

10/15/2014 DATE IN	SUSPENSE	mtm ENGINEER	10/15/2014 LOGGED IN	NSL TYPE	PM 441428850446 APP NO.
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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



ED OOD

2014 OCT 15 A 9:11

### 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

Signature

Date

David Catanach

10/15/14

Agent for Apache Corporation  
Title

drcatanach@netscape.com  
E-Mail Address

- NSL 7187

- Apache Corporation  
873

W 24

- OHLAW state city  
30-015-42565

Pool

- Artesia, Glorieta  
Yes

96830

October 15, 2014

**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  
Outlaw State Well No. 4  
API No. (30-015-42565)  
915' FSL & 200' FEL (Unit P)  
Section 29, 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 Outlaw State No. 4. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed Outlaw State No. 4 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SE/4 of Section 29. This unit is currently dedicated to Apache's proposed: i) Outlaw State No. 1 (API No. 30-015-42563) located at a standard well location 440 feet from the South line and 330 feet from the East line; ii) Outlaw State No. 2 (API No. 30-015-42554) located at a standard well location 990 feet from the South line and 990 feet from the East line; and iii) Outlaw State No. 3 (API No. 30-015-42564) located at a standard well location 440 feet from the South line and 990 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 attached vicinity map shows that the proposed unorthodox well location is necessary in order to avoid pipelines and an existing well.

The affected offset tracts are:

**Tract No. 1:** NW/4 SW/4 of Section 28, T-17S, R-28E: This tract is currently operated by LRE Operating, LLC in the Glorieta-Yeso interval. Consequently, notice of this application will be provided to LRE Operating, LLC;

**Tract No. 2:** SW/4 SW/4 of Section 28, T-17S, R-28E: This unit is currently undeveloped in the Glorieta-Yeso interval. Notice of this application will be provided to the leasehold owners, which include Chase Oil Corporation and Mack C. Chase, Trustee of the Mack C. Chase and Marilyn Y. Chase Trust.

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

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 SE/4 SE/4 of Section 29 that may otherwise not be recovered by the 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**  
811 South First St., 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>30-015-42565</b>		Pool Code <b>96830</b>	Pool Name <b>Artesia Glorieta-Yeso Pool</b>
Property Code <b>313568</b>	Property Name <b>Outlaw State</b>		Well Number <b>4</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>		Elevation <b>3696'</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>P</b>	<b>29</b>	<b>17 South</b>	<b>28 East</b>		<b>915</b>	<b>South</b>	<b>200</b>	<b>East</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

Dedicated Acres <b>40</b>	Joint or Infill	Consolidate Code	Order No.
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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

				<p><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
				<p><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

Outlaw State 2 (NYD)

Outlaw State 4 (NYD)

