



NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

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

Apache Corporation's
Washington 33 State 34
30-015-39884

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 _____

[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.

Print or Type Name

BRIAN WOOD
(505) 466-8120
FAX 466-9682

Signature

Title

CONSULTANT

Date

3-10-12

e-mail Address

brian@permitswest.com

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2012 MAR 12 A 7:50

873
Apache
Washington 33 St #34
30-015-39884
6588

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION
WASHINGTON 33 STATE 34
1480' FSL & 1040' FEL
SECTION 33, T. 17 S., R. 28 E., EDDY COUNTY, NM
API 30-015-39884**

I. The proposed well is on New Mexico State Land Office (NMSLO) oil and gas lease X0-0647-0408 and private surface (Bogle Ltd. Company). The well bore will be 1,040' from the closest lease line. The proposed oil well is nonstandard for the Artesia; Glorieta-Yeso (O) Pool (96830) due to land uses (pipelines). A copy of the APD cover sheet is attached (Exhibit A).

Apache requests a nonstandard location due to land uses. There are 7 surface pipelines and 3 buried pipelines crossing the closest standard location (Exhibit B). There are also 3 producing Queen-Grayburg-San Andres wells, 2 plugged and abandoned wells, roads, power lines, and other pipelines in the NESE Section 33.

The 480 acre state lease comprises the E2 and E2W2 of Section 33. The well was planned to be staked at 1650 FSL & 990 FEL. However, that would force ten pipelines to be rerouted (see Exhibit B).

A standard location must be at least 330' from the quarter-quarter line. The well bore is 160' to 280' from the closest quarter-quarter lines (south and west sides of the quarter-quarter). It is 170' too far south, 50' too far west, and 8' too far southwest (see C-102 as EXHIBIT C).

II. A C-102 form showing the well and 40 acre pro ration unit (NESE Section 33) is attached as EXHIBIT C.

The oil and gas lease boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well bore encroaches 170' too far south, 50' too far west, and 8' too far southwest. All encroachments are part of the same state lease. One existing and 3 approved, but not yet drilled, Yeso wells are in the encroached quarter-quarters (W2SE4 & SESE Section 33). All four are Apache wells. The 3 encroached quarter-quarters are part of the same state lease. Apache has 100% of the Yeso working interest in those 3 encroached quarter-quarters.

Five bordering or cornering quarter-quarters (dashed line squares) are part of the same state lease. Remaining three quarter-quarters are on different state leases in Section 34.

III. See Exhibit E for existing and approved, but not yet drilled, Yeso wells (circles). Apache operates all Yeso wells (circles on Exhibit E) in the 5 offset quarter-quarters in Section 33. Closest (729') approved, but not yet drilled, Yeso well is Apache's Washington 33 State 46 (30-015-40023) at 1080 FSL & 1650 FEL 33-17s-28e. Closest (1,453') existing Yeso well is COG's Lara Michelle State 5 (30-015-01711) at 1965 FSL & 330 FWL 34-17s-28e. Closest (1,861') existing Yeso well in the 3 encroached quarter-quarters is Apache's Washington 33 State 28 (30-015-22124) at 313 FSL & 2490 FEL 33-17s-28e. This information is current and correct.

IV. See Exhibits C and E for the proposed well, proration unit, drilling windows, and all wells. Apache does not believe it is cost effective to directionally drill from an existing pad.

V. See Exhibit B for surface uses (10 pipelines) that prevent use of a standard location. There are also 3 producing Queen-Grayburg-San Andres wells, 2 plugged and abandoned wells, roads, power lines, and other pipelines in the NESE Section 33.

VI. Archaeology is not an issue.

VII. The well was planned to be staked at 1650 FSL & 990 FEL. However, that would force the reroute of ten pipelines (see Exhibit B).

VIII. Apache does not believe directional drilling to a legal bottom hole location is cost effective for this well.

IX. I hereby certify that Apache Corporation has 100% of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit and the adjacent quarter-quarters on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

**1220 S. St Francis Dr.
 Santa Fe, NM 87505**

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address APACHE CORP 303 Veterans Airpark Lane Midland, TX 79705		2. OGRID Number 873
		3. API Number 30-015-39884
4. Property Code 309175	5. Property Name WASHINGTON 33 STATE	6. Well No. 034

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	33	17S	28E	I	1480	S	1040	E	EDDY

8. Pool Information

ARTESIA; GLORIETA-YESO (O)	96830
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3667
14. Multiple N	15. Proposed Depth 5100	16. Formation Yeso Formation	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	500	350	
Prod	7.875	5.5	17	5100	750	

Casing/Cement Program: Additional Comments

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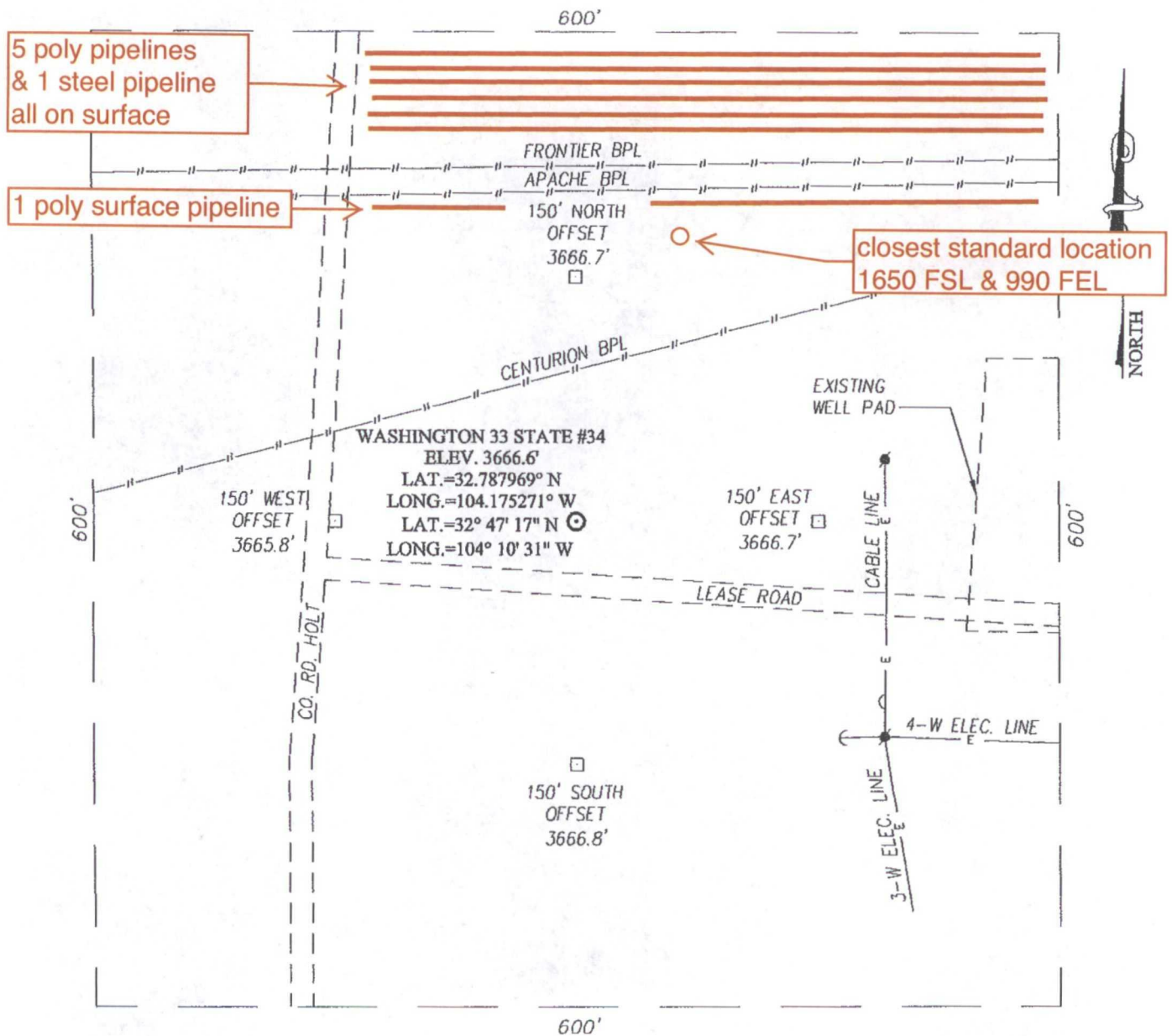
Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	3000	2000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 2/6/2012	Expiration Date: 2/6/2014
Printed Name: Electronically filed by Bobby Smith		
Title:		
Email Address: bobby.smith@apachecorp.com		
Date: 1/31/2012	Phone: 432-818-1020	Conditions of Approval Attached

EXHIBIT A

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



DIRECTIONS TO LOCATION

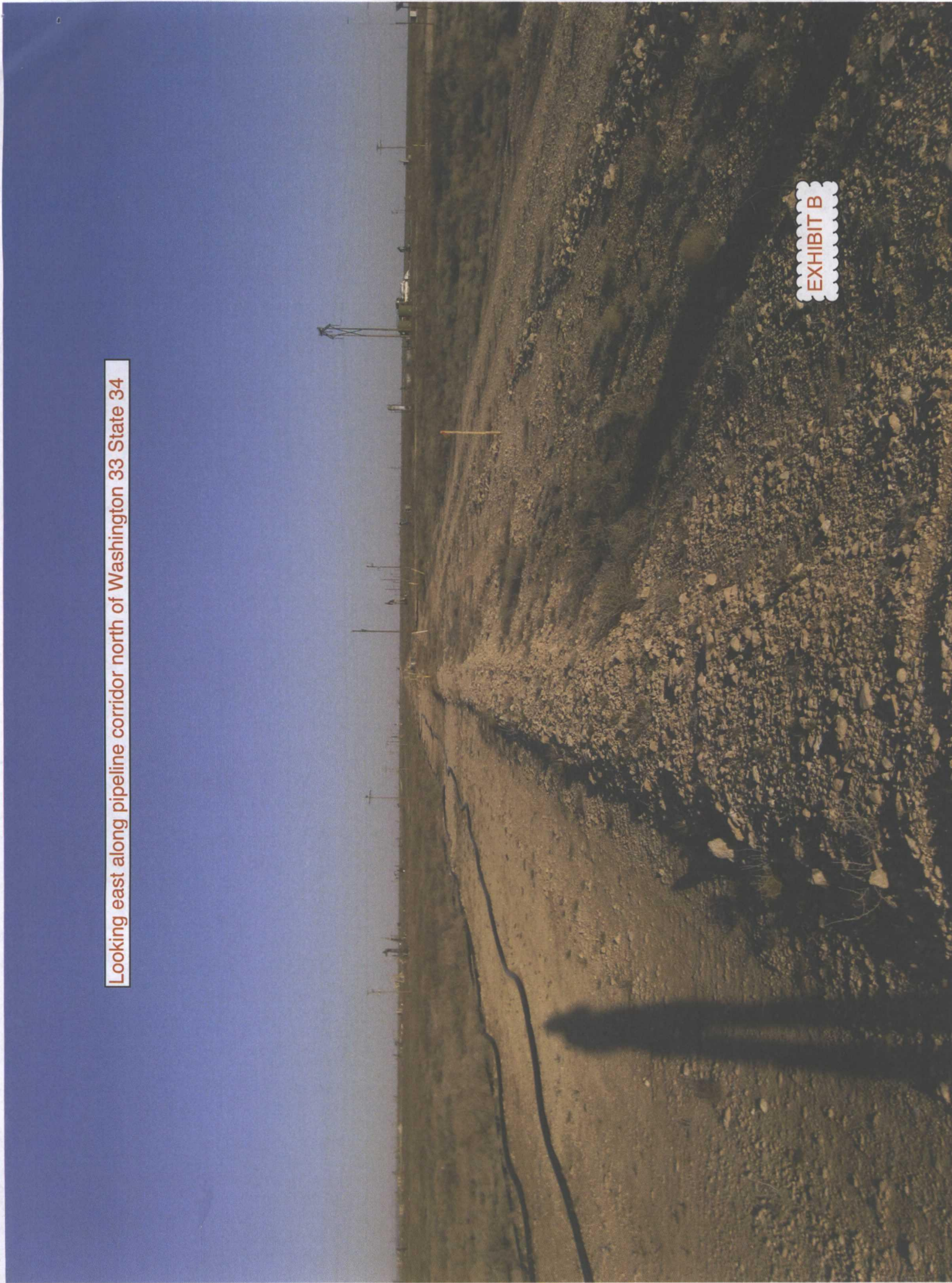
FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #207 (HOLD RD). GO SOUTH ON CO. RD. #207 APPROX. 0.6 MILES. THIS LOCATION IS APPROX. 160 FEET EAST OF THE LEASE ROAD.



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

Looking east along pipeline corridor north of Washington 33 State 34

EXHIBIT B



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
Property Code	Property Name WASHINGTON 33 STATE		Well Number 34
OGRID No. 873	Operator Name APACHE CORPORATION		Elevation 3667'

Surface Location

UL or lot No. I	Section 33	Township 17-S	Range 28-E	Lot Idn	Feet from the 1480	North/South line SOUTH	Feet from the 1040	East/West line EAST	County EDDY
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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		Joint or Infill		Consolidation 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

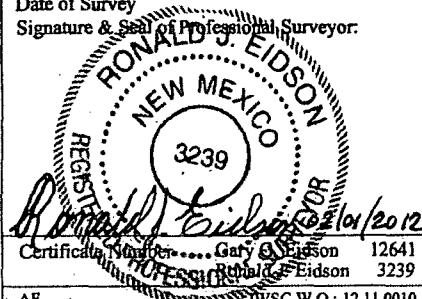
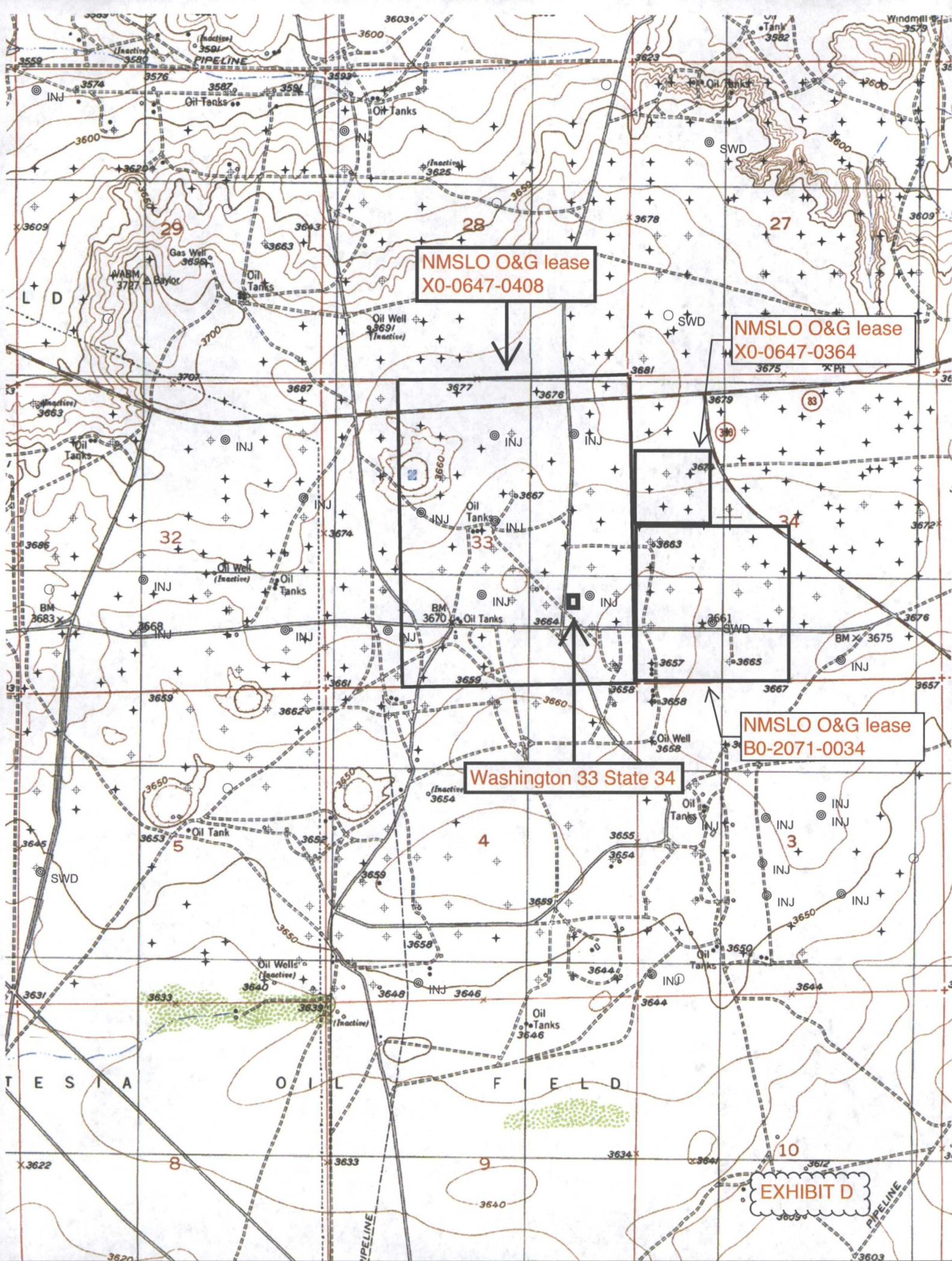
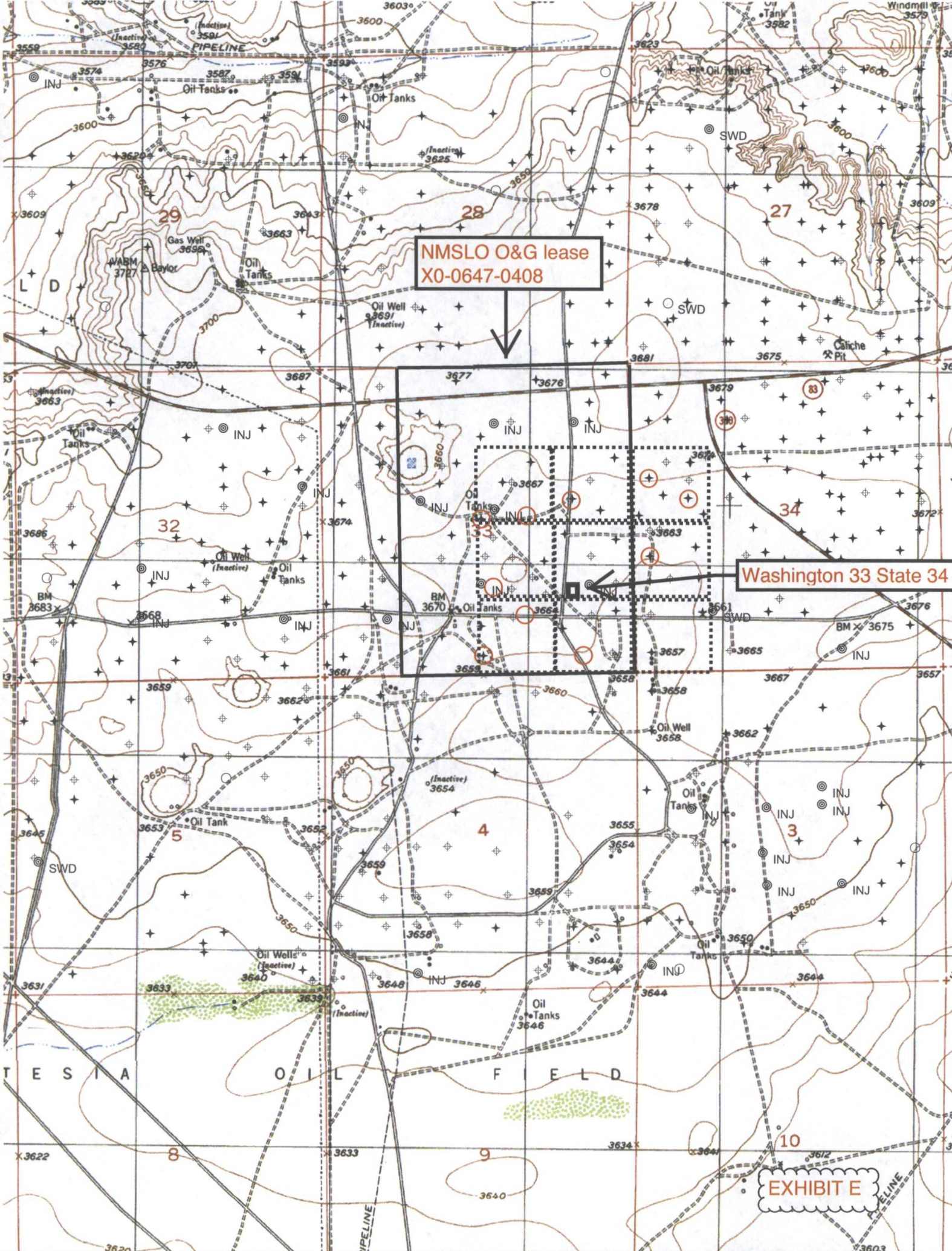
<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=650410.4 N X=548574.7 E LAT.=32.787969° N LONG.=104.175271° W LAT.=32° 47' 17" N LONG.=104° 10' 31" W</p>		<p>1040'</p> <p>1480'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 19, 2012</p> <p>Date of Survey _____ Signature & Seal of Professional Surveyor:  </p> <p>Certification Number: Gary Eidson 12641 Ronald J. Eidson 3239</p> <p>AF JWSC W.O.: 12.11.0010</p>
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EXHIBIT C





