

DATE IN 10-9-12	SUSPENSE NA	ENGINEER DB	LOGGED IN 10-9-12	TYPE NSL	APP NO. PUKB1228356779
-----------------	-------------	-------------	-------------------	----------	------------------------

ABOVE THIS LINE FOR DIVISION USE ONLY

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



Apache Corporation
A State #46

6693

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
X NSL ☐ NSP ☐ SD

A State 46
30-015-38579

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

2012 OCT - 9 A 10:43
RECEIVED OGD

[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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

brian@permitswest.com

e-mail Address

10-6-12

Date

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION'S
A STATE 46
1080' FNL & 890' FWL
SECTION 26, T. 17 S., R. 28 E., EDDY COUNTY, NM
API 30-015-38579**

I. The proposed oil well (see APD as Exhibit A) is on private surface (Bogle Ltd. Company) and NM State Land Office oil and gas lease X006470405 (>640 acres). The well is 890' from the closest lease line (Exhibit B). The proposed oil well is nonstandard for the Artesia; Glorieta-Yeso (Pool 96830) due to a steep road that provides the only access to 3 wells (Exhibit C) operated by 2 other operators (COG and RKI).

Apache requests a nonstandard location due to land uses. The well was planned to be staked 990 FNL & 990 FWL. However, a steep road prevented that location.

A standard location must be at least 330' from the quarter-quarter line. The well bore is 240' from the south quarter-quarter line (see C-102 as EXHIBIT D). It is 90' too far south. It is 492' from the southeast corner of the quarter-quarter and 921' from the southwest corner of the quarter-quarter.

II. Form C-102 showing the well and 40 acre pro ration unit (NWNW Section 26) is attached as Exhibit D.

Exhibit E shows the lease boundaries (solid lines) and existing Yeso acreage dedications (dashed lines). There are no existing Yeso dedications in SESE Section 22 and S2SW4 Section 23. The well encroaches 90' too far south toward the SWNW Section 26. The encroachment is part of the same state lease.

Apache operates all Yeso wells in the NW4 Section 26. There is common ownership in the Yeso in the affected offset quarter-quarters.

(Some state records mistakenly show COG's Arco 26 A State 9 as a Yeso well. It was permitted in 2005 as a 5,000' deep Yeso well. However, it was only drilled to 3,500' and completed as a Red Lake; Queen-Grayburg-San Andres well in 2005. It is 744' northwest of the A State 46.)

Closest Yeso well is Apache's A State 56 (30-015-38965), which is 799' southwest at 1650 FNL & 330 FWL 27-17s-28e.

III. The state oil and gas lease (>640 acres) boundary is marked as a solid line on the attached (EXHIBIT E) topographic map. The well encroaches to the south. The encroachment is part of the same lease. Five existing Yeso pro ration units (see Exhibit E) touch the proposed pro ration unit. Three of the five are Apache operated. There is common ownership of the Yeso working interest in the quarter-quarter in which the well is located, the quarter-quarter (SWNW Section 26) toward which the well encroaches, and the closest cornering quarter-quarters (E2NW4 Section 26). This information is current and correct.

IV. Exhibit F shows the proposed well, proration unit, and all wells. Yeso wells are circled. Apache does not believe directional drilling to a standard location from an existing pad is cost effective for this well.

V. A steep road (12% grade) road that provides the only access to three wells (see Exhibit C) operated by two other companies prevents a standard location.

VI. Archaeology is not an issue.

VII. The well was planned to be staked 990 FNL & 990 FWL. However, a steep road that provides the only access for two other operators to three wells prevents a standard location.

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

IX. I hereby certify that there is common ownership and partner approval of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit (NWNW Section 26), the adjacent quarter-quarter (SWNW Section 26) of the side toward which it encroaches, and the single closest corner to the proposed well (E2NW Section 26) toward which it encroaches and that the

information is current and correct. Therefore, notice to any affected party is not required.

Brian Wood

Brian Wood, Consultant

10-6-12

Date

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

The foregoing instrument was acknowledged before me this 6th day of October, 2012 by Brian Wood. Witness my hand and official seal.

