

DATE IN 11-28-12	SUSPENSE NA	ENGINEER D13	LOGGED IN 11-28	TYPE NSL	APP NO. PDKB1233363514
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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 # 79

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

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 * Amend Order No. NSL-6636

2012 NOV 28 P 12:32
 RECEIVED OGD

[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

11/28/12
 Date

drcatanach@netscape.com
 E-Mail Address

November 28, 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 to Amend NSL-6636
D State Well No. 79
API No. (30-015-40312)
70' FSL & 990' FEL (Unit P)
Section 26, T-17 South, R-28 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

By Order No. NSL-6636 dated June 7, 2012 the Division authorized Apache Corporation ("Apache") to drill its D State No. 79 at an unorthodox well location in the Artesia Glorieta-Yeso Pool (96830) 170 feet from the South line and 990 feet from the East line (Unit P) of Section 26, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

Due to additional surface obstructions, the D State No. 79 had to be moved 100' feet south of the originally proposed unorthodox location. The new well location is 70 feet from the South line and 990 feet from the East line (Unit P) of Section 26.

The D State No. 79 will be dedicated to an existing standard 40-acre spacing and proration unit comprising the SE/4 SE/4 of Section 26. This unit is currently dedicated to Apache's: i) existing D State No. 2 (API No. 30-015-31421) located at a standard well location 990 feet from the South line and 430 feet from the East line; ii) existing D State No. 51 (API No. 30-015-38585) located at a standard well location 900 feet from the South line and 990 feet from the East line; and iii) existing D State No. 59 (API No. 30-015-38470) located at an unorthodox well location 290 feet from the South line and 175 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 affected offset tracts are the NE/4 NE/4 and NW/4 NE/4 of Section 35, Township 17 South, Range 28 East, NMPM, (see attached plat). These affected offset tracts are operated by Apache in the Artesia Glorieta-Yeso Pool. The working interest ownership between the drill tract and the affected offset tracts is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102 showing the proposed well, spacing unit and other existing or proposed wells in the spacing unit, a plat showing the affected offset acreage, a vicinity map, and a copy of Order No. NSL-6636.

In summary, approval of the proposed amendment to NSL-6636 will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Artesia Glorieta-Yeso Pool underlying the SE/4 SE/4 of Section 26 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 30-015-40312		Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 308712	Property Name D State		Well Number 079
OGRID No. 873	Operator Name Apache Corporation		Elevation 3676'

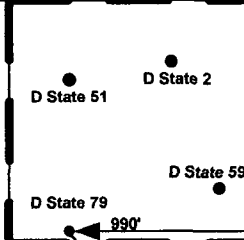
Surface Location

UL or lot no. P	Section 26	Township 17 South	Range 28 East	Lot Idn	Feet from the 70	North/South line South	Feet from the 990	East/West line East	County Eddy
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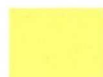
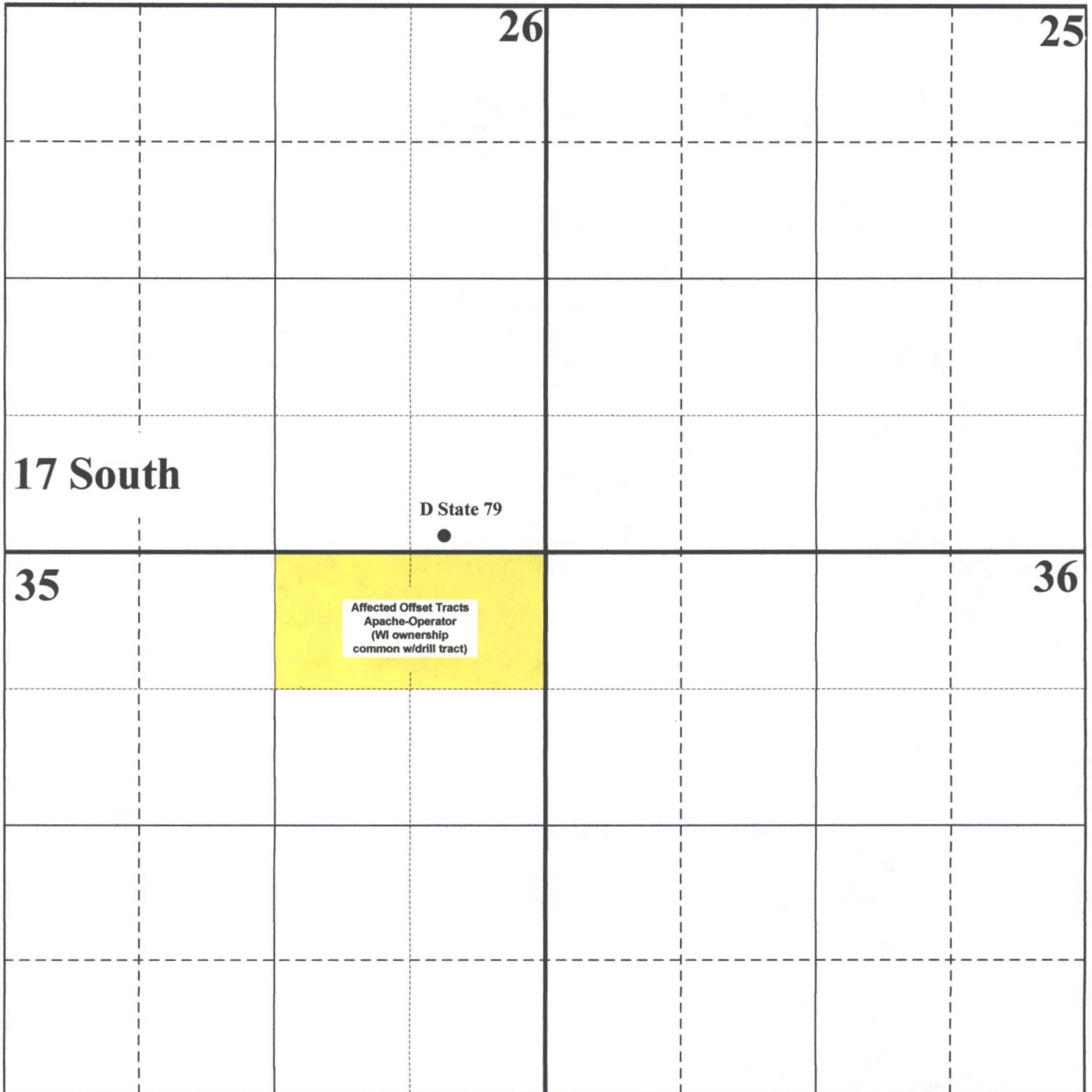
Bottom Hole Location If Different From Surface

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.				

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 _____
				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 _____
				

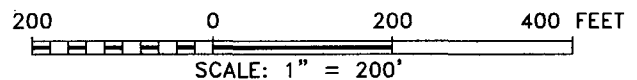
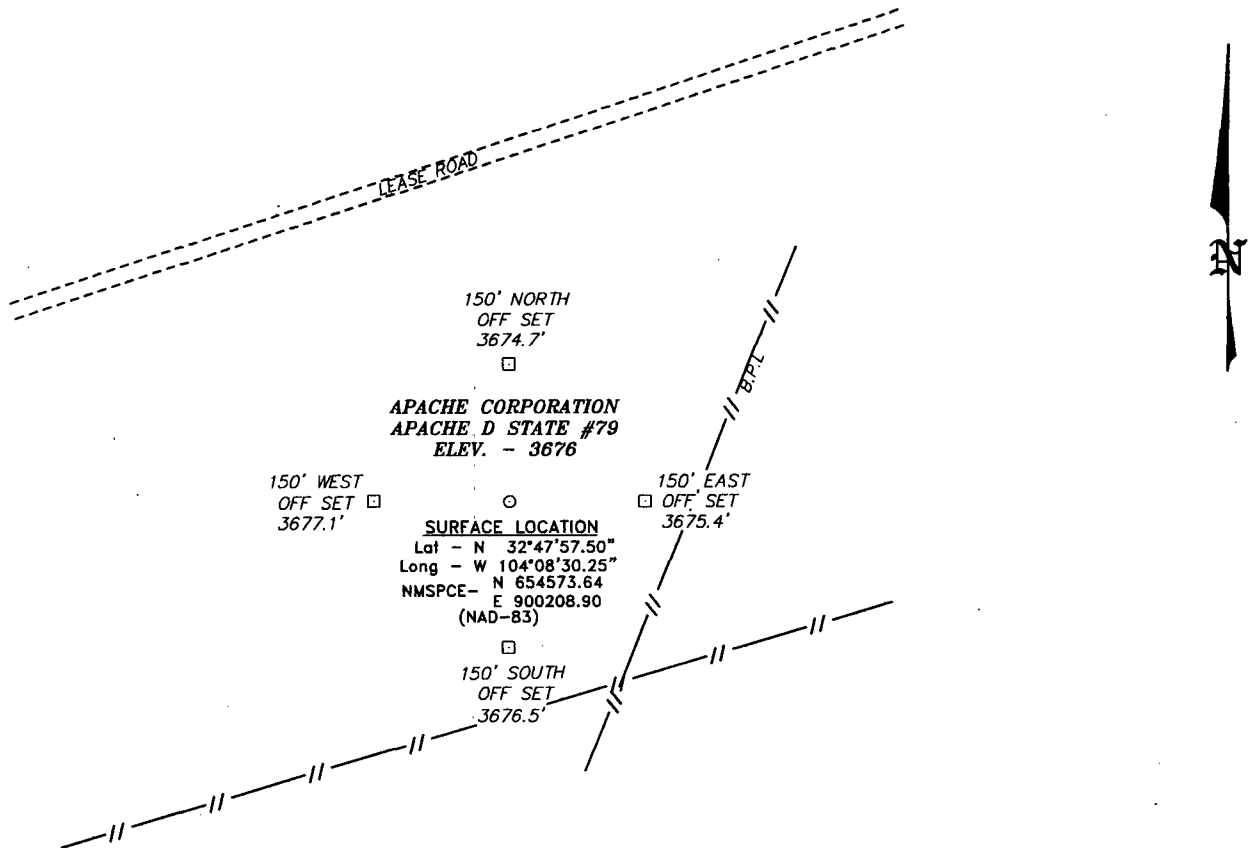
28 East



Affected Offset Acreage

Apache Corporation
Application to Amend NSL-6636
D State No. 79 (API No. 30-015-40312)

SECTION 26, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



DRIVING DIRECTIONS

GOING WEST ON HIGHWAY 82 GO 0.7 MILES PAST MILE MARKER 124
GO SOUTH 250' THEN TURN WEST GO 0.7 MILES TO PROPOSED
LOCATION

NOTE: MULTIPLE SURFACE FLOW LINES RUN EAST/WEST THROUGH
LOCATION.

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

W.O. Number: 27494 Drawn By: D. JONES

Date: 10-11-2012 Disk: DAJ 27494

APACHE CORPORATION

REF: APACHE D STATE #79 / WELL PAD TOPO

THE APACHE D STATE #79 LOCATED 70'
FROM THE SOUTH LINE AND 990' FROM THE EAST LINE OF
SECTION 26, TOWNSHIP 17 SOUTH, RANGE 28 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 10-03-2012 Sheet 1 of 1 Sheets

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



June 7, 2012

Apache Corporation
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6636
Administrative Application Reference No. pTWG12-14653804

Apache Corporation
OGRID 873
D State Well No. 79
API No. 30-015-40312

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
170 FSL & 990 FEL	P	26	17S	28E	Eddy

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 SE/4 of Section 26	40	Artesia; Glorieta-Yeso	96830

Reference is made to your application received on May 25, 2012.

You have requested to drill or re-complete this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to avoid interference with an existing pipeline.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

June 7, 2012

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Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with the first name "Jami" and last name "Bailey" clearly distinguishable.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
New Mexico State Land Office