API No. 30-015-30470) located at a standard well location 2310 feet from the South line and 330 feet from the West line; and ii) existing Tony Federal No. 32 (API No. 30-015-20142) located at a standard well location 1980 feet from the South line and 660 feet from the West line.

The Cedar Lake 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 proposed unorthodox location is necessary in order to avoid pipelines and sand dunes in this area.

Unit L/Lot 3 of Section 18 is an undersized lot comprising 32.2 acres. Due to the lot size, the dimensions of this lot are approximately 1320 feet high by 1063 feet wide.

The affected offset tracts are the NE/4 SW/4 and SE/4 SW/4 of Section 18, Township 17 South, Range 31 East. These offset 40-acre tracts are currently being developed in the Cedar Lake Glorieta-Yeso Pool by Apache Corporation. Please note that the working interest ownership between Unit L/Lot 3 (Drill Tract) and the two affected offset 40-acre tracts is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102 showing the proposed well, spacing unit and other existing wells in the spacing unit. 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 Cedar Lake Glorieta-Yeso Pool underlying the NW/4 SW/4 of Section 18 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
1626 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 30-015-41989	Pool Code 96831	Pool Name Cedar Lake Glorieta-Yeso Pool
Property Code 308738	Property Name Tony Federal	Well Number 48
OGRID No. 873	Operator Name Apache Corporation	Elevation 3760'

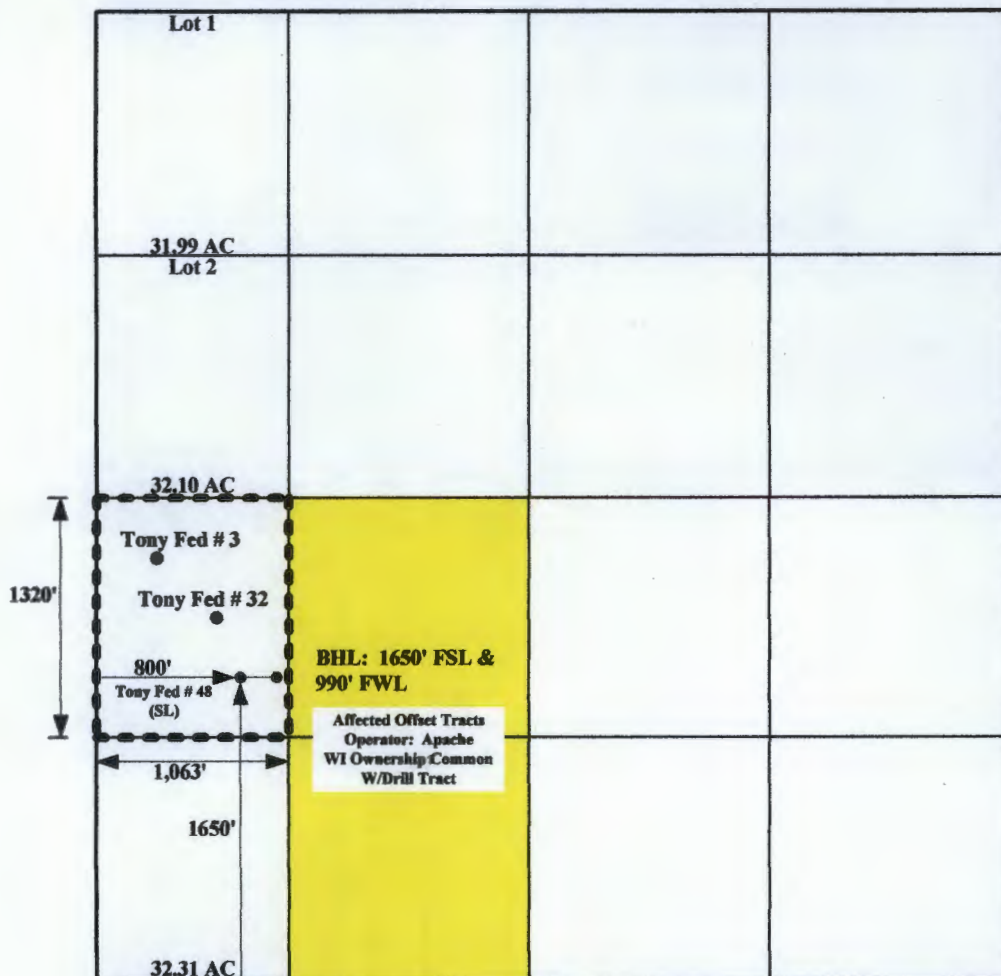
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	18	17 South	31 East	Lot 3	1650	South	800	West	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
L	18	17 South	31 East	Lot 3	1650	South	990	West	Eddy
Dedicated Acres 32.2 Acres	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