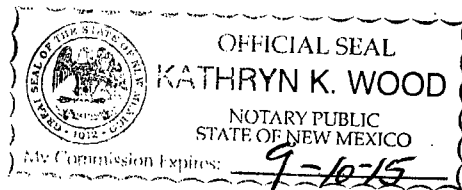
Kathryn K. Wood

Notary Public

My Commission Expires: 9-10-15

Business Address:

37 Verano LP
Santa Fe NM 87508



cc: Flores, OCD (Artesia & Santa Fe)

District II
1301 W. Grand Ave., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

Form C-101
Permit 129101

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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 30-015-38579
4. Property Code 308701	5. Property Name A STATE	6. Well No. 046

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	26	17S	28E	D	1080	N	890	W	EDDY

8. Pool Information

ARTESIA; GLORIETA-YESO (O)	96830
----------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3621
14. Multiple N	15. Proposed Depth 5700	16. Formation Yeso Formation	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method:				
Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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	400	300	
Prod	7.875	5.5	17	5700	960	

Casing/Cement Program: Additional Comments

--

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 ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed Name: Electronically filed by Bobby Smith

Title:

Email Address: bobby.smith@apachecorp.com

Date: 3/22/2011

Phone: 432-818-1020

OIL CONSERVATION DIVISION

Approved By: Randy Dade

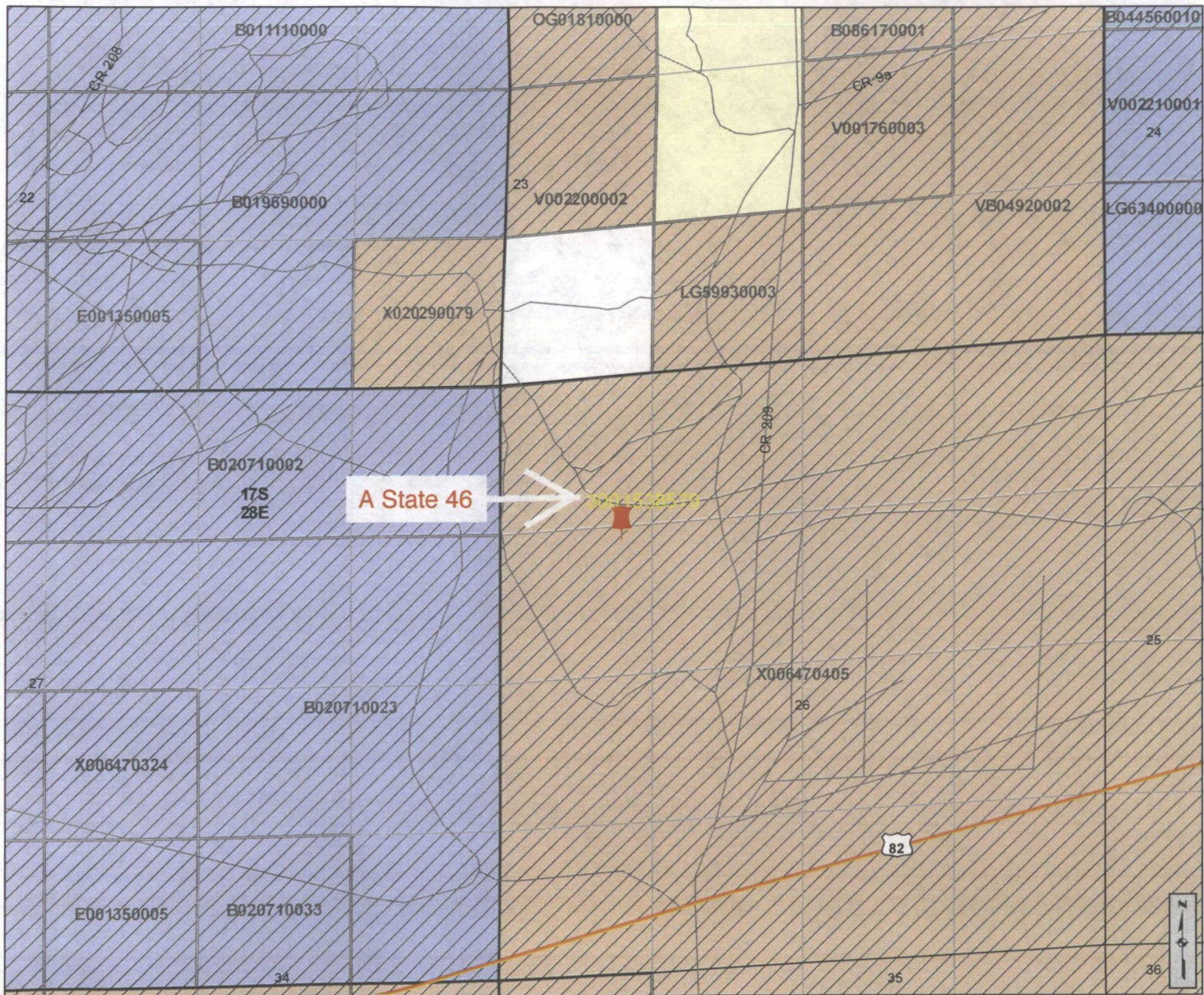
Title: District Supervisor

Approved Date: 3/23/2011

Expiration Date: 3/23/2013

Conditions of Approval Attached

EXHIBIT A



Point Locations

- County Seat
- ▲ SLO District Offices
- City, Town or Village
- ★ Volcanic Vents
- Highway Mileposts

NMOCD Oil and Gas Wells

- Oil
- Injection
- ★ Carbon Dioxide
- Miscellaneous
- ☆ Gas
- ◆ Water
- ◇ DA or PA
- △ Salt Water Disposal

Federal Minerals

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Both Estates

NMSLO Leasing

- Option Agreement
- Commercial Lease
- Minerals Lease
- Oil and Gas Lease
- Agricultural Lease
- Not Available for Oil and Gas Leasing
- Restriction Influences Oil and Gas Leasing

Other Boundaries

- Continental Divide
- State Boundary
- County Boundaries
- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Potash Enclave (NMOCD R-111-P)

For detailed legend of the Geologic Map of New Mexico, please see <http://geoinfo.nmt.edu/>

New Mexico State Land Office

Oil, Gas, and Minerals

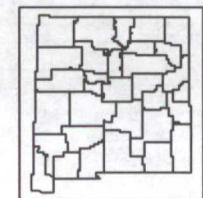
0 0.05 0.1 0.2 0.3 0.4 Miles
 Universal Transverse Mercator Projection, Zone 13
 1983 North American Datum

EXHIBIT B

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
logic@slo.state.nm.us

Created On: 10/5/2012 4:24:32 PM



www.nmstatelands.org

Click and drag to rotate, or click "N" to reset to north

COG's Arco 26 A State 9



COG's Arco 26 A State 3



32.81001 -104.15248



Apache's A State 46

RKI's Cinco 26 State 1



EXHIBIT C

© 2012 Google

Google earth

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., 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 and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
 Permit 129101

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-38579	2. Pool Code 96830	3. Pool Name ARTESIA; GLORIETA-YESO (O)
4. Property Code 308701	5. Property Name A STATE	6. Well No. 046
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3621

10. Surface Location

UL - Lot D	Section 26	Township 17S	Range 28E	Lot Idn	Feet From 1080	N/S Line N	Feet From 890	E/W Line W	County 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

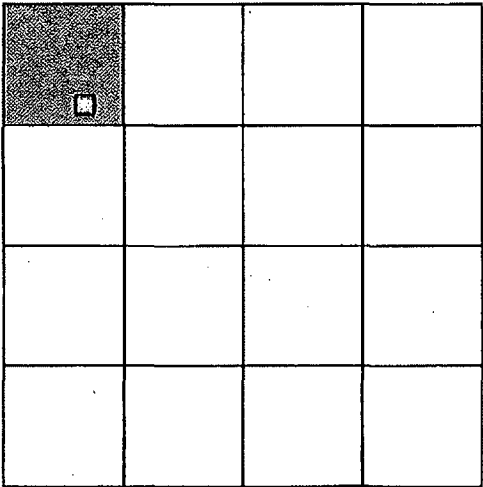
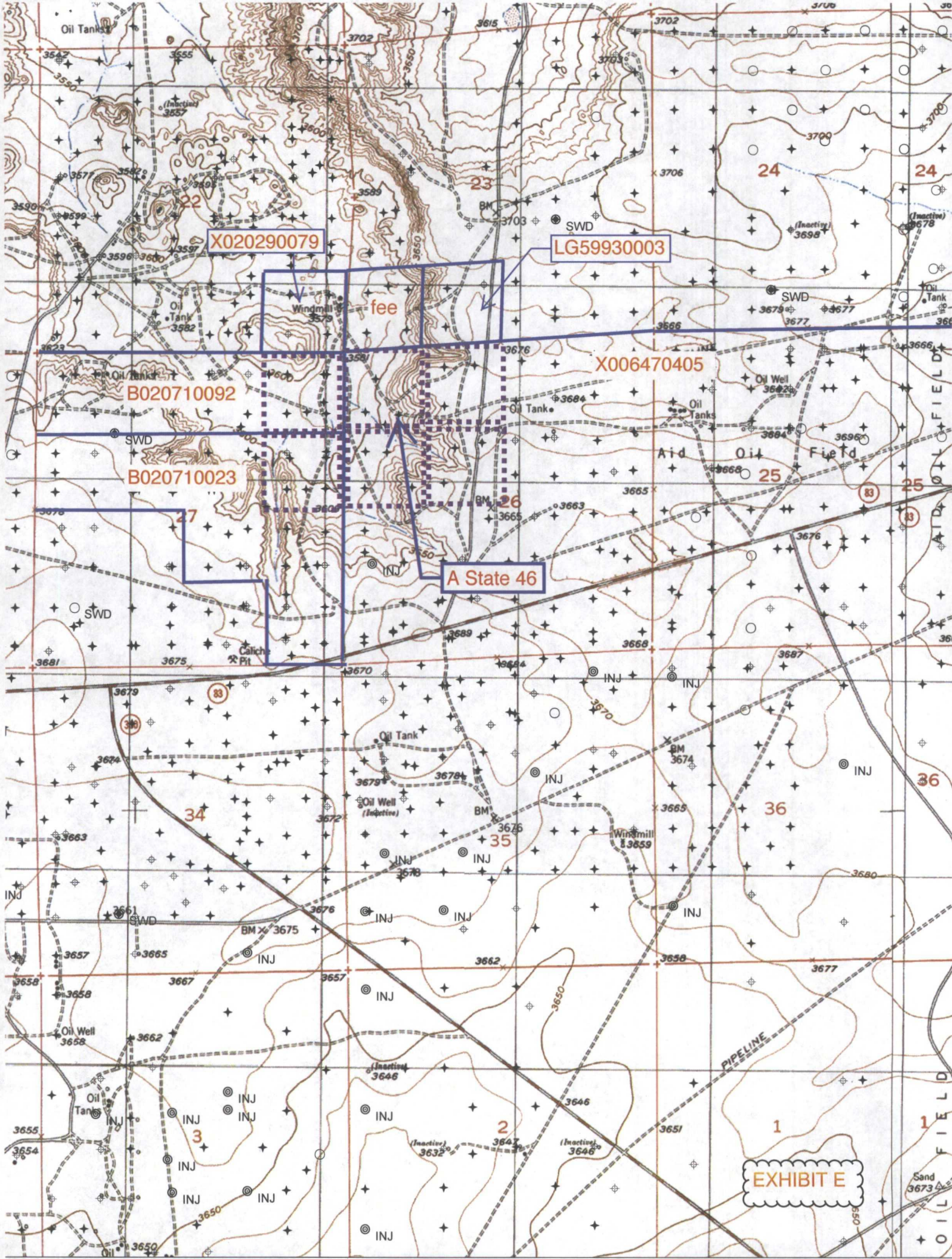
	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location(s) or has a right 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.</i> E-Signed By: Bobby Smith Title: Date: 3/22/2011	
	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> Surveyed By: RONALD EIDSON Date of Survey: 2/10/2011 Certificate Number: 3239	

