

DATE IN 5.25.12	SUSPENSE 6-15-12	ENGINEER DB	LOGGED IN 5.25.12	TYPE NSL	APP NO. 1214653626
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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



Apache

D State #76

ADMINISTRATIVE APPLICATION CHECKLIST

30-015-40309

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]

6644

[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 _____

X-25-175-28E

[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.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent for Apache Corporation
 Title

5/25/12
 Date

drcatanach@netscape.com
 E-Mail Address

May 25, 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
D State Well No. 76
API No. (30-015-40309)
2270' FSL & 1040' FEL (Unit I)
Section 25, T-17 South, R-28 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 D State No. 76. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed D State No. 76 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SE/4 of Section 25. This unit is currently dedicated to Apache's: i) existing D State No. 21 (API No. 30-015-30975) located at a standard well location 2310 feet from the South line and 330 feet from the East line; ii) existing D State No. 45 (API No. 30-015-38409) located at standard well location 1820 feet from the South line and 350 feet from the East line; and iii) existing Dad State No. 42 (API No. 30-015-33456) located at an unorthodox location 1916 feet from the South line and 1190 feet from the East line.

The Artesia 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 maintain a safe distance from State Highway 82.

The two affected offset tracts are the SW/4 NE/4 and NW/4 SE/4 of Section 25 (see attached plat). Both of these affected offset tracts are operated by Apache in the Artesia Glorieta-Yeso Pool. The working interest ownership between the drill tract and

the NW/4 SE/4 of Section 25 is common. The working interest ownership between the drill tract and the SW/4 NE/4 of Section 25 is not common. Consequently, notice of this application is being provided, by certified mail, to all Glorieta-Yeso working interest owners within the SW/4 NE/4 of Section 25. These owners include COG Operating, LLC, Khody Land and Minerals Company, Marathon Oil Company and Yates Petroleum Corporation.

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

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Artesia Glorieta-Yeso Pool underlying the NE/4 SE/4 of Section 25 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

District I

1625 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 30-015-40309		Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 308712	Property Name D State		Well Number 076
OGRID No. 873	Operator Name Apache Corporation		Elevation 3,680'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	25	17 South	28 East		2270	South	1040	East	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

Dedicated Acres 40	Joint or Infill	Consolidate Code	Order No.
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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

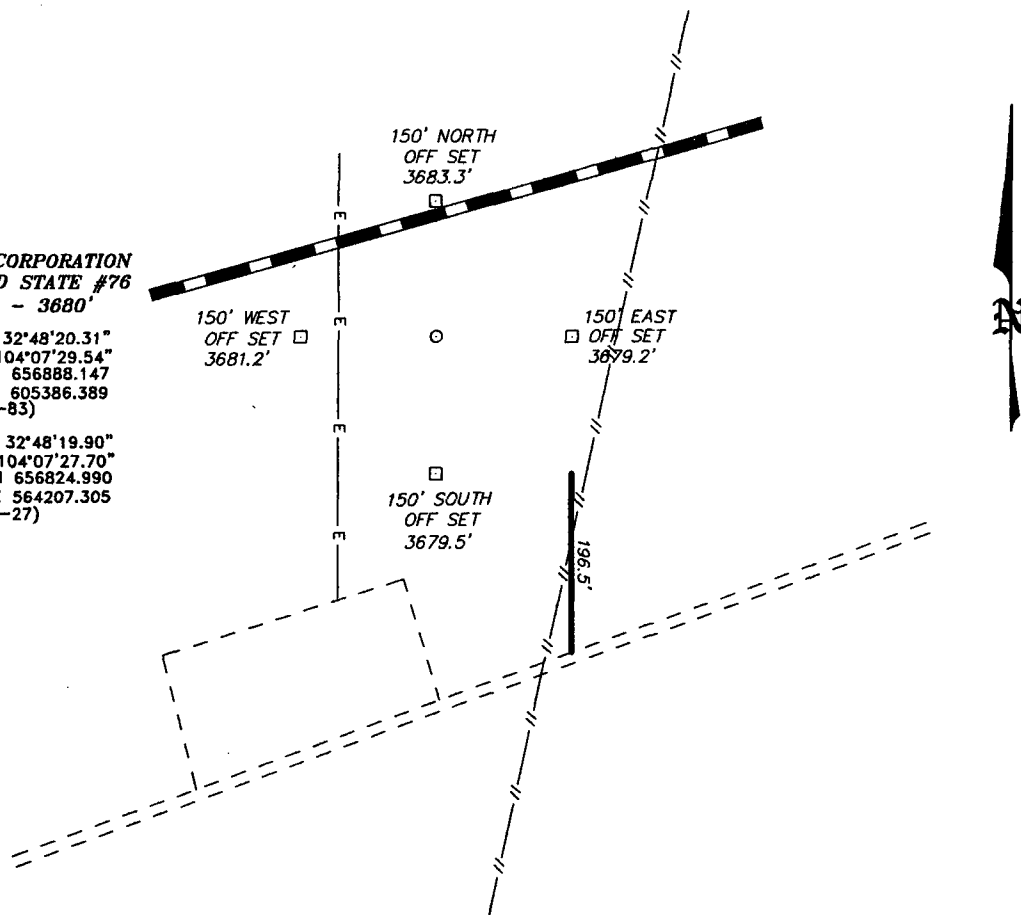
				OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole location or has a right to 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 heretofor entered by the Division.</i> Signature _____ Date _____ Printed Name _____ E-mail Address _____
		Affected Offset Tract Apache-Operator (WI ownership not common w/drill tract)		
		Affected Offset Tract Apache-Operator (WI ownership common w/drill tract)		SURVEYOR CERTIFICATION <i>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.</i> Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____

**SECTION 25, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.**

**APACHE CORPORATION
APACHE D STATE #76
ELEV. - 3680'**

Lat - N 32°48'20.31"
Long - W 104°07'29.54"
NMSPCE- N 656888.147
E 605386.389
(NAD-83)

Lat - N 32°48'19.90"
Long - W 104°07'27.70"
NMSPCE- N 656824.990
E 564207.305
(NAD-27)



Directions to Location:

FROM MILE MARKER 124 GO WEST TO LEASE ROAD,
GO SOUTH 0.1 MILES TURNING EAST 0.4 MILES TO
PROPOSED LEASE ROAD.

APACHE CORPORATION

REF: APACHE D STATE #76 / WELL PAD TOPO

THE APACHE D STATE #76 LOCATED 2270'

FROM THE SOUTH LINE AND 1040' FROM THE EAST LINE OF
SECTION 25, TOWNSHIP 17 SOUTH, RANGE 28 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 26698

Drawn By: J. SMALL

Date: 05-10-2012

Disk: JMS 26698

Survey Date: 05-07-2012

Sheet 1 of 1 Sheets

May 25, 2012

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Working Interest Owners (See Attached List)

Re: Apache Corporation
Application for Unorthodox Oil Well Location
D State No. 76
2270' FSL & 1040' FEL (Unit I)
Section 25, T-17 South, R-28 East, NMPM,
Artesia 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 D State No. 76 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 2270 feet from the South line and 1040 feet from the East line (Unit I) of Section 25, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SE/4 of Section 25. This unit is currently dedicated to the existing Apache D State Wells No. 21 and 45, and the existing Dad State No. 42. The unorthodox location is necessary in order to maintain a safe distance from State Highway 82.

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

Notice List
Apache Corporation
Application for Unorthodox Well Location
D State No. 76; 2270' FSL & 1040' FEL (Unit I)
Section 25, T-17 South, R-28 East, NMPM

COG Operating, LLC
550 W. Texas Ave., Suite 100
Midland, Texas 79701
Attn: David Evans

Khody Land & Minerals Co.
Attn: Land Dept.
3817 NW Expressway, Suite 950
Oklahoma City, OK 73112

Marathon Oil Company
Attn: Land Dept.
200 North Loraine, Suite 1310
Midland, Texas 79702

Yates Petroleum Corporation
105 S. Fourth Street
Artesia, New Mexico 88210

7011 2970 0003 9311 4079

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
OKLAHOMA CITY OK 73112	
Postage	\$ 1.10
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40
Khody Land & Minerals Co. Attn: Land Dept. 3817 NW Expressway, Suite 950 Oklahoma City, OK 73112	

PS Form 3800, August 2006 See Reverse for Instructions

7011 2970 0003 9311 4055

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
ARTESIA NM 88210	
Postage	\$ 1.10
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40
Yates Petroleum Corporation Attn: Land Dept. 105 S. Fourth Street Artesia, New Mexico 88210	

PS Form 3800, August 2006 See Reverse for Instructions

7011 2970 0003 9311 4086

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
MIDLAND TX 79701	
Postage	\$ 1.10
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40
COG Operating, LLC 550 W. Texas Avenue, Suite 100 Midland, Texas 79701 Attn: David Evans	

PS Form 3800, August 2006 See Reverse for Instructions

7011 2970 0003 9311 4062

U.S. Postal Service TM	
CERTIFIED MAIL TM RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
MIDLAND TX 79702	
Postage	\$ 1.10
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40
Marathon Oil Company Attn: Land Dept. 200 North Loraine, Suite 1310 Midland, Texas 79702	

PS Form 3800, August 2006 See Reverse for Instructions