

ABOVE THIS LINE FOR DIVISION USE ONLY

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



873 Apache Corp  
 30-015-40234  
 D State # 89  
 ULI 34175 28E

**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

6668

**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 \_\_\_\_\_

[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

7/18/12  
 Date

drcatanach@netscape.com  
 E-Mail Address

July 18, 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. 89  
API No. (30-015-40234)  
1565' FSL & 990' FEL (Unit I)  
Section 34, 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. 89. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed D State No. 89 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 34. This unit is currently dedicated to Apache's: i) existing D State No. 19 (API No. 30-015-31389) located at a standard well location 2310 feet from the South line and 330 feet from the East line; ii) proposed D State No. 90 (API No. 30-015-40235) located at an unorthodox well location 1540 feet from the South line and 330 feet from the East line; and iii) existing Dad State No. 20 (API No. 30-015-32492) located at a standard well location 2310 feet from the South line and 990 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 avoid existing pipelines and a road.

The two affected offset tracts are the SW/4 SE/4 and the SE/4 SE/4 of Section 34. There is currently no Glorieta-Yeso production in either affected offset tract. The operating rights within the two affected offset tracts are owned by ConocoPhillips

Company, Chaparral Energy, LLC, Chisos, Ltd., Wadi Petroleum and Devon Energy Corporation. Notice of this application is being provided by certified mail to ConocoPhillips Company, Chaparral Energy, LLC, Chisos, Ltd., Wadi Petroleum and Devon Energy Corporation.

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

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 34 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,

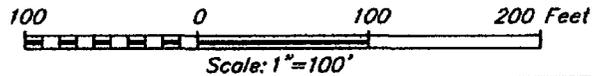
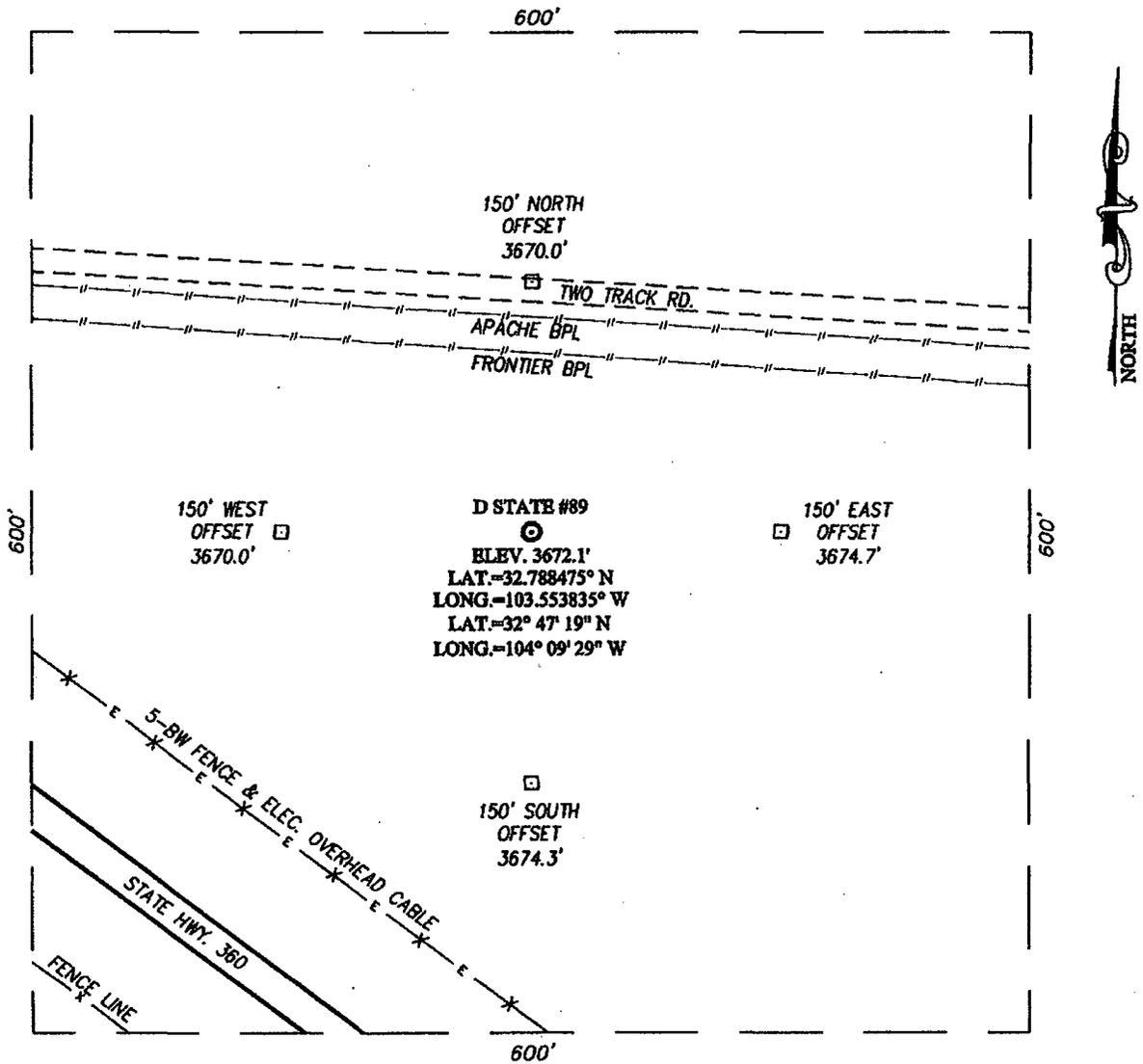


