



SUSPENSE	ENGINEER	DB	LOGGED IN	4.24/12	TYPE	NSL	APP NO	PT60 1211529340
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NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

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

ABOVE THIS LINE FOR DIVISION USE ONLY

Apache
Washington 33 Dt #40
RECEIVED OOD
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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 40
30-015-40017

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 _____

F-33-175-28E

[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

4-23-12

e-mail Address

brian@permitswest.com

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION
WASHINGTON 33 STATE 40
2185' FNL & 2410' FWL
SECTION 33, T. 17 S., R. 28 E., EDDY COUNTY, NM
API 30-015-40017**

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 1,090' 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 multiple surface pipelines and buried pipelines crossing the closest standard location (Exhibit B) due to its location near a tank battery. There are also 2 producing Queen-Grayburg-San Andres wells, 1 producing Abo well, 1 plugged and abandoned well, 1 proposed Yeso well, roads, power lines, and other pipelines in the SENW Section 33.

The 480 acre state lease comprises the E2 and E2W2 of Section 33. The well was planned to be staked at 2310 FNL & 2310 FWL. However, that would force more pipelines to be rerouted and roads to be detoured further (see Exhibit B).

A standard location must be at least 330' from the quarter-quarter line. The well bore is 230' from the closest quarter-quarter lines (east side of the quarter-quarter). It is 100' too far east (see C-102 as EXHIBIT C).

II. A C-102 form showing the well and 40 acre pro ration unit (SENE 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 100' too far east. The encroachment is part of the same state lease. Two existing Yeso wells and 1 approved but not yet drilled Yeso well is in the encroached quarter-quarters (SENE Section 33). All three are Apache wells. The encroached quarter-quarter is part of the same state lease. Apache has 100% of the Yeso working interest in the encroached quarter-quarter.

Five bordering or cornering quarter-quarters (solid line squares) are part of the same state lease. The remaining three quarter-quarters are on two different state leases.

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 7 of the 8 offset quarter-quarters. There are no existing or proposed Yeso wells in the eighth quarter-quarter (NWNW Section 33). Closest (648') existing or approved Yeso well is Apache's existing Washington 33 State 12 (30-015-30348) at 2432 FNL & 2270 FEL 33-17s-28e. This well, also NSL, is in the encroached quarter-quarter. 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 this well from an existing pad.

V. See Exhibit B for surface uses (pipelines) that prevent use of a standard location. There are also 2 producing Queen-Grayburg-San Andres wells, 1 producing Abo well, 1 plugged and abandoned well, 1 proposed Yeso well, roads, power lines, and other pipelines in the SENW Section 33.

VI. Archaeology is not an issue.

VII. The well was planned to be staked at 2310 FNL & 2310 FWL. However, that would force the reroute of multiple pipelines (see Exhibit B).

VIII. Apache does not believe directional drilling to a standard 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.

I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see

Exhibit F) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in quarter-quarters which border the 40 acre spacing unit. Said notice was sent to:

NM State Land Office

B Wood

Brian Wood, Consultant

4-23-12

Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 23rd day of April, 2012 by Brian Wood. Witness my hand and official seal.

Kathryn K. Wood

Notary Public

My Commission Expires: 9-10-15

Business Address: 37 VERANO LOOP, SANTA FE, NM 87508

cc: Flores, OCD (Artesia & Santa Fe)



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 30-015-40017
4. Property Code 309175	5. Property Name WASHINGTON 33 STATE	6. Well No. 040

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	33	17S	28E	F	2185	N	2410	W	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 3671
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

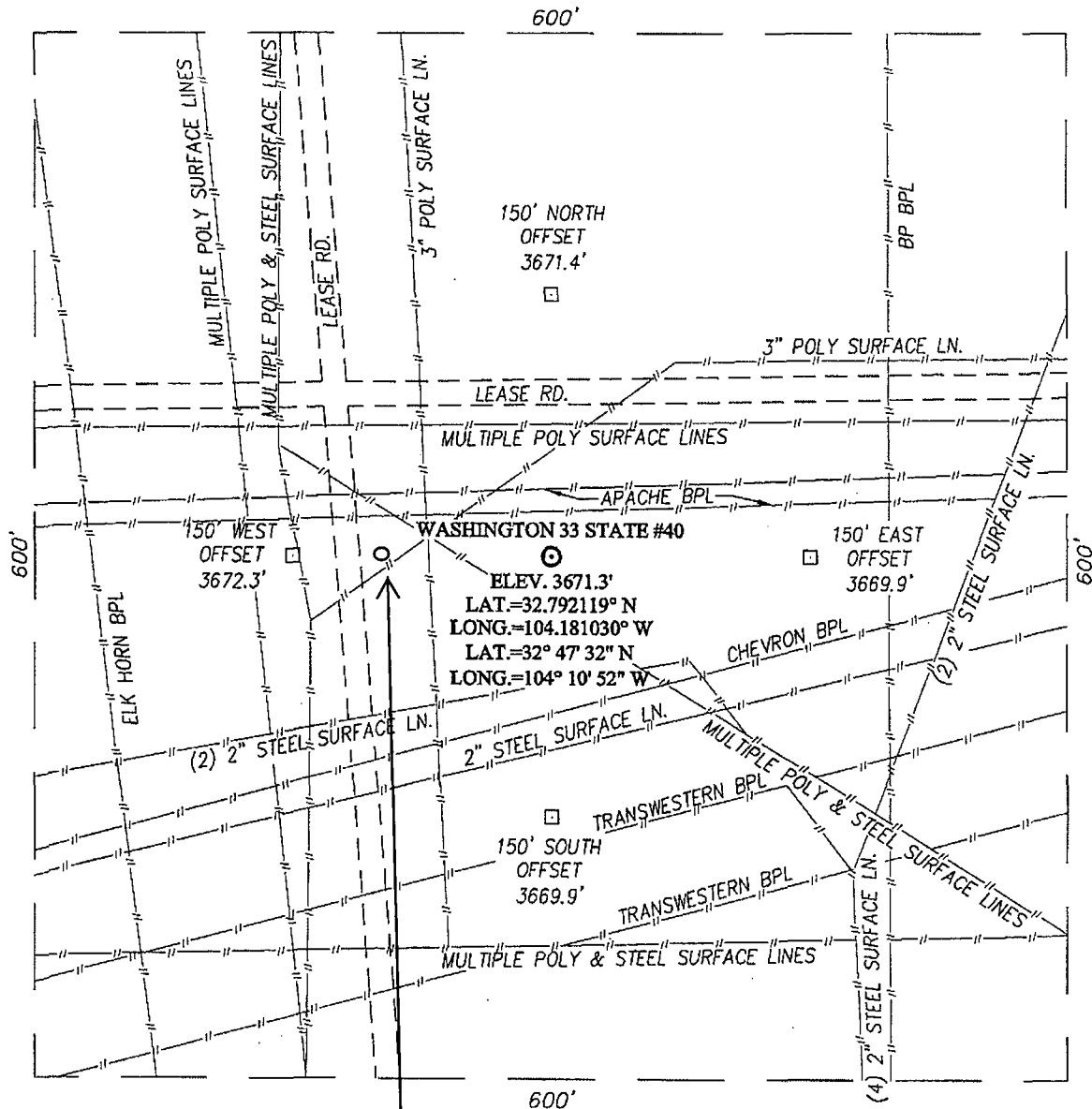
Type	Working Pressure	Test Pressure	Manufacturer
Hydril	3000	2000	

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: 3/8/2012	Expiration Date: 3/8/2014
	Conditions of Approval Attached	

Printed Name: Electronically filed by Bobby Smith	
Title:	
Email Address: bobby.smith@apachecorp.com	
Date: 3/5/2012	Phone: 432-818-1020

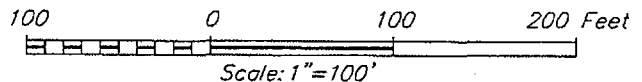
EXHIBIT A

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




closest standard location
 (2185 FNL & 2310 FWL)

EXHIBIT B



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #207 (HOLT) GO SOUTH ON CO. RD. #207 APPROX. 0.3 MILES. TURN RIGHT AND GO WEST APPROX. 0.3 MILES. THIS LOCATION STAKE IS APPROX. 100 FEET SOUTH OF THE LEASE ROAD.