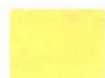
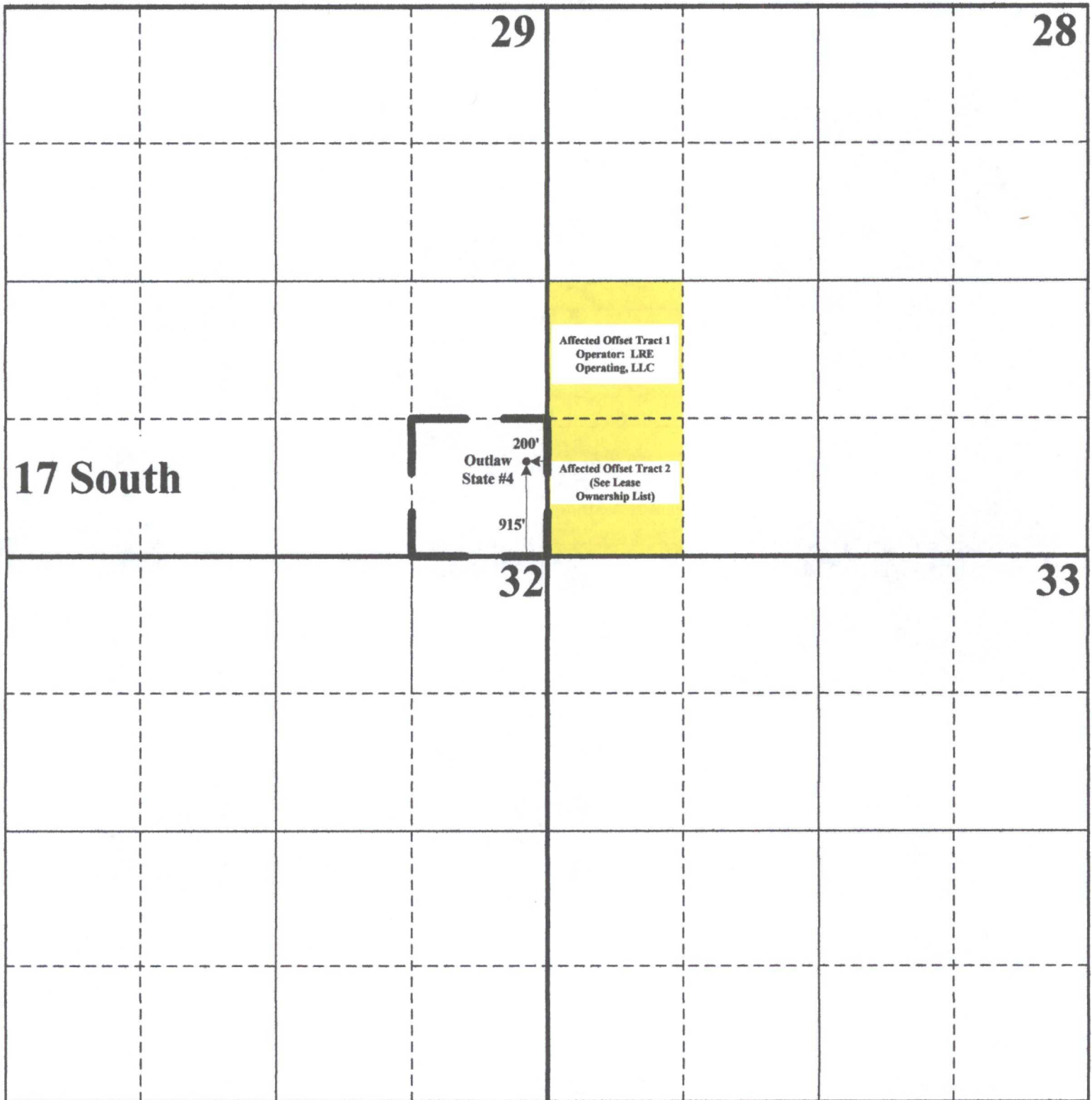
Outlaw State 3 (NYD)

Outlaw State 1 (NYD)

200'

915'

**28 East**



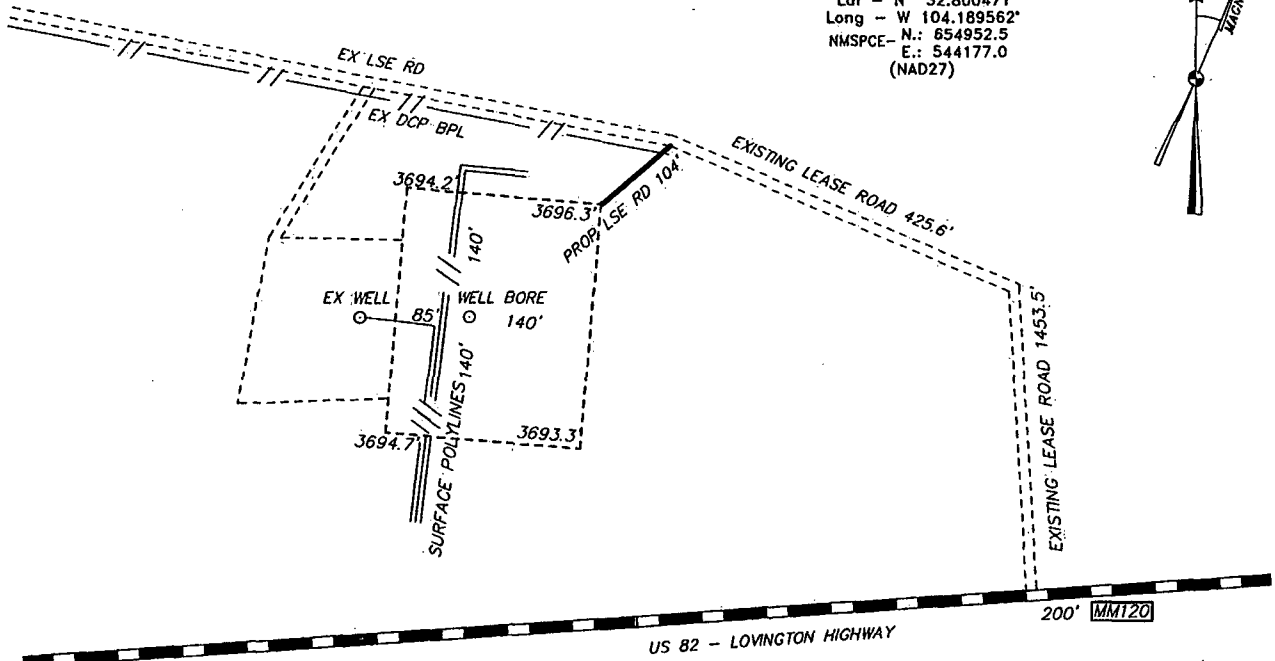
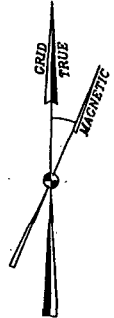
**Affected Offset Acreage**

**Apache Corporation**  
**Application for Non-Standard Well Location**  
**Outlaw State No. 4 (API No. 30-015-42565)**

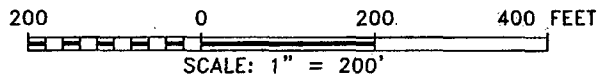
SECTION 29, TOWNSHIP 17 SOUTH, RANGE 28 EAST. N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.

APACHE CORPORATION  
OUTLAW STATE #4  
ELEV. - 3896'

Lat - N 32.800586°  
Long - W 104.190074°  
NMSPCE- N.: 655015.5  
E.: 585356.1  
(NAD83)  
Lat - N 32.800471°  
Long - W 104.189562°  
NMSPCE- N.: 654952.5  
E.: 544177.0  
(NAD27)



ARTESIA, NM IS ±12 MILES TO THE NORTHWEST OF LOCATION.



Directions to Location:

FROM LOCO HILLS GO WEST ON US HWY 82,  
APPROX 200 FEET WEST OF MILE MARKER 120 TURN  
NORTHWEST ON LEASE ROAD 0.35 MILES TO  
PROPOSED LEASE ROAD ON LEFT.

**basin**  
**surveys**

P.O. Box 1786 (575) 393-7316 - Office  
1120 N. West County Rd. (575) 392-2206 - Fax  
Hobbs, New Mexico 88241 basin-surveys.com

Apache  
EXPLORING WHAT'S POSSIBLE  
REF: OUTLAW STATE #4 / WELL PAD TOPO  
THE OUTLAW STATE #4. LOCATED 915' FROM  
THE SOUTH LINE AND 200' FROM THE EAST LINE OF  
SECTION 29, TOWNSHIP 17 SOUTH, RANGE 28 EAST.  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

October 15, 2014

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

TO: LRE Operating, LLC  
1111 Bagby St., Suite 4600  
Houston, Texas 77002

Chase Oil Corporation  
P.O. Box 960  
Artesia, New Mexico 88211

Mack C. Chase, Trustee  
Mack C. Chase & Marilyn Y. Chase Trust  
P.O. Box 960  
Artesia, New Mexico 88211

Re: Apache Corporation  
Application for Unorthodox Well Location  
Outlaw State No. 4  
915' FSL & 200' FEL (Unit P)  
Section 29, 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 Outlaw State No. 4 at the unorthodox oil well location in the Artesia Glorieta-Yeso Pool described above. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SE/4 SE/4 of Section 29. This unit is currently dedicated to Apache's proposed Outlaw State Wells No. 1, 2 and 3. The unorthodox location is necessary in order to avoid pipelines and an existing well within the drill tract.

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

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Return Receipt Fee (Endorsement Required)	\$2.70
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total \$7.19	
10/15/2014	
Chase Oil Corporation	
P.O. Box 960	
Artesia, New Mexico 88211	

PS Form 3800, August 2006 See Reverse for Instructions

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Total \$7.19	
10/15/2014	
Mack C. Chase, Trustee	
Mack C. Chase & Marilyn Y. Chase	
Trust	
P.O. Box 960	
Artesia, New Mexico 88211	

PS Form 3800, August 2006 See Reverse for Instructions

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Total \$7.19	
10/15/2014	
LRE Operating, LLC	
1111 Bagby St., Suite 4600	
Houston, Texas 77002	

PS Form 3800, August 2006 See Reverse for Instructions