

DATE IN 3/30/2015	SUSPENSE	ENGINEER MAM	LOGGED IN 3/30/2015	TYPE NSL	APP NO. PMA1508155300
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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



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
 X 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 _____

NSL 7268
 Apache Corporation's - 873
 Jackrabbit State 4
 30-015-42863

Pool
 - Antesia, Glonieton
 Yeso
 96830

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] X Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] X Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] X For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

2015 MAR 30 P 3:31
 RECEIVED OGD

[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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

brian@permitswest.com

e-mail Address

3-30-15

Date

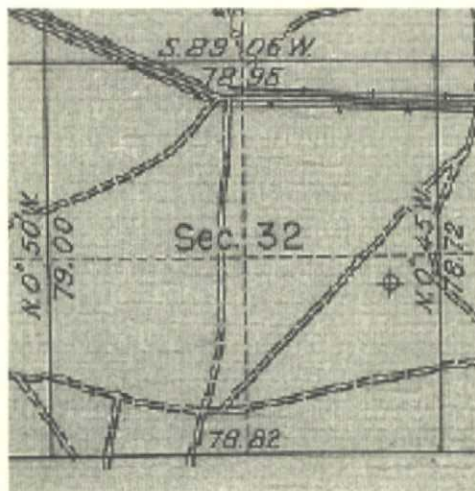
**REQUEST FOR ADMINISTRATIVE APPROVAL
APACHE CORPORATION'S
JACKRABBIT STATE 4
30-015-42863
330' FNL & 2310' FEL
SECTION 32, T. 17 S., R. 28 E., EDDY COUNTY, NM**

I. This proposed 5,300' deep oil well is on private surface and a State oil and gas lease. The well is nonstandard (34' too far west) for the Artesia; Glorieta-Yeso Pool (96830) due to 2 converging overhead power lines (see EXHIBIT A).

Apache requests a nonstandard location due to land uses. The NWNE Section 32 is occupied by 1 P&A well, 1 active water injection well operated by LRE, 2 active oil well operated by LRE, one underground phone line, one overhead three phase power line, one overhead 115 kV power line, 150' wide US 82 right-of-way, and other miscellaneous pipelines, power lines, and roads. In addition, Apache has 3 approved oil wells and COG has an approved sand and gravel pit in the same quarter-quarter.

A standard location must be $\geq 330'$ from the boundary of the quarter-quarter. In this case, it is 296' from the west side of unit letter B.

II. Form C-102 showing the well and 40-acre dedication is attached as Exhibit B. The well is 34' too far west. Note that Section 32 (below) is smaller than a standard 640 acre section. It has not been broken into lots.



III. Lease boundaries are shown on EXHIBIT C. The well encroaches to the north, northwest, and west. Artesia; Glorieta-Yeso dedications exist in unit letter B of Section 32 and all 8 bordering or cornering quarter-quarters. LRE operates the Artesia; Glorieta-Yeso wells in two of the three quarter-quarters toward which the well encroaches. Apache operates the third quarter-quarter. See Exhibit D. This information is current and correct.

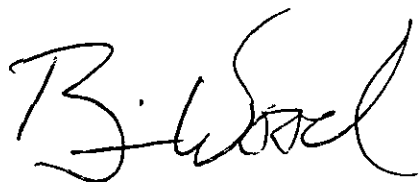
IV. Archaeology is not an issue.

V. Surface issues (power lines and other infrastructure) and the need to prevent waste and recover additional reserves drive the need for this nonstandard location.

VI. Apache does not believe directional drilling to a standard location is cost effective for this well.

VII. 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 E) 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:

BLM
LRE Operating, LLC
NM State Land Office



Brian Wood, Consultant

3-30-15

Date

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

The foregoing instrument was acknowledged before me this 30th day of March, 2015 by Brian Wood. Witness my hand and official seal.

Kathryn K. Wood
Notary Public

My Commission Expires: 9-10-15

Business Address: 37 Verano Loop, Santa Fe NM 87508



cc: Cooper



Looking east at Jackrabbit State 4 center stake and toward power lines.