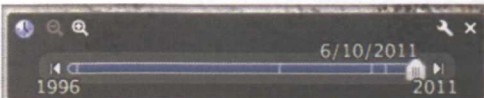
PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (575) 393-3117 www.jwsc.biz

APACHE CORPORATION

WASHINGTON 33 STATE #40 WELL
 LOCATED 2185 FEET FROM THE NORTH LINE
 AND 2410 FEET FROM THE WEST LINE OF SECTION 33,
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date: 02/17/12	CAD Date: 02/22/12	Drawn By: AF
W.O. No.: 12110203	Rev.:	Rel. W.O.:

Sheet 1 of 1



closest standard location
(2185 FNL & 2310 FWL)

staked location
(2185 FNL & 2410 FWL)



EXHIBIT B

Google earth



lat 32.791871° lon -104.181736° elev 3675 ft

Eye alt 4289 ft

pipelines approximately 50' northwest of closest standard location

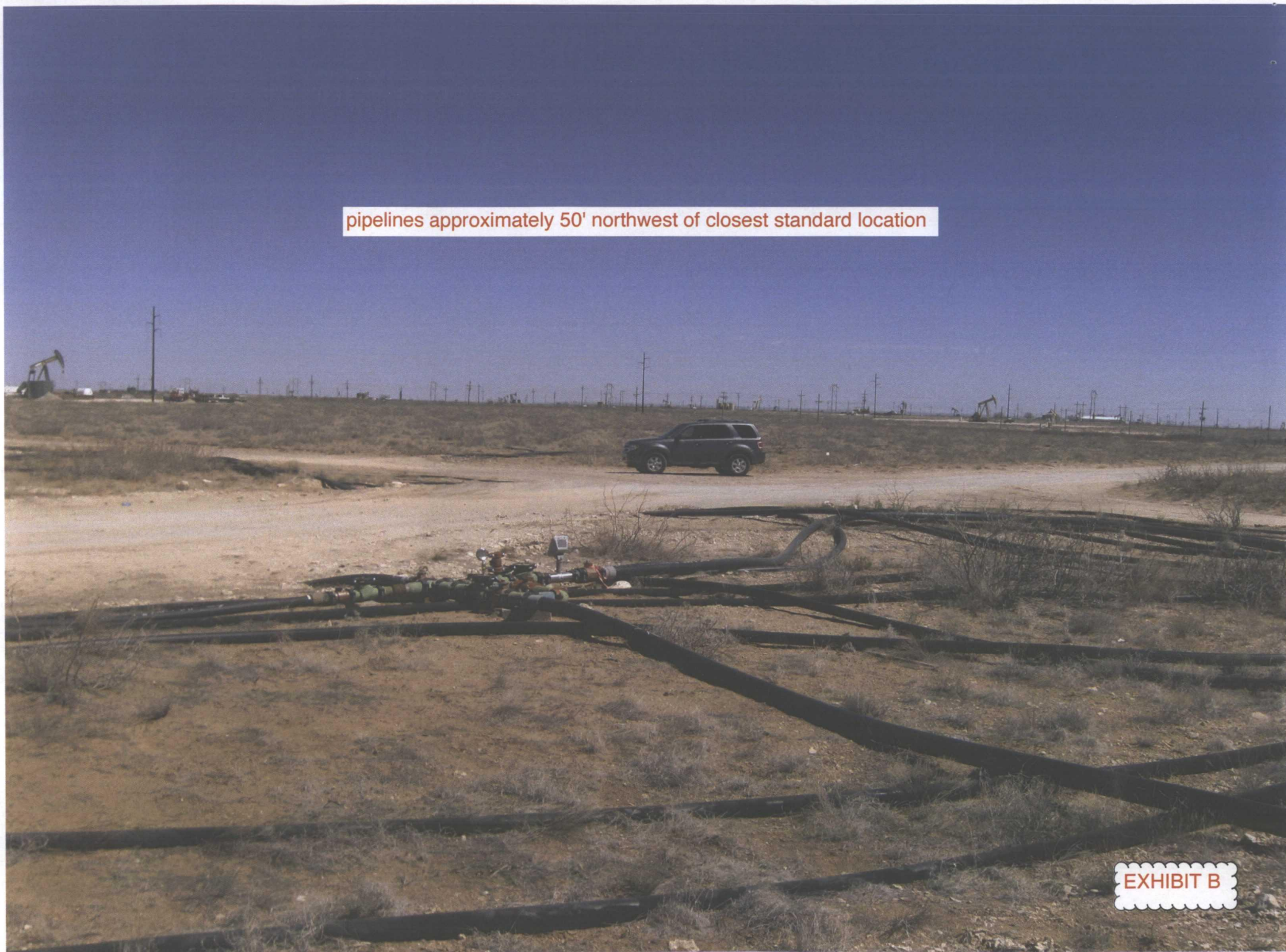


EXHIBIT B

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**

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40017	2. Pool Code 96830	3. Pool Name ARTESIA; GLORIETA-YESO (O)
4. Property Code 309175	5. Property Name WASHINGTON 33 STATE	6. Well No. 040
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3671

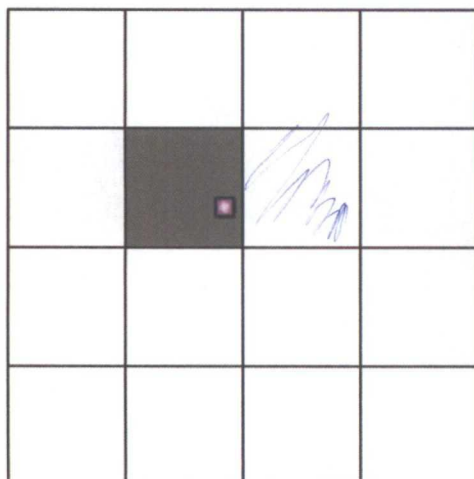
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	33	17S	28E		2185	N	2410	W	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.00	13. Joint or Infill	14. Consolidation Code	15. 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 bottom hole location(s) 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.

E-Signed By: Bobby Smith

Title:

Date: 3/5/2012

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.

Surveyed By: RONALD EIDSON

Date of Survey: 2/17/2012

Certificate Number: 3239

EXHIBIT C

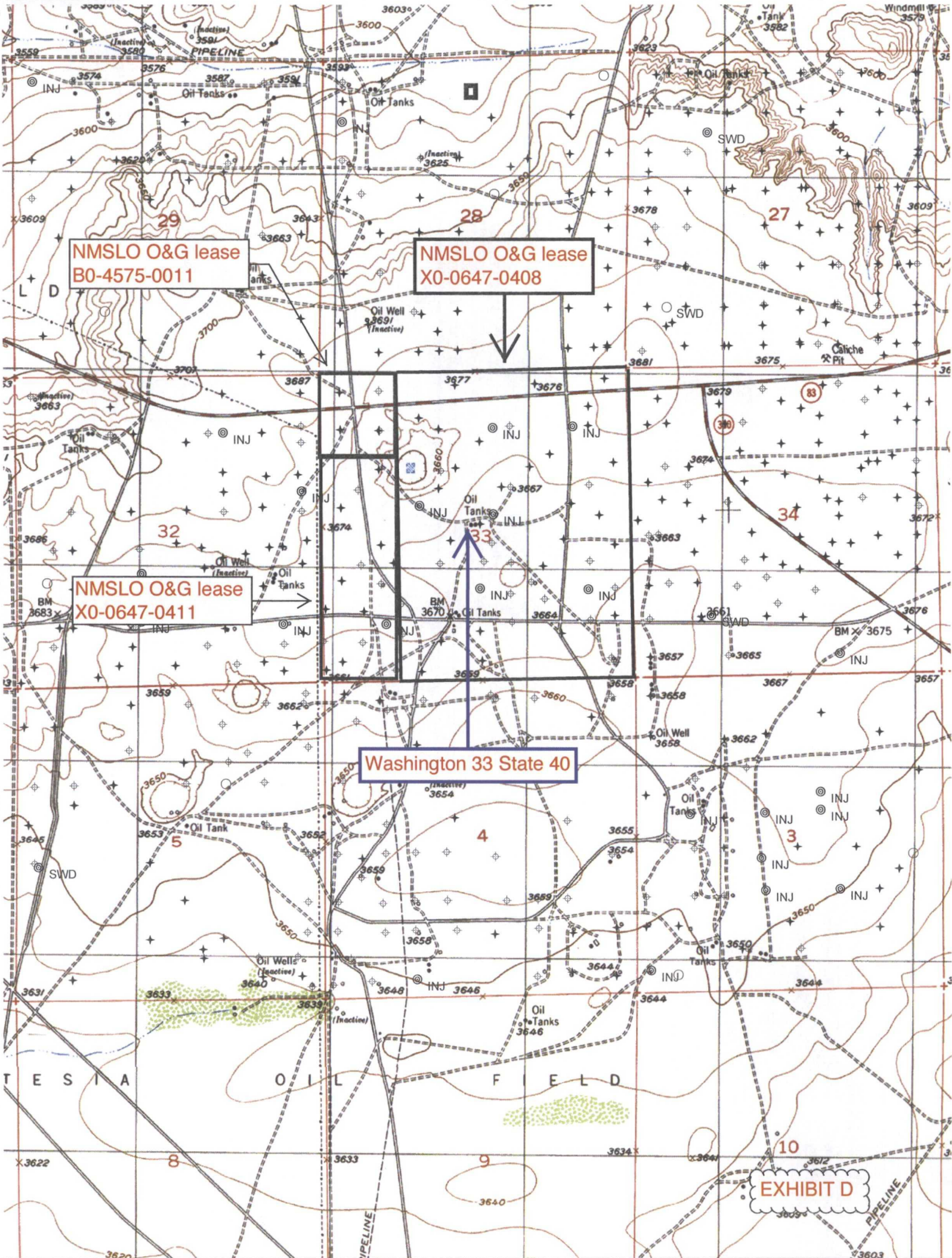
NMSLO O&G lease
B0-4575-0011

NMSLO O&G lease
X0-0647-0408

NMSLO O&G lease
X0-0647-0411

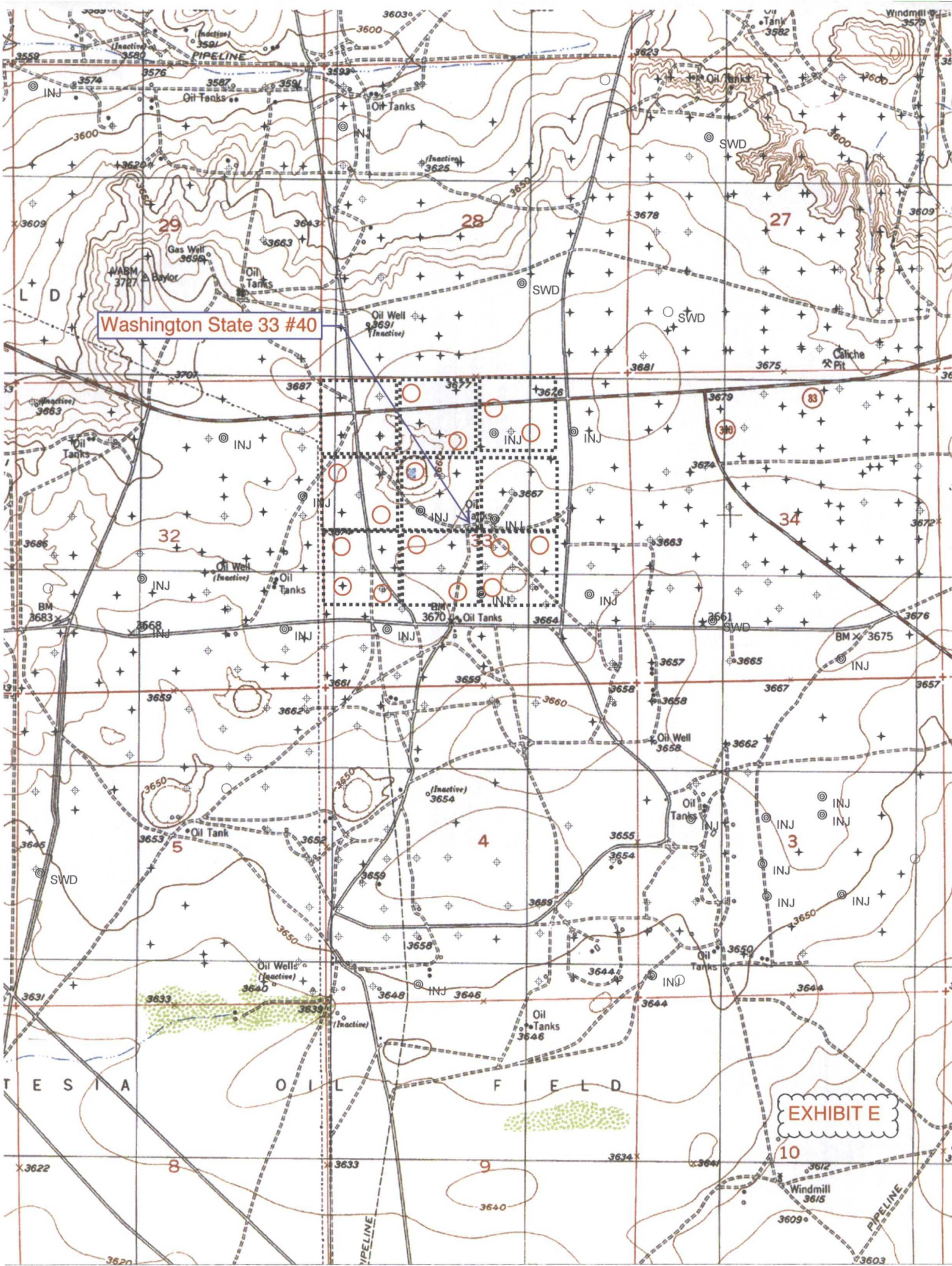
Washington 33 State 40

EXHIBIT D



Washington State 33 #40

EXHIBIT E



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

April 21, 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.

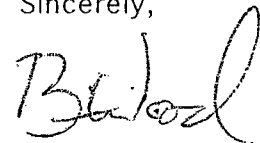
Apache Corporation is applying to drill its Washington 33 State 40 oil well. The minimum state distance for such a well is 330' from a quarter-quarter line. The well is 100' further east than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Washington 33 State 40 Where: 2185 FNL & 2410 FWL 33-17s-28e
Proposed NSL Zone: Artesia; Glorieta-Yeso (O) TD: 5,100'
NSL Acreage Dedication: 40 acres (SWNE Section 33, T. 17 S., R.28 E., Eddy County, NM
on State lease X0-0647-0408 (well is 1,090' 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 Service
CERTIFIED MAIL RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)

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

SANTA FE NM 87504

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Certified Fee	\$2.95	
Return Receipt Fee (Endorsement Required)	\$2.35	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 5.75	

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04/23/2012

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City, State, ZIP+4

NM SLO
Apache Wash
NM 87504

PS Form 3800, August 2006 See Reverse for Instructions

EXHIBIT F