OPERATOR CERTIFICATION

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.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

SURVEYOR CERTIFICATION

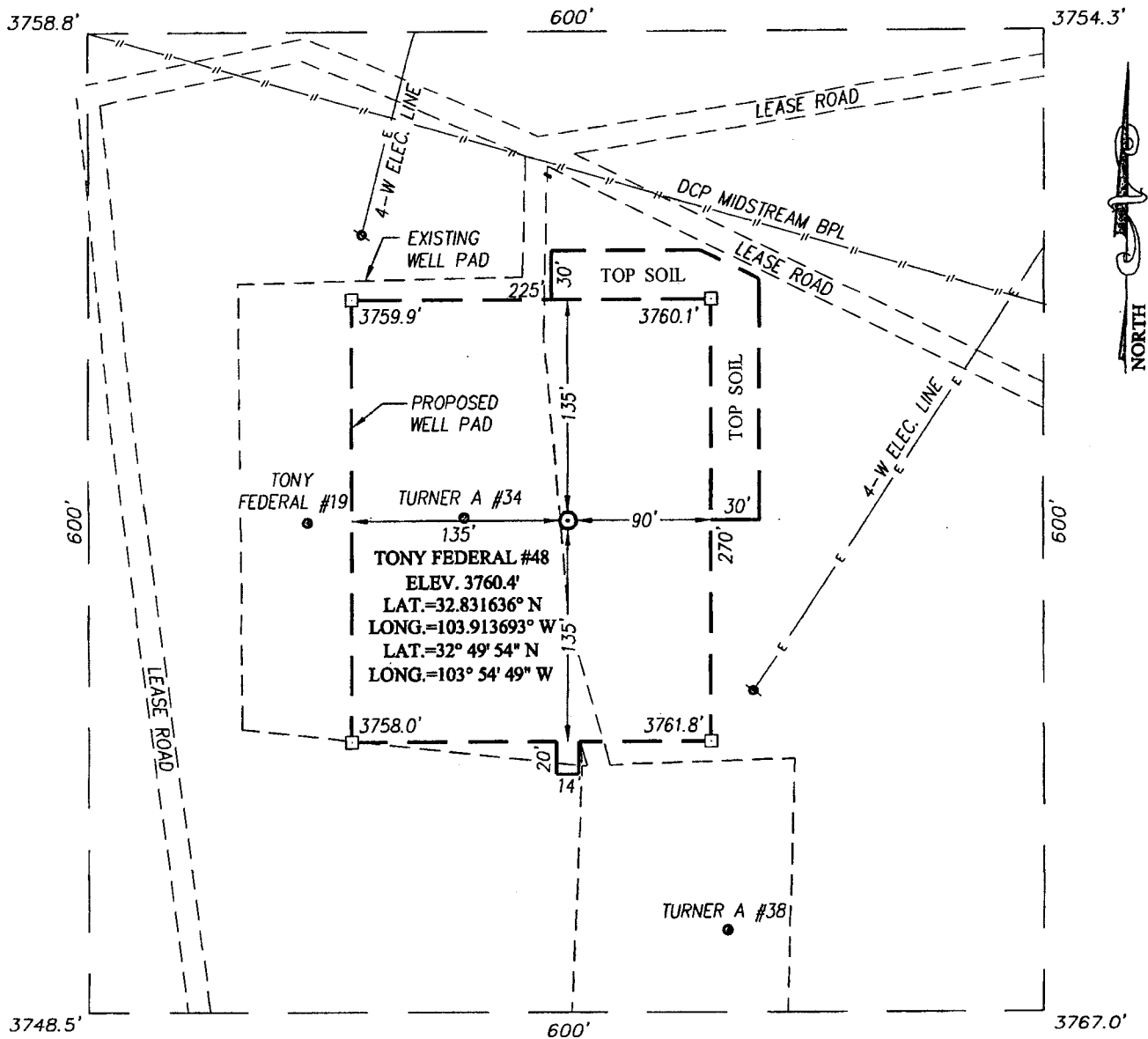
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey _____