EXHIBIT D



X020290079

LG59930003

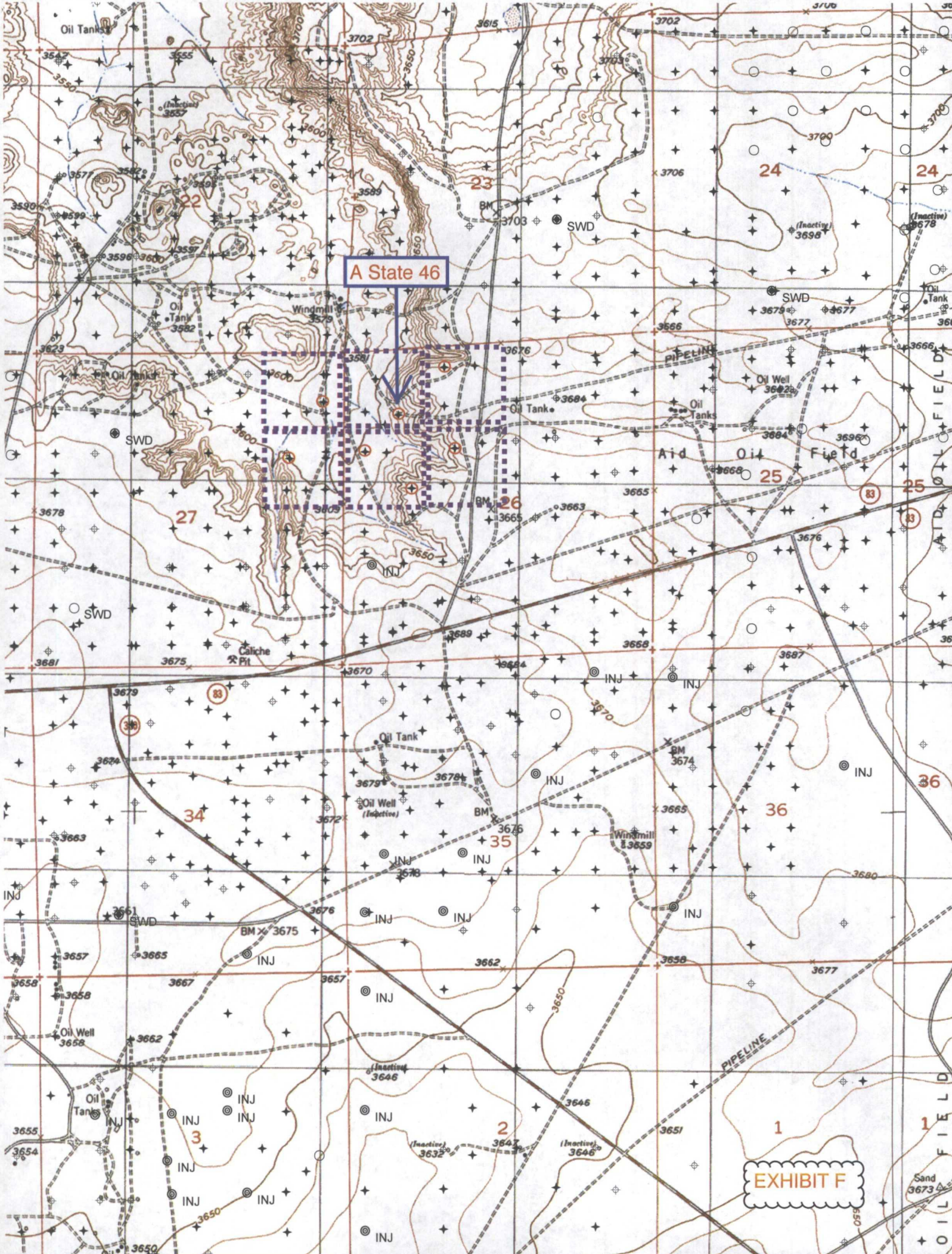
B020710092

X006470405

B020710023

A State 46

EXHIBIT E



A State 46

EXHIBIT F