

DATE IN 3/30/2015	SUSPENSE	ENