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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 A State #43

ADMINISTRATIVE APPLICATION CHECKLIST

7	THIS CHECKLIST IS M	IANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FO		REGULATIONS
Appli	[DHC-Dow PC-Pc	ndard Location] [NSP-Non-Standard Proration Inhole Commingling] [CTB-Lease Comming Info Commingling] [OLS - Off-Lease Storage	on Unit] [SD-Simultaneous Dedic ling] [PLC-Pool/Lease Commin] [OLM-Off-Lease Measuremen ire Maintenance Expansion] ion Pressure Increase]	gling] t]
[1]	[A]	PPLICATION - Check Those Which Apply fo Location - Spacing Unit - Simultaneous Ded X NSL NSP SD C One Only for [B] or [C] Commingling - Storage - Measurement	Apache Corp A State 43 30-015-3854	
	[C]	☐ DHC ☐ CTB ☐ PLC ☐ PC Injection - Disposal - Pressure Increase - Enl ☐ WFX ☐ PMX ☐ SWD ☐ II		
	[D]	Other: Specify		·
[2]	NOTIFICAT [A]	ION REQUIRED TO: - Check Those Which X Working, Royalty or Overriding Royalt		
	[B]	X Offset Operators, Leaseholders or Surfa	ace Owner	
	[C]	Application is One Which Requires Pul	blished Legal Notice	¥.
	[D]	Notification and/or Concurrent Approva		
	[E]	X For all of the above, Proof of Notification	on or Publication is Attached, and/	or,
	[F]	Waivers are Attached		
[3]		CURATE AND COMPLETE INFORMAT	ION REQUIRED TO PROCESS	S THE TYPE
	oval is <mark>accurate</mark> a	TION: I hereby certify that the information sund complete to the best of my knowledge. I all quired information and notifications are submi	lso understand that no action will	
		: Statement must be completed by an individual with n	nanagerial and/or supervisory capacity.	28 18 1
	in Wood	L Solar	Consultant	12-15-12
Print	or Type Name	Signature	Title	Date
			brian@permitswest.com	
	•		e-mail Address	•



REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION'S
A STATE 43
2310' FNL & 1120' FWL
SECTION 26, T. 17 S., R. 28 E., EDDY COUNTY, NM
API 30-015-38546

I. The proposed oil well (see APD as Exhibit A) is on private surface (Bogle Ltd. Company c/o COG) and NM State Land Office oil and gas lease X006470405 (8,746.59 acres). The well is 1,120' from the closest lease line (Exhibit B). The proposed oil well is nonstandard for the Artesia; Glorieta-Yeso (Pool 96830) due to a steep ≈ 50 ' high slope (Exhibit C).

Apache requests a nonstandard location due to land uses. The well was planned to be staked 2310 FNL & 990 FWL. However, a steep ≈50' high slope prevented that location.

topo

A standard location must be at least 330' from the quarter-quarter line. The well bore is 200' from the east quarter-quarter line (see C-102 as EXHIBIT D). It is 130' too far east. It is 330' from the south side of the quarter-quarter and 385' from the southeast corner of the quarter-quarter.

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

Exhibit E shows the existing Yeso acreage dedications (dashed lines). There are no existing Yeso dedications in NESE Section 27. The well encroaches 130' too far east toward the SENW Section 26. The encroachment is part of the same state lease.

Apache operates all Yeso wells in the S2NW4 & N2SW4 Section 26. Apache and its partners have 100% of the Yeso working interest in the affected offset quarter-quarters. Closest Yeso well is Apache's D State 58 (30-015-38588), which is 490' southwest at 2400 FSL & 1140 FWL 26-17s-28e.

III. The state oil and gas lease boundary is shown on EXHIBIT B. The well encroaches to the east. The encroachment is part of the same lease. Seven existing Yeso pro ration units (see Exhibit E) touch the proposed pro ration unit. Five of the seven are Apache operated. Apache and its partners have 100% of

the Yeso working interest in the quarter-quarter in which the well is located, the quarter-quarter (SENW Section 26) toward which the well encroaches, and the closest cornering quarter-quarters (N2SW4 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 ≈50' high slope prevents a standard location.
- VI. Archaeology is not an issue.
- VII. The well was planned to be staked 2310 FNL & 990 FWL. However, a steep \approx 50' high slope 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 Apache Corporation and its partners have 100% of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit and the adjacent quarter-quarters (SENW & N2SW4 Section 26) on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see EXHIBIT F) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in quarter-quarters that border the 40-acre spacing unit. Said notice was sent to:

Concho Resources Inc. Khody Land & Minerals Co. Mack Energy Corporation Yates Petroleum Corp.



Brian Wood, Consultant

12-15-12

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

The foregoing instrument was acknowledged before me this 15th day of December, 2012 by Brian Wood. Witness my hand and official seal.

Notary Public

My Commission Expires: 970
Business Address: 37 Veva

cc: Flores, OCD (Artesia & Santa Fe)



<u>District II</u> 1301 W. Grand Ave., Artesia, NM 88216 Phone:(505) 748-1283 Fax:(505) 748-9720

Hydril

State of New Mexico

Form C-101 Permit 127508

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

A	etor Name and Address PACHE CORP	2. OGRID Number 873		
	eterans Airpark Lane dland, TX 79705	3. API Number 30-015-38546		
4. Property Code 308701	5. Property Name A STATE	6. Well No. 043		

7. Surface Location

- 4										
	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	E	26	178	28E ,	E	2310	N	1120	W	EDDY

8. Pool Information

AI	TESIA; GLORIETA-YESO (O)	96830

Additional Well Information

9. Week Type New Well		ell Type IL	11. Cable/Rotery	12. Lesse Type State	13. Ground Level Elevation 3666
14. Multiple	15. Prop	osad Depth	16. Formation	17. Contractor	18. Spud Date
N	6	5100	Yeso Formation		
Depth to Ground	i wile		Distance from nearest fresh water	weii	Distance to nearest stafface water
Pit: Liner Synthetic Closed Loop Syste	г 201	mils thick	Clay Pit Volume: bbls		Dissel/Oil-based Gas/Air

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	6100	1000	

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

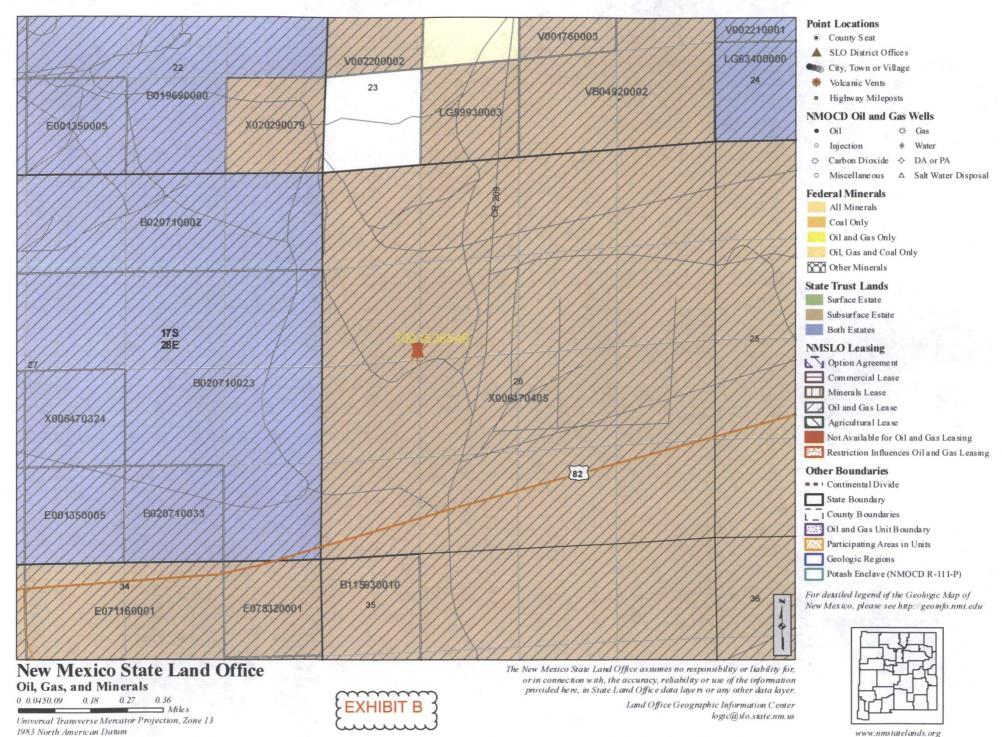
Type Working Pressure Test Pressure Manufacturer

2000

3000

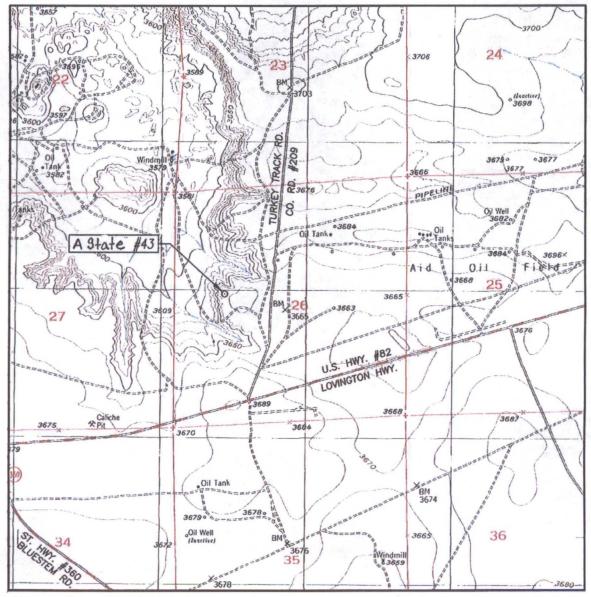
of my knowledge and belief	extion given above is true and complete to the best Hing pit will be constructed according to	OIL CONSERVATION DIVISION				
	eneral permit, or an (attached) alternative	Approved By: Randy Dade				
Printed Name: Electronia	cally filed by Bobby Smith	Title: District Supervisor				
Title:		Approved Date: 3/14/2011	Expiration Date: 3/14/2013			
Email Address: bobby.si	mith@apachecorp.com					
Date: 3/10/2011	Phone: 432-818-1020	Conditions of Approval Attached				





Created On: 12/13/2012 11:41:31 AM

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

RED LAKE, N.M.

CONTOUR INTERVAL: RED LAKE, N.M. - 10'

SEC. 26 TWP. 17-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2310' FNL & 1120' FWL

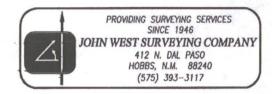
ELEVATION 3666'

OPERATOR APACHE CORPORATION

LEASE A STATE

U.S.G.S. TOPOGRAPHIC MAP







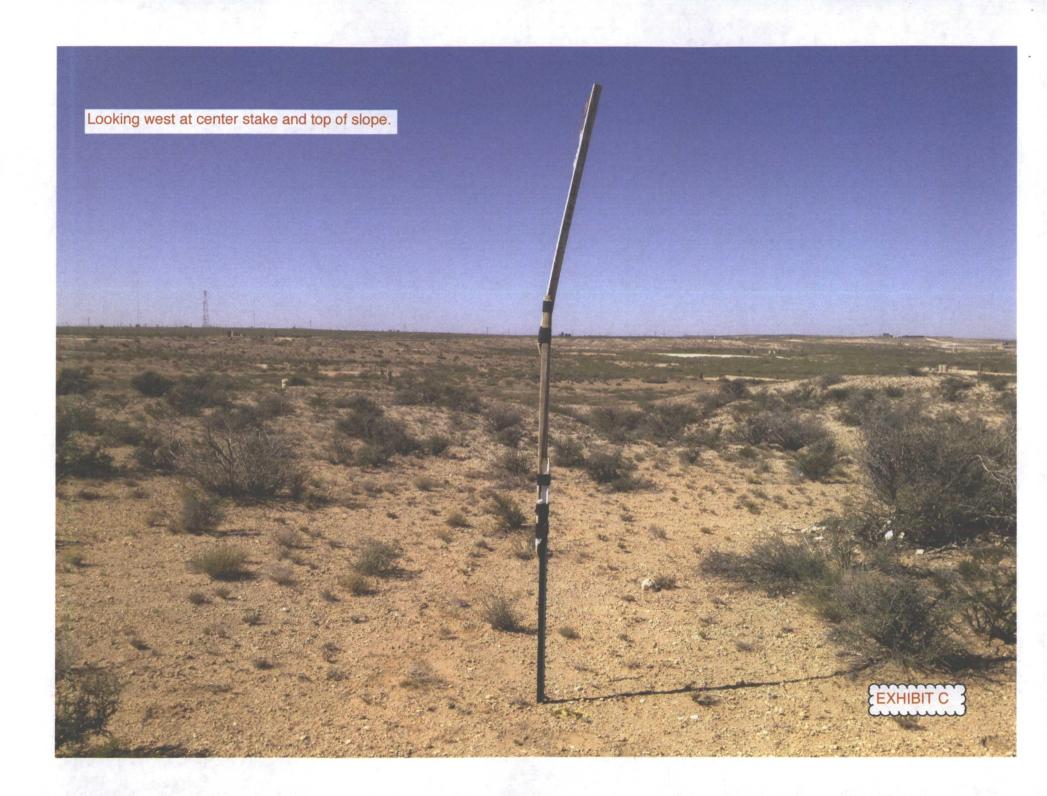
SECTION 26, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M., NEW MEXICO EDDY COUNTY, 600' 150' NORTH OFFSET EDGE OF BLUFF 3658.9' (1) 3" POLY SURF LN 150' WEST 150' EAST OFFSET ☐ OFFSET 0 ELEV. 3666.31 3658.4' 3667.9' LAT.=32.806546° N LONG.=104.151264° W LAT.=32° 48' 24" N LONG.=104° 09' 05" W 150' SOUTH **OFFSET** 3668.1 600' EXHIBIT 100 100 200 Feet DIRECTIONS TO LOCATION Scale: 1"=100' FROM THE INTERSECTION OF U.S. HWY. #82 (LOVINGTON HWY.) AND CO. RD. #209 (TURKEY TRACK RD.), GO NORTH APPROX. 0.5 MILES. TURN LEFT AND GO WEST APPROX. 0.1 MILE TO CORPORATION APACHE AN EXISTING PAD. CONTINUE WEST APPROX. 0.1 MILE TO THIS



PROVIDING SURVEYING SERVICES **SINCE 1946** JOHN WEST SURVEYING COMPANY 412 N. DAL PASO HOBBS, N.M. 88240 (575) 393-3117

A STATE #43 WELL
LOCATED 2310 FEET FROM THE NORTH LINE
AND 1120 FEET FROM THE WEST LINE OF SECTION 26,
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 1/20/11		Sheet	1	of	1	Sheets
W.O. Number: 11.11.008	5 Di	By: DSS		R	ev 1:	N/A
Date: 1/31/11		111	1008	5	Scal	e:1"=100'



1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Pax:(505) 393-0720

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

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Darmit 127508

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name	YESO (O)
30-015-38546	96830	ARTESIA; GLORIETA-	
4. Property Code	5. Propert		Wett No.
308701	A STA		043
7. OGRID No.	8. Operato		Elevation
873	APACHE		3666

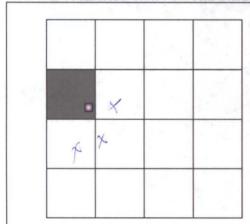
10 Cunface I continu

				10	Juliace Loc	ation			The second secon	_
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	1
E	26	17S	28E		2310	N	1120	W	EDDY	l

11 Rottom Hole Location If Different From Surface

UL - Lot	Section	Township				Feet From		Feet From	E/W Line	County
12. Dedica 40.0		13. J	oint or Infill	1	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 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.

E-Signed By: Bobby Smith

Title:

Date: 3/10/2011

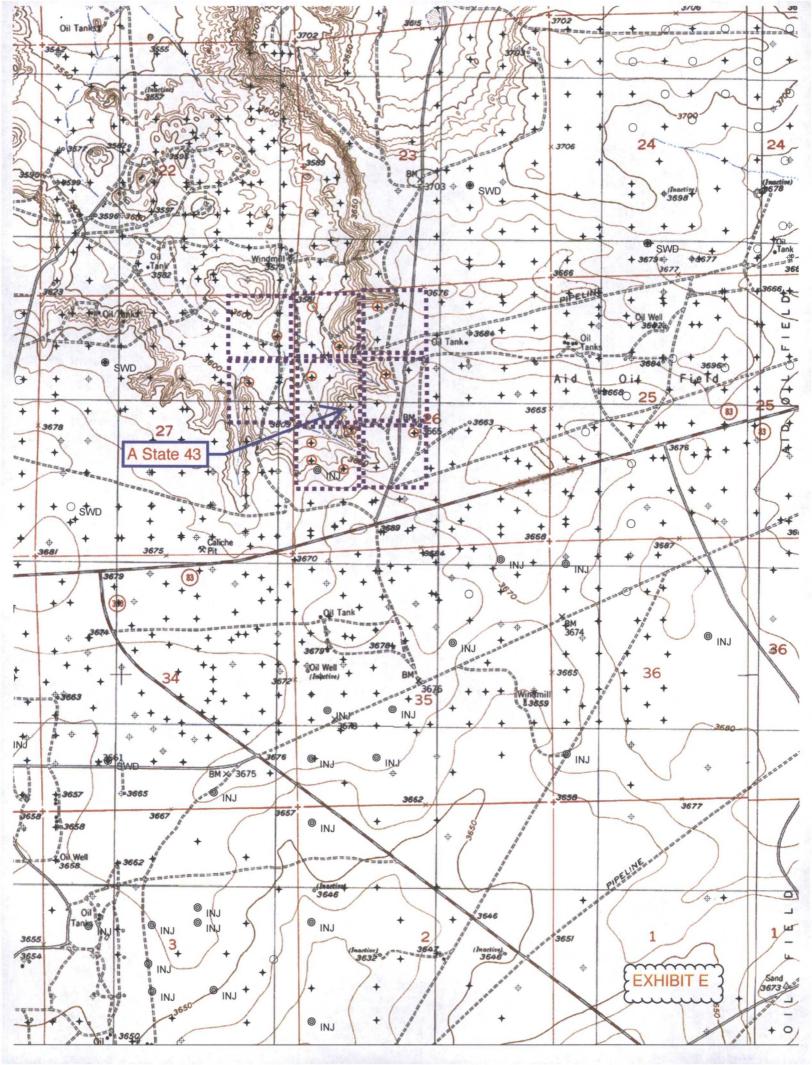
SURVEYOR CERTIFICATION

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.

Surveyed By: RONALD EIDSON

Date of Survey: 1/19/2011 Certificate Number: 3239







David Evans Concho Resources Inc. 600 West Illinois Ave. Midland, TX 79701

Dear Mr. Evans:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying for NSL approval for its A State 43 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 130' further east than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to a steep $\approx 50'$ high slope.

Well Name: A State 43

ID: 6,100'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage Dedication: 40 acres (SWNW Section 26, T. 17 S., R. 28 E., Eddy County, NM)

on NMSLO lease X0-0647-0405

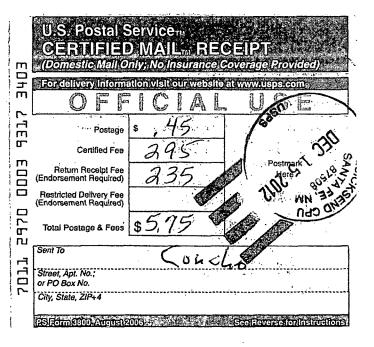
Location: ≈10 air mile west of Loco Hills, NM at 2310 FNL & 1120 FWL 26-17s-28e)

Applicant Name: Apache Corporation (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland TX 79705

<u>Submittal Information</u>: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.



Sincerely,

Brian Wood



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

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ID: 6,100'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage Dedication: 40 acres (SWNW Section 26, T. 17 S., R. 28 E., Eddy County, NM)

on NMSLO lease X0-0647-0405

Location: ≈10 air mile west of Loco Hills, NM at 2310 FNL & 1120 FWL 26-17s-28e)

Applicant Name: Apache Corporation (432) 818-1167

Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland TX 79705

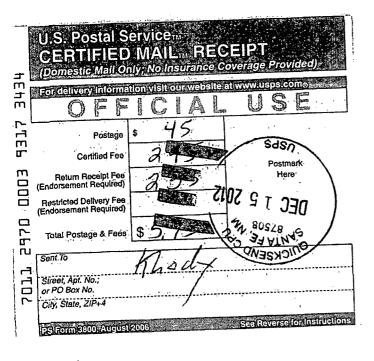
<u>Submittal Information</u>: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

EXHIBIT F





Mack Energy Corporation P. O. Box 960 Artesia, NM 88211

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Well Name: A State 43

TD: 6.100'

Proposed NSL Zone: Artesia; Glorieta-Yeso (O)

NSL Acreage Dedication: 40 acres (SWNW Section 26, T. 17 S., R. 28 E., Eddy County, NM)

on NMSLO lease X0-0647-0405

Location: ≈10 air mile west of Loco Hills, NM at 2310 FNL & 1120 FWL 26-17s-28e)

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Please call me if you have any questions.

n 出面 Postage Certified Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) 2970 Total Postage & Fees Street, Apt. No.; or PO Box No. City, State, ZIP+4

Sincerely,

Brian Wood

Yates Petroleum Corporation 105 S. 4th St. Artesia, NM 88210

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Please call me if you have any questions.

Sincerely,

Brian Wood

Return Receipt Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Required)
Restricted Delivery Fee (Endorsement Redulired)

Total Postage & Fees

reet, Apt. No.;

3.470

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City, State, ZIP+4

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EXHIBIT F