

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Apache

Lee Fed #60

**ADMINISTRATIVE APPLICATION CHECKLIST** 30-25-4077

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]

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- [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 \_\_\_\_\_

P-17-175-31E

- [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

4/20/12  
 Date

drctanach@netscape.com  
 E-Mail Address

April 20, 2012

**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  
Lee Federal No. 60  
API No. (30-015-40177)  
1115' FSL & 330' FEL (Unit P)  
Section 17, 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 Lee Federal No. 60. This well will be drilled as a development oil well in the Cedar Lake Glorieta-Yeso Pool (96831).

The proposed Lee Federal No. 60 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the SE/4 SE/4 of Section 17. This unit is currently dedicated to Apache's: i) existing Lee Federal No. 29 (API No. 30-015-32376) located at a standard well location 890 feet from the South line and 990 feet from the East line; and ii) existing Lee Federal No. 37 (API No. 30-015-32769) located at standard well location 330 feet from the South line and 430 feet from the East 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 attached vicinity map shows that the proposed unorthodox well location is necessary in order to avoid an existing plugged and abandoned wellbore and well pad.

The two affected offset tracts are the NE/4 SE/4 of Section 17, and the NW/4 SW/4 of Section 16 (see attached plat). There is currently no production from the Glorieta-Yeso interval within the NE/4 SE/4 of Section 17. This tract is currently operated/leased by Linn Operating, Inc./Linn Energy Holdings, LLC. The NW/4 SW/4

of Section 16 is currently being developed in the Glorieta-Yeso interval by the COG Operating, LLC Yucca State Wells No. 3, 6 and 7. In accordance with Division rules, notice is being provided, by certified mail, to Linn Operating, Inc./Linn Energy Holdings, LLC and COG Operating, LLC.

Attached is a Form C-102 showing the proposed well, spacing unit and other existing or proposed wells in the spacing unit. Also attached is a plat identifying the affected offset acreage, a vicinity map, and an offset operator/leasehold owner notice letter.

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 SE/4 SE/4 of Section 17 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,

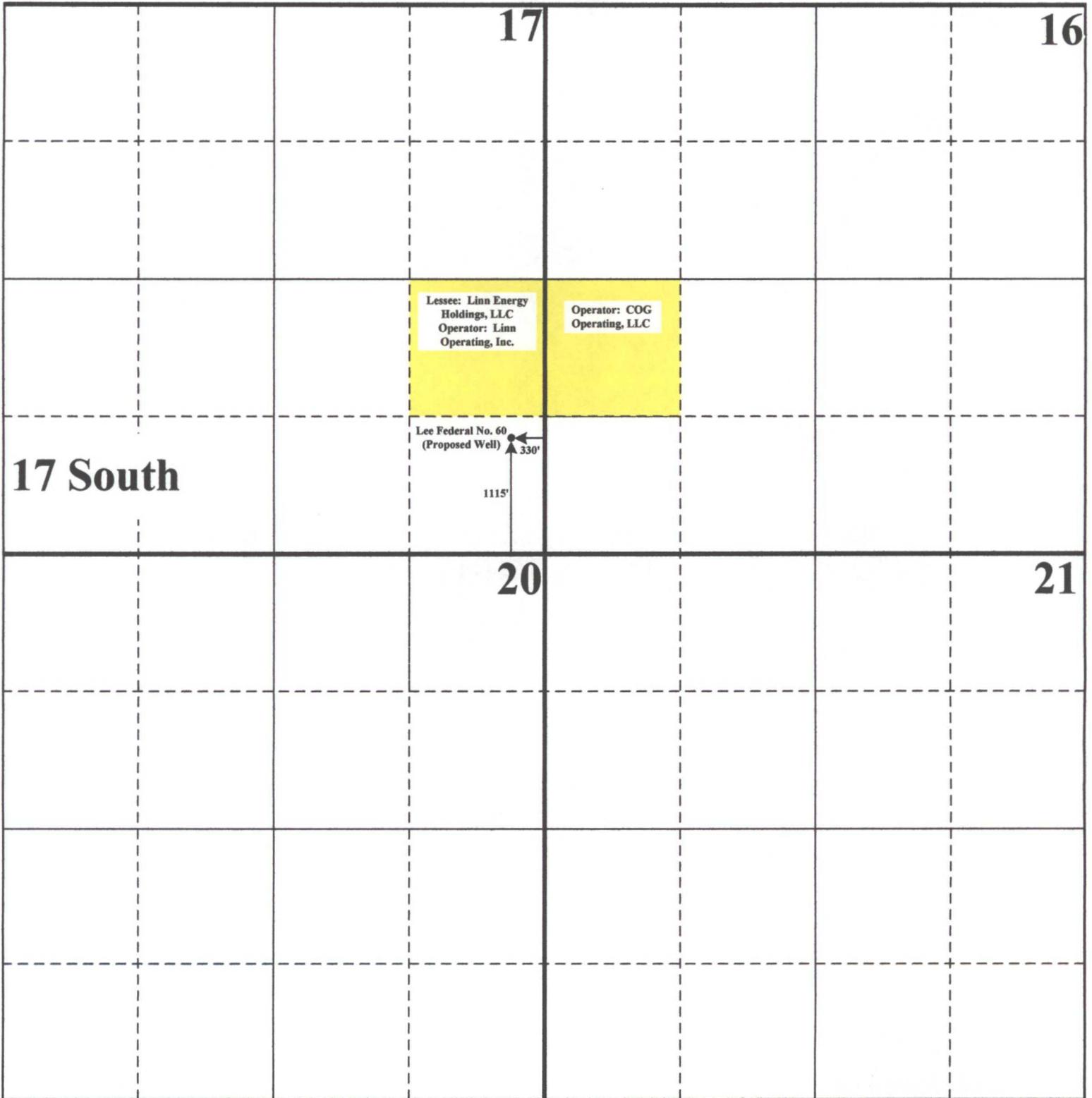


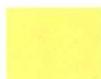
David Catanach, Agent  
Apache Corporation  
303 Veterans Airpark Lane  
Suite 3000  
Midland, Texas 79705

Xc: OCD-Artesia



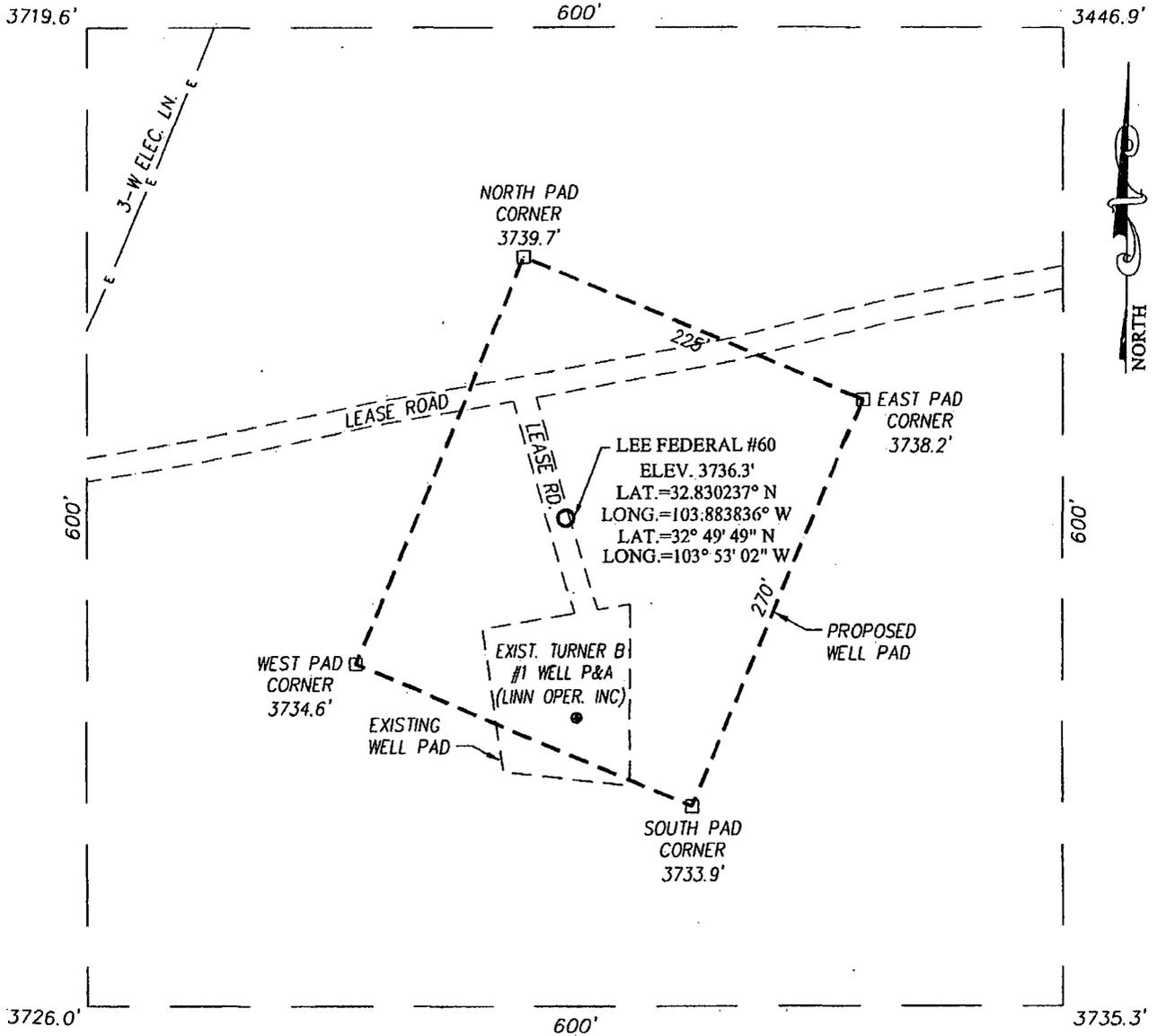
# 31 East



 **Affected Offset Acreage**

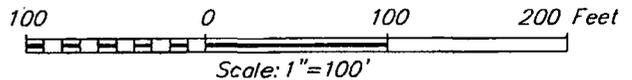
**Apache Corporation**  
**Application for Non-Standard Well Location**  
**Lee Federal No. 60**

SECTION 17, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HIGHWAY #82 AND ST. HWY. #529, GO NORTHWEST ON U.S. HWY. #82 APPROX. 0.9 MILES. TURN RIGHT AND GO NORTH APPROX. 0.6 MILES. TURN LEFT AND GO NORTH APPROX. 0.3 MILES. TURN RIGHT AND GO EAST APPROX. 0.3 MILES. TURN RIGHT AND GO SOUTHEAST APPROX. 85 FEET. THIS LOCATION STAKE IS EAST OF LEASE ROAD.



**APACHE CORPORATION**

LEE FEDERAL #60 WELL  
 LOCATED 1115 FEET FROM THE SOUTH LINE  
 AND 330 FEET FROM THE EAST LINE OF SECTION 17,  
 TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

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

Survey Date: 3/30/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.2384	Dr. By: DSS
Date: 11/10/11	Rel. W.O.: 11112384
	Scale: 1"=100'

April 20, 2012

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

TO: COG Operating, LLC                      Linn Operating, Inc./Linn Energy Holdings, LLC  
550 W. Texas Ave.                      600 Travis Street  
Suite 100                                      Suite 5100  
Midland, Texas 79701                      Houston, Texas 77002

Re: Apache Corporation  
Application for Unorthodox Oil Well Location  
Lee Federal No. 60  
1115' FSL & 330' FEL (Unit P)  
Section 17, T-17 South, R-31 East, NMPM,  
Cedar Lake 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 Lee Federal No. 60 at an unorthodox oil well location in the Cedar Lake Glorieta-Yeso Pool 1115 feet from the South line and 330 feet from the East line (Unit P) of Section 17, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the SE/4 SE/4 of Section 17. This unit is currently dedicated to the existing Apache Lee Federal Wells No. 29 and 37. The unorthodox location is necessary in order to avoid an existing plugged and abandoned wellbore and well pad.

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

7010 1670 0000 8682 8358

U.S. Postal Service™  
**CERTIFIED MAIL™ RECEIPT**  
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Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.40</b>



Sent To **COG Operating, LLC**  
 Street, Apt. No. or PO Box No. **550 W. Texas Avenue**  
 Suite 100  
 City, State, ZIP+4 **Midland, Texas 79701**

PS Form 3800, August 2005 See Reverse for Instructions

7010 1670 0000 8682 8365

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Return Receipt Fee (Endorsement Required)		\$2.35
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.40</b>



Sent To **Linn Operating, Inc./Linn Energy**  
 Holdings, LLC  
 Street, Apt. No. or PO Box No. **600 Travis Street, Suite 5100**  
 City, State, ZIP+4 **Houston, Texas 77002**

PS Form 3800, August 2005 See Reverse for Instructions