1626 N. French Dr. NM 88240
Phone: (575) 393-8161 Fax: (575) 393-0720

DISTRICT II

811 S. First St., Artesia, NJ 08210
Phone: (875) 740-1283 Fax: (875) 740-0720

DISTRICT III

1000 Rio Pecos, Aztec, NM 87410
Phone: (505) 334-8178 Fax: (505) 334-8170

DISTRICT IV

1220 H. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 176-3460 Fax: (505) 176-3402

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102

Revised August 1, 2011

**Submit one copy to appropriate
District Office**

WELL LOCATION AND ACREAGE DEDICATION PLAT

☒ AMENDED REPORT

API Number 30-015-	Pool Code 96830	Pool Name Artesia; Glorieta
Property Code	Property Name JACKRABBIT STATE	Well Number 4
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3703

Surface Location

UL or lot No.	Section	Township	Range	Lat Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	32	17 S	28 E		330	NORTH	2310	EAST	EDDY

Bottom Hole 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 40	Joint or Infill	Consolidation 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

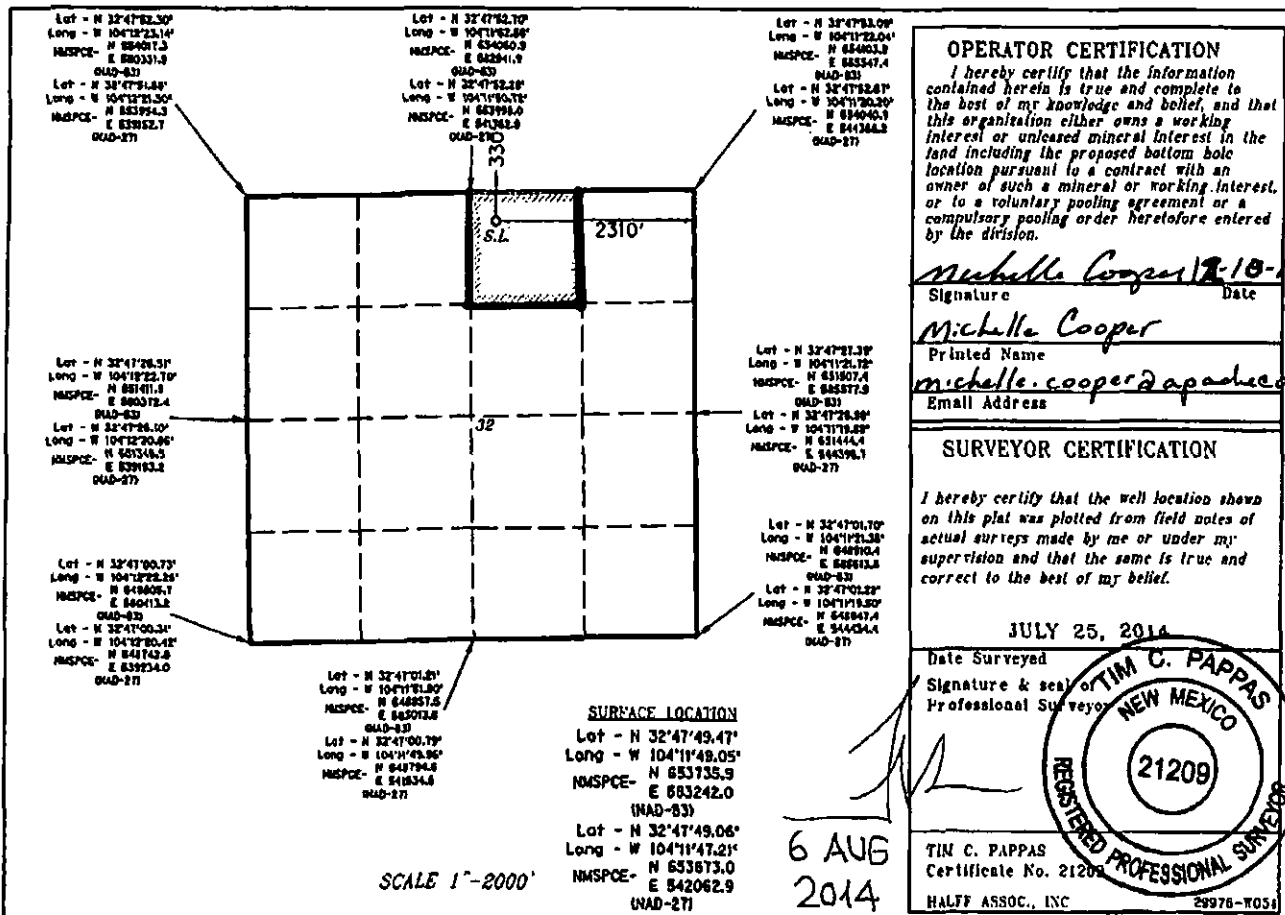


EXHIBIT B

DISTRICT I

1625 N. French Dr. Hobbs, NM 88240
Phone:(505)393-0161 Fax:(505)393-0720

DISTRICT II

811 S. First St., Artesia, NM 88210
Phone:(505)748-1383 Fax:(505)748-0720

DISTRICT III

1000 Rio Brazos, Aztec, NM 87410
Phone:(505)334-8178 Fax:(505)334-8170

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone:(505)176-3160 Fax:(505)176-3162

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

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Property Code	Property Name JACKRABBIT STATE	Well Number 4
OGRID No.	Operator Name APACHE CORPORATION	Elevation 3703

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B	32	17 S	28 E		330	NORTH	2310	EAST	EDDY

Bottom Hole 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 40	Joint or Infill	Consolidation 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

SURFACE LOCATION

Lot - N 32°47'49.47"
Long - W 104°11'49.05"
NMSPC- N 653735.9
E 583242.0
(NAD-83)

Lot - N 32°47'49.06"
Long - W 104°11'47.21"
NMSPC- N 653673.0
E 542062.9
(NAD-27)

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 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.

