

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



June 5, 2013

Apache Oil Corporation
303 Veterans Airpark Lane
Suite 3000
Midland, TX 79705
Attn: David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6813
Administrative Application Reference No. pPRG1313058986

Apache Corporation
OGRID 873
Tony Federal Well No. 58
API No. 30-015-41323

Proposed Location:

Footages	Unit	Section	Township	Range	County
1795 FNL & 2315 FWL	F	19	17S	31E	Eddy

Proposed Unit:

Description	Acres	Pool	Pool Code
SE/4 NW/4 of Section 19	40	Cedar Lake; Glorieta-Yeso	96831

Reference is made to your application received on May 9, 2013.

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 unit boundaries.

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 due to an existing pipeline and surface drainage feature that restrict surface use.

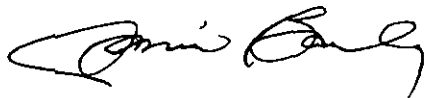
It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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", written in a cursive style.

Jami Bailey
Director

JB/prg

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management – Carlsbad