NMSLO O&G lease
X0-0647-0408

Washington 33 State 34

EXHIBIT E

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 10, 2012

Scott Dawson
NM State Land Office
P. O. Box 1148
Santa Fe, NM 87504

Dear Scott,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

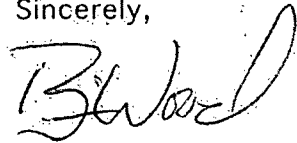
Apache Corporation is applying to drill its Washington 33 State 34 oil well. The minimum state distance for such a well is 330' from a quarter-quarter line. The well is 170' further south, 50' further west, and 8' further southwest than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Washington 33 State 34 Where: 1480 FSL & 1040 FEL 33-17s-28e
Proposed NSL Zone: Artesia; Glorieta-Yeso (O) ID: 5,100'
NSL Acreage Dedication: 40 acres (NESE Section 33, T. 17 S., R. 28 E., Eddy County, NM
on State lease X0-0647-0408 (well is 1,040' from the closest lease boundary)
Approximate Location: ~12 air miles west-southwest of Loco Hills, NM
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr., Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal ServiceTM
CERTIFIED MAILTM RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

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Certified Fee	2.95
Return Receipt Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$5.75

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SANTA FE, NM
87508
MAR 10 2012
USPS

Sent To: NM SLO
Street, Apt. No.,
Box No.
ZIP+4

Form 3800, August 2006 See Reverse for Instructions

EXHIBIT F