Signature _____ Date _____

Printed Name _____

Email Address _____

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.

JULY 25, 2014

Date Surveyed _____

Signature & Seal of Professional Surveyor

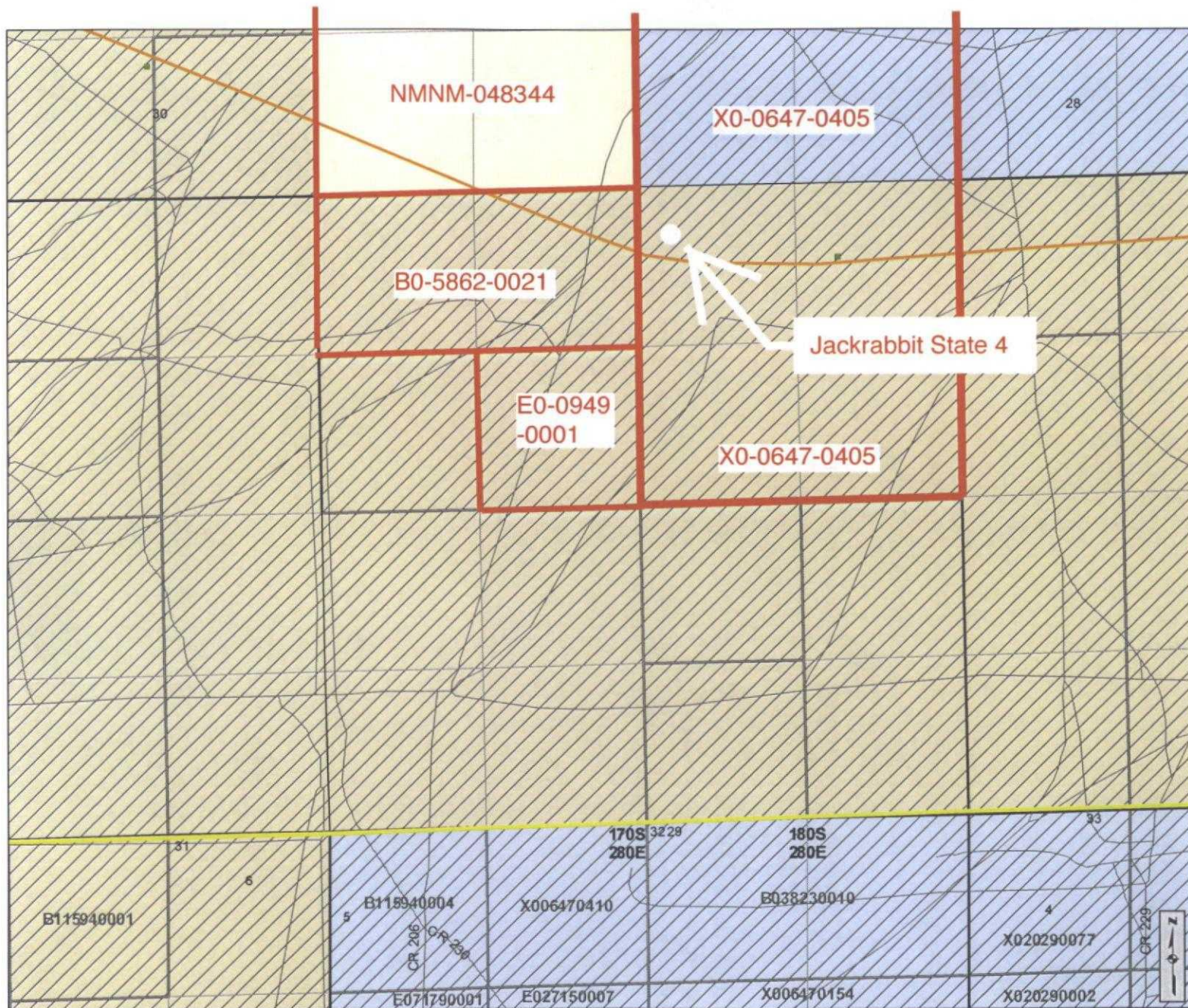
TIM C. PAPPAS
REGISTERED PROFESSIONAL SURVEYOR
21209

TIM C. PAPPAS
Certificate No. _____

HALFF ASSOC., INC 29976-W054

SCALE 1"=2000'