Signature and Seal of Professional Surveyor: _____

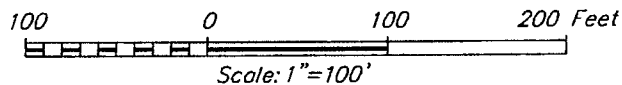
Certificate Number _____

Lot 3 = 32.2 Acres:
Lot Dimensions: 1320' High x 1063' Wide



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #221 (SKELLY) GO NORTH ON CO. RD. #221 APPROX. 1.0 MILE. TURN RIGHT AND GO SOUTHEAST AND GO APPROX. 0.2 MILES. TURN RIGHT AND GO SOUTH APPROX. 224 FEET TO THE LOCATION STAKE.



APACHE CORPORATION

TONY FEDERAL #48 WELL
LOCATED 1650 FEET FROM THE SOUTH LINE
AND 800 FEET FROM THE WEST LINE OF SECTION 18,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 5/29/12	CAD Date: 6/12/12	Drawn By: AF/BKL
W.O. No.: 12110591	Rev. :	Rel. W.O.:
		Sheet 1 of 1

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

ATS 14-237

Form 3160-3
(March 2012)

OCD Artesia

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC-029395A
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator APACHE CORPORATION		7. If Unit or CA Agreement, Name and No.
3a. Address 303 VETERANS AIRPARK LN #1000 MIDLAND, TX 79705		8. Lease Name and Well No. TONY FEDERAL #48 <308738>
3b. Phone No. (include area code) 432-818-1167		9. API Well No. 30-015- 41989
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1650' FSL & 800' FWL At proposed prod. zone 1650' FSL & 990' FWL		10. Field and Pool, or Exploratory CEDAR LAKE; GLORIETA-YESO <96831>
14. Distance in miles and direction from nearest town or post office* APPROX 4 MILES EAST OF LOCO HILLS, NM		11. Sec., T. R. M. or Blk. and Survey or Area LOT 3 UL SEC: 18 T17S R31E
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 800'	16. No. of acres in lease 609.43 ACRES	17. Spacing Unit dedicated to this well 30 ACRES 32.2
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. ~150'	19. Proposed Depth TVD: 6400' MD: 6404'	20. BLM/BIA Bond No. on file BLM-CO-1463 NATIONWIDE / NMB000736
21. Elevations (Show whether DF, KDB, RT, GL, etc.) GL: 3760'	22. Approximate date work will start* AS SOON AS APPROVED	23. Estimated duration ~10 DAYS
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the BLM.

25. Signature <i>Sorina L. Flores</i>	Name (Printed/Typed) SORINA L. FLORES	Date 11/21/13
Title SUPV OF DRILLING SERVICES		
Approved by (Signature) <i>/s/ STEPHEN J. CAFFEY</i>	Name (Printed/Typed)	Date JAN 17 2014
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

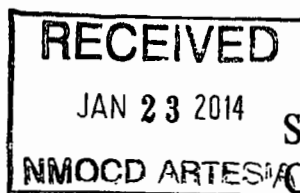
APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Roswell Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL