

03/20/2013 DATE IN	SUSPENSE	ENGINEER DB	03/22/2013 LOGGED IN	TYPE NSL	APP NO. PPRG 1308137060
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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



30-015-41187  
A state No. 64  
Apache Corporation

## 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 \_\_\_\_\_

### [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

3/20/13  
Date

drcatanach@netscape.com  
E-Mail Address

March 20, 2013

**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  
A State No. 64  
API No. (30-015-41187)  
1020' FNL & 350' FWL (Unit D)  
Section 26, 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 A State No. 64. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed A State No. 64 will be dedicated to an existing spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NW/4 NW/4 of Section 26. This unit is currently dedicated to Apache's: i) existing A State No. 46 (API No. 30-015-38579) located at an unorthodox well location 1080 feet from the North line and 890 feet from the West line; ii) proposed A State No. 61 (API No. 30-015-40838) located at a standard well location 330 feet from the North and West lines; and iii) proposed A State No. 63 (API No. 30-015-41125) located at a standard well location 330 feet from the North line and 990 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 proposed unorthodox well location is necessary in order to avoid an existing well and well pad.

The affected offset tracts are the SW/4 NW/4 of Section 26 and the SE/4 NE/4 of Section 27, both in Township 17 South, Range 28 East, NMPM. The SW/4 NW/4 of Section 26 is currently being developed in the Artesia Glorieta-Yeso Pool by numerous

wells operated by Apache. Please note that the working interest ownership between this affected offset tract and the drill tract is common. The SE/4 NE/4 of Section 27 is proposed to be developed in the Artesia Glorieta-Yeso Pool by Occidental Permian Ltd. Notice of this application is being provided to Occidental Permian Ltd. in accordance with Division rules.

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

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 NW/4 NW/4 of Section 26 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**

<b>API Number</b> <b>30-015-41187</b>		<b>Pool Code</b> <b>96830</b>	<b>Pool Name</b> <b>Artesia Glorieta-Yeso Pool</b>
<b>Property Code</b> <b>308701</b>	<b>Property Name</b> <b>A State</b>		<b>Well Number</b> <b>064</b>
<b>OGRID No.</b> <b>873</b>	<b>Operator Name</b> <b>Apache Corporation</b>		<b>Elevation</b> <b>3,599'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>D</b>	<b>26</b>	<b>17 South</b>	<b>28 East</b>		<b>1020</b>	<b>North</b>	<b>350</b>	<b>West</b>	<b>Eddy</b>

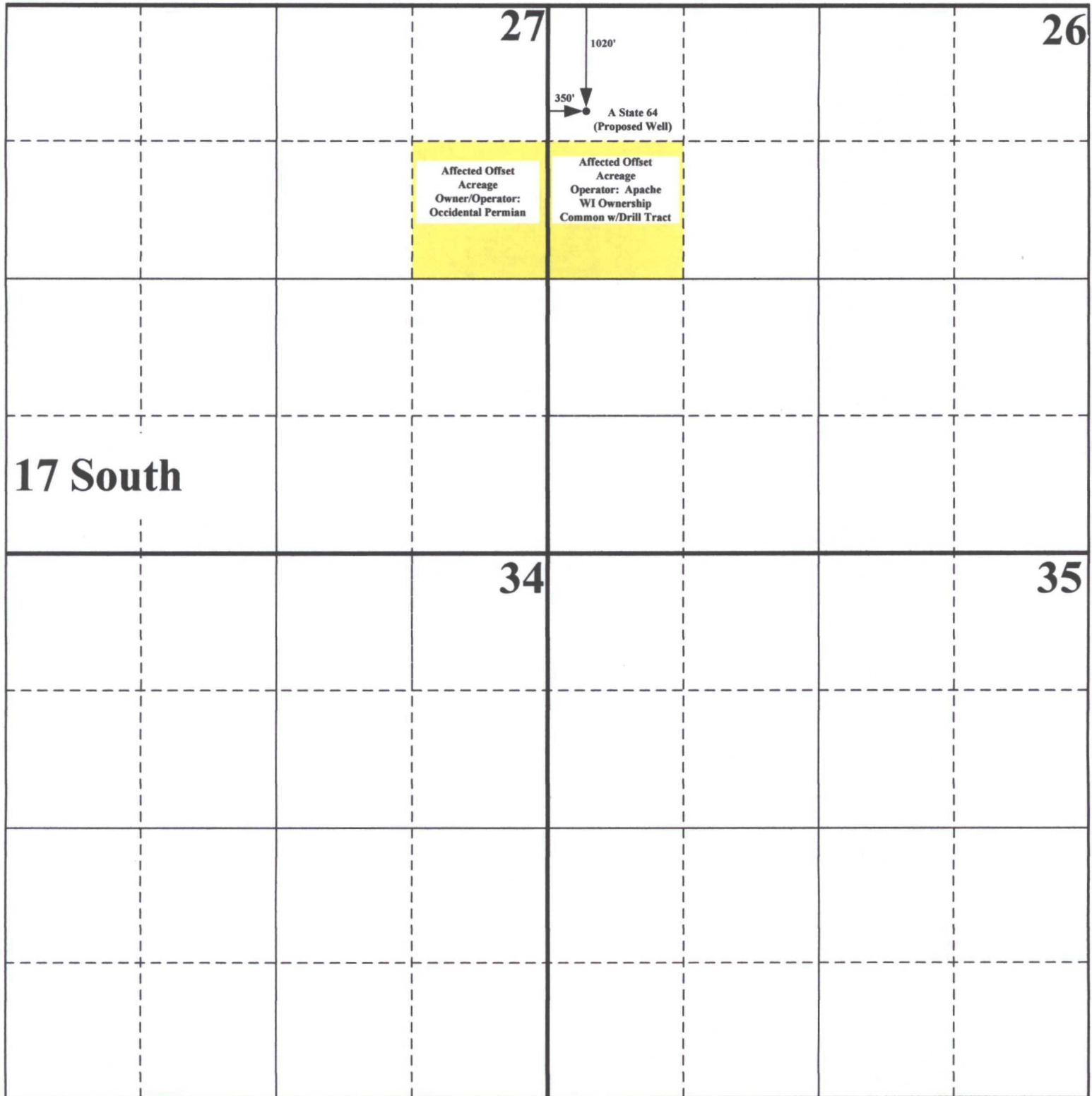
**Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>Dedicated Acres</b> <b>40</b>		<b>Joint or Infill</b>		<b>Consolidate Code</b>		<b>Order No.</b>			

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 _____			
					<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 _____			

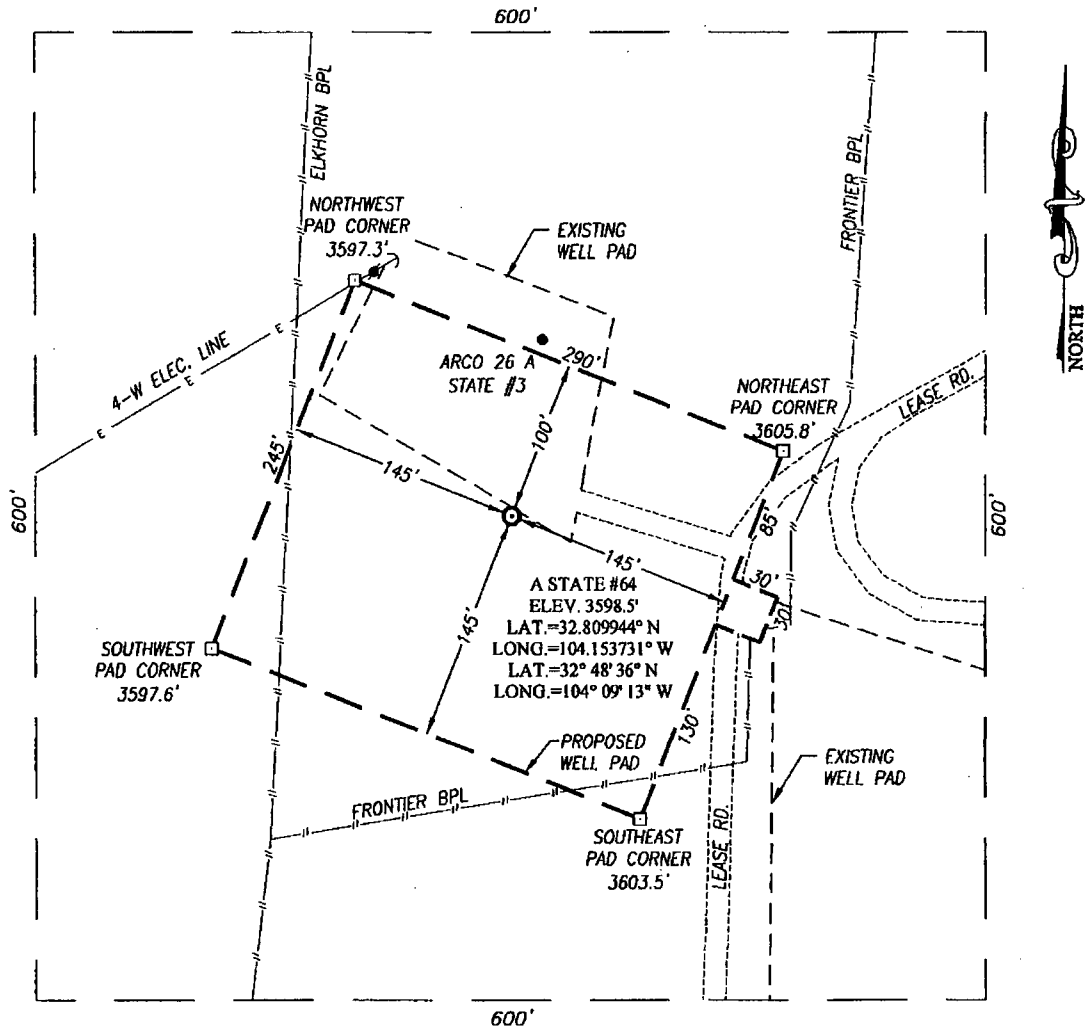
**28 East**



 **Affected Offset Acreage**

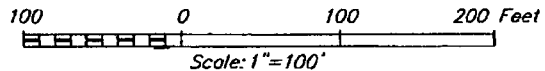
**Apache Corporation**  
**Application for Non-Standard Well Location**  
**A State No. 64 (API No. 30-015-41187)**

**SECTION 26, 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 CO. RD. #209 (TURKEY TRACT) GO NORTH ON CO. RD. #209 APPROX. 0.8 MILE, TURN LEFT AND FOLLOW LEASE ROAD WEST-SOUTHWEST APPROX. 0.4 MILES TO THE LOCATION.



**APACHE CORPORATION**

**A STATE #64 WELL**  
**LOCATED 1020 FEET FROM THE NORTH LINE**  
**AND 350 FEET FROM THE WEST LINE OF SECTION 26,**  
**TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,**  
**EDDY COUNTY, NEW MEXICO**

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

Survey Date: 1/30/13	CAD Date: 2/7/13	Drawn By: AF/ACR
W.O. No.: 13110015	Rev: 3/6/13	Ref. W.O.:
		Sheet 1 of 1

March 20, 2013

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

TO: Occidental Permian Ltd.  
P.O. Box 4294  
Houston, Texas 77210

Re: Apache Corporation  
Unorthodox Oil Well Location  
A State No. 64  
1020' FNL & 350' FWL (Unit D)  
Section 26, 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 it's A State No. 64 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 1020 feet from the North line and 350 feet from the West line (Unit D) of Section 26, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the NW/4 NW/4 of Section 26. This unit is currently dedicated to Apache's existing A State Well No. 46 and Apache's proposed A State Wells No. 61 and 63. The unorthodox location is necessary in order to avoid an existing well and well pad.

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

7012 2920 0002 1384 7402

CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit your website at <a href="http://www.usps.com">www.usps.com</a>	
HOUSTON TX 77210	
Postage	\$ 1.12
Certified Fee	\$3.10
Return Receipt Fee (Endorsement Required)	\$2.55
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 6.77

015015

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MAR 20 2013

03/20/2013

STATION

ORONADO

Sent To	Occidental Permian Ltd.
Street, Apt. No., or PO Box No.	P.O. Box 4294
City, State, ZIP+4	Houston, Texas 77210

PS Form 3800, August 2005 See Reverse for Instructions