EXHIBIT B



Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate
- US Hwy
- NM Hwy
- Local Road
- Continental Divide

Federal Minerals Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

State Leases

- Oil and Gas Leases
- Agricultural Leases
- Commercial Leases
- Minerals Leases
- Not Available for Oil and Gas Leasing
- Oil and Gas Leasing Influenced by Restriction

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOCD Order R-111-P
- Potash Enclave Outline

NMOCD Oil and Gas Wells

- CO₂
- Injection
- Oil
- Water
- Gas
- Miscellaneous
- Salt Water Disposal
- DA or PA

New Mexico State Land Office

Oil, Gas and Minerals

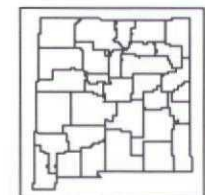
0 0.05 0.1 0.2 0.3 0.4 Miles
 Universal Transverse Mercator Projection, Zone 13
 1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
 logic@slo.state.nm.us

Created On: 2/26/2015 8:12:58 AM

EXHIBIT C



www.nmstatelands.org

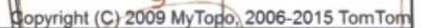


EXHIBIT D

PERMITS WEST, INC.
PROVIDING PERMITS for LAND USERS
37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

March 30, 2015

Eric McClusky
LRE Operating, LLC
1111 Bagby St., Suite 4600
Houston, TX 77002

Dear Eric,

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.

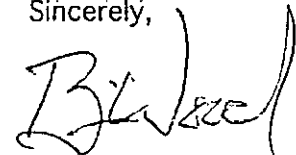
Apache Corporation is applying for NSL approval for its Jackrabbit State 4 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 34' further west than is standard (see attached application). Thus, it is a nonstandard location. The NSL is due to land uses (overhead power lines and other infrastructure).

Well Name: Jackrabbit State 4 TD: 5,300'
Proposed NSL Zone: Artesia; Glorieta-Yeso (O)
NSL Acreage Dedication: 40 acres (NWNE Section 32, T. 17 S., R. 28 E., Eddy County, NM)
on NMSLO lease XO-0647-0405
Location: ~12 air mile west of Loco Hills, NM at 330 FNL & 2310 FEL 32-17s-28e
Applicant Name: Apache Corporation (432) 818-1168
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland TX 79705

Submittal Information: 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 E

7013 1710 0001 1218 8504

U.S. Postal Service™ <i>Make Sure</i>	
CERTIFIED MAIL™ RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Postage \$	MAR 30 2015
Certified Fee	
Return Receipt Fee (Endorsement Required)	87552
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	

Sent To McClusky LRE / LIME ROCK

Street, Apt. No., or PO Box No. _____

City, State, ZIP+4 HOUSTON

PS Form 3800, August 2006 See Reverse for Instructions

March 30, 2015

NM State Land Office
 P. O. Box 1148
 Santa Fe NM 87504

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.

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Well Name: Jackrabbit State 4 **ID:** 5,300'
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 on NMSLO lease XO-0647-0405
Location: ~12 air mile west of Loco Hills, NM at 330 FNL & 2310 FEL 32-17s-28e
Applicant Name: Apache Corporation (432) 818-1168
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland TX 79705

Submission Information: 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

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Postage	\$ 7.40	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 7.40	

Sent To: **SLD**

Street, Apt. No., or PO Box No.

City, State, ZIP+4

EXHIBIT E

March 30, 2015

BLM
 620 E. Greene
 Carlsbad NM 88220

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.

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Please call me if you have any questions.

Sincerely,

Brian Wood

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For delivery information visit our website at www.usps.com

Postage	\$ 7.40	Postmark Here
Certified Fee		
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 7.40	

Sent To: **BLM**

Street, Apt. No., or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

McMillan, Michael, EMNRD

From: Brian Wood <brian@permitswest.com>
Sent: Monday, March 30, 2015 6:33 PM
To: McMillan, Michael, EMNRD
Subject: Re: Apache Jackrabbit State Well No. 4
Attachments: application pack.pdf

This Section 32 is another oddball section.
While not "lotted", it is 66' or more shorter on all 4 sides.
Surveyor calculates it 296' from west side of UL B.
See 7th page of package.

On Mar 30, 2015, at 3:19 PM, McMillan, Michael, EMNRD wrote:

Brian:
the Apache Corp Jackrabbit State Well No. 4 is part of the Artesia; Glorieta-Yeso pool. It has statewide rules with 330
foo offsets.
Therefore an NSL is not required.

Thank You

Michael A. McMillan

Engineering and Geological Services Bureau, Oil Conservation Division
1220 South St. Francis Dr., Santa Fe NM 87505
O: 505.476.3448 F. 505.476.3462
Michael.mcmillan@state.nm.us