

DATE IN 12-13-12	SUSPENSE 1-2-13	ENGINEER DB	LOGGED IN 12-13	TYPE NSL	APP NO. PDKB1234859244
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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 #102*

**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]**

*6731*

**[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**

2012 DEC 13 2:14:20  
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**[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

12/12/12  
 Date

drcatanach@netscape.com  
 E-Mail Address

December 12, 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 No. 102  
API No. (30-015-40158)  
1650' FSL & 1575' FWL (Unit K)  
Section 36, 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. 102. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830) at an unorthodox oil well location 1650 feet from the South line and 1575 feet from the West line of Section 36, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

The proposed D State No. 102 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NE/4 SW/4 of Section 36. This unit is currently dedicated to Apache's: i) existing D State No. 61 (API No. 30-015-38969) located at an unorthodox location 2310 feet from the South line and 1550 feet from the West line; ii) proposed D State No. 100 (API No. 30-015-40141) located at a standard well location 2310 feet from the south and west lines; and iii) proposed D State No. 103 (API No. 30-015-40143) located at a standard well location 1650 feet from the South line and 2310 feet from the West 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 an existing pipeline.

The affected offset acreage includes the NW/4 SW/4 and the SW/4 SW/4 of Section 36. The NW/4 SW/4 of Section 36 is currently being developed in the Artesia Glorieta-Yeso Pool by numerous wells operated by Apache. Please note that the working interest ownership between the drill tract and the NW/4 SW/4 of Section 36 is common. The SW/4 SW/4 of Section 36, being the other affected offset tract, currently has no wells producing from the Artesia Glorieta-Yeso Pool. Due to diverse ownership between the drill tract and the SW/4 SW/4 of Section 36, notice of this application is being provided to the owners of the Glorieta-Yeso rights within that affected offset tract. These owners include ZPZ Delaware I, LLC, Three Rivers Acquisition, LLC, Environmental Risk Reduction, Inc. and Cardinal River Farm, Inc.

Attached is a Form C-102 showing the proposed well, other existing or proposed wells in the spacing unit and the affected offset acreage. Also attached is a vicinity map, notice letter and 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 SW/4 of Section 36 that may otherwise not be recovered by the existing or proposed 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 <b>30-015-40158</b>		Pool Code <b>96830</b>	Pool Name <b>Artesia Glorieta-Yeso Pool</b>
Property Code <b>308712</b>	Property Name <b>D State</b>		Well Number <b>102</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>		Elevation <b>3682</b>

**Surface Location**

UL or lot no. <b>K</b>	Section <b>36</b>	Township <b>17 South</b>	Range <b>28 East</b>	Lot Idn	Feet from the <b>1650</b>	North/South line <b>South</b>	Feet from the <b>1575</b>	East/West line <b>West</b>	County <b>Eddy</b>
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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 <b>40</b>		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

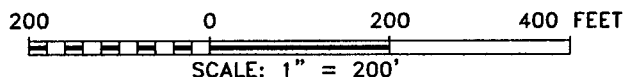
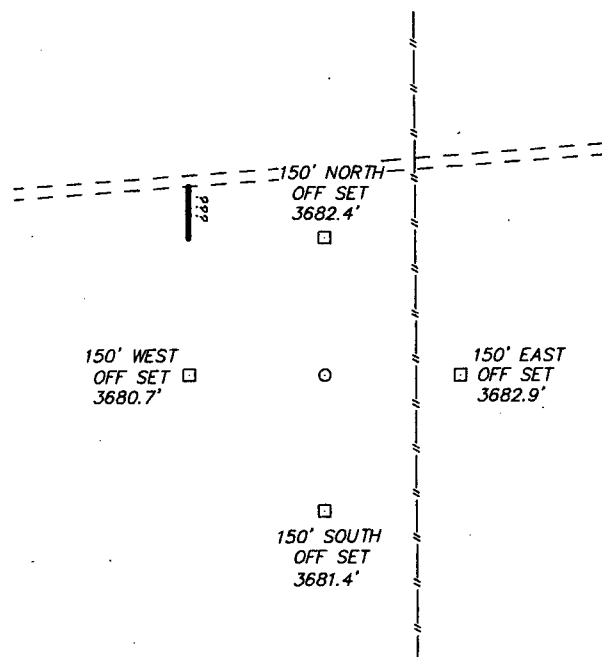
				<b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole location or has a right 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 Acreage Operator: Apache WI ownership common w/drill tract 1575'				<b>SURVEYOR CERTIFICATION</b> <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 _____	
Affected Offset Acreage Operator: None Lease Ownership: See attached notice list 1650'					

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

APACHE CORPORATION  
APACHE D STATE #102  
ELEV. - 3682'

Lat - N 32°47'21.19"  
Long - W 104°08'00.15"  
NMSPCE- N 650908.647  
E 602785.186  
(NAD-83)

Lat - N 32°47'20.78"  
Long - W 104°07'58.31"  
NMSPCE- N 650845.582  
E 561606.079  
(NAD-27)



Directions to Location:

FROM MILE MARKER 123 TO EAST 0.4 MILES TO  
LEASE ROAD, ON LEASE ROAD GO SOUTH 1.0 MILES  
TURNING WEST 0.5 MILES TO LEASE ROAD, ON LEASE  
ROAD GO SOUTH 0.1 MILES THEN WEST 0.1 MILES  
TO PROPOSED LOCATION.

**APACHE CORPORATION**

REF: APACHE D STATE #102 / WELL PAD TOPO

THE APACHE D STATE #102 LOCATED 1650'

FROM THE SOUTH LINE AND 1575' FROM THE WEST LINE OF

SECTION 36, 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: 26427 Drawn By: J. SMALL

Date: 04-02-2012 Disk: JMS 26427

Survey Date: 03-29-2012 Sheet 1 of 1 Sheets

December 12, 2012

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

TO: OFFSET LEASEHOLD/INTEREST OWNERS-SEE ATTACHED LIST

Re: Apache Corporation  
Unorthodox Oil Well Location  
D State No. 102 (API No. 30-015-40158)  
1650' FSL & 1575' FWL (Unit K)  
Section 36, 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. 102 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 1650 feet from the South line and 1575 feet from the West line (Unit K) of Section 36, 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 SW/4 of Section 36. This unit is currently dedicated to the existing Apache D State No. 61 and Apache's proposed D State Wells No. 100 and 103. The unorthodox location is necessary in order to avoid an existing pipeline within the NE/4 SW/4 of Section 36.

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. 102 (API No. 30-015-40158)**  
**1650' FSL & 1575' FWL (Unit K)**  
**Section 36, T-17 South, R-28 East, NMPM**

ZPZ Delaware I, LLC  
(A wholly owned subsidiary of Apache Corporation)

Three Rivers Acquisition, LLC  
3821 Juniper Trace, #107  
Austin, Texas 78378

Environmental Risk Reduction, Inc. &  
Cardinal River Farm, Inc.  
3000 Oklahoma Tower  
210 Park Avenue  
Oklahoma City, Oklahoma 73102

7012 0470 0001 5936 1693

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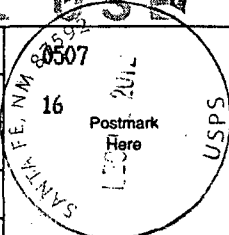
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Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40

12/12/2012

**Environmental Risk Reduction, Inc.**

Sent To **Cardinal River Farm, Inc.**  
 Street, Apt. No. or PO Box No. **3000 Oklahoma Tower**  
 City, State, ZIP+4 **210 Park Avenue  
 Oklahoma City, OK 73102**

PS Form 3800, August 2006 See Reverse for Instructions



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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.40

12/12/2012

**Three Rivers Acquisition, LLC**

Sent To **3821 Juniper Trace, #107**  
 Street, Apt. No. or PO Box No. **78378**  
 City, State, ZIP+4 **Austin, Texas 78738**

PS Form 3800, August 2006 See Reverse for Instructions