David Catanach, Agent  
Apache Corporation  
303 Veterans Airpark Lane  
Suite 3000  
Midland, Texas 79705

Xc: OCD-Artesia



**SECTION 34, 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 ST. HWY. #360, GO SOUTHEAST APPROX. 0.9 MILES. TURN LEFT AND GO EAST APPROX. 0.1 MILES. THE LOCATION IS APPROX. 145 FEET SOUTH OF THE TWO TRACK 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**

**D STATE #89 WELL**  
 LOCATED 1565 FEET FROM THE SOUTH LINE  
 AND 990 FEET FROM THE EAST LINE OF SECTION 34,  
 TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 3/22/12	CAD Date: 4/19/12	Drawn By: AF
W.O. No.: 12110493	Rev. .	Rel. W.O.:
		Sheet 1 of 1

July 18, 2012

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

TO: ConocoPhillips Company      Chaparral Energy, LLC      Wadi Petroleum  
P.O. Box 2197      701 Cedar Lake Blvd.      14405 Walters Rd. #400  
Houston, Texas 77363-2197      Oklahoma City, OK 73114      Houston, Texas 77014

Chisos Ltd.      Devon Energy Corporation  
670 Dona Ana Road SW      1500 Mid-American Tower  
Deming, New Mexico 88030      Oklahoma City, OK 73102

Re: Apache Corporation  
Application for Unorthodox Oil Well Location  
D State No. 89  
1565' FSL & 990' FEL (Unit I)  
Section 34, 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. 89 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 1565 feet from the South line and 990 feet from the East line (Unit I) of Section 34, 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 34. This unit is currently dedicated to Apache's existing D State Well No. 19 and Dad State No. 20, and Apache's proposed D State No. 90. The unorthodox location is necessary in order to avoid existing pipelines and a road.

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

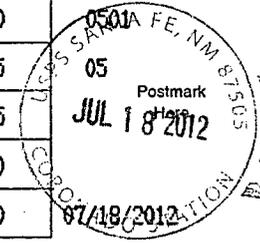
7011 2970 0003 9311 4239

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OKLAHOMA CITY OK 73114

**OFFICIAL USE**

Postage	\$ 1.70	
Certified Fee	\$2.95	
Return Receipt Fee (Endorsement Required)	\$2.35	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 7.00	

Sent To **Chaparral Energy, LLC**  
 Street, Apt. No., or PO Box No. **701 Cedar Lake Blvd.**  
 City, State, ZIP+4 **Oklahoma City, OK 73114**

PS Form 3800, August 2006 See Reverse for Instructions

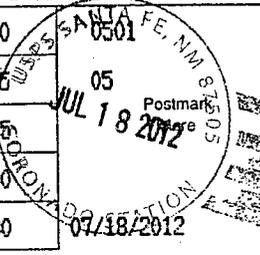
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OKLAHOMA CITY OK 73102

**OFFICIAL USE**

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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	\$ 6.80	

Sent To **Devon Energy Corporation**  
 Street, Apt. No., or PO Box No. **1500 Mid-American Tower**  
 City, State, ZIP+4 **Oklahoma City, OK 73102**

PS Form 3800, August 2006 See Reverse for Instructions

7011 2970 0003 9311 4246

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DEMING NH 88030

**OFFICIAL USE**

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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	\$ 7.00	

Sent To **Chisos Ltd.**  
 Street, Apt. No., or PO Box No. **670 Dona Ana Road; SW**  
 City, State, ZIP+4 **Deming, New Mexico 88030**

PS Form 3800, August 2006 See Reverse for Instructions

7011 2970 0003 9311 4222

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PLANTERSVILLE TX 77363

**OFFICIAL USE**

Postage	\$ 1.70	
Certified Fee	\$2.95	
Return Receipt Fee (Endorsement Required)	\$2.35	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 7.00	

Sent To **ConocoPhillips Company**  
 Street, Apt. No., or PO Box No. **P.O. Box 2197**  
 City, State, ZIP+4 **Houston, Texas 77363-2197**

PS Form 3800, August 2006 See Reverse for Instructions

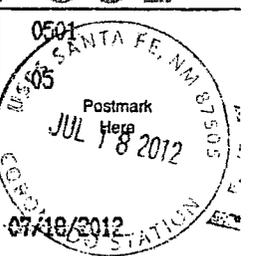
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HOUSTON TX 77014

**OFFICIAL USE**

Postage	\$ 1.50	
Certified Fee	\$2.95	
Return Receipt Fee (Endorsement Required)	\$2.35	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.80	

Sent To **Wadi Petroleum**  
 Street, Apt. No., or PO Box No. **4405 Walters Road #400**  
 City, State, ZIP+4 **Houston, Texas 77014**

PS Form 3800, August 2006 See Reverse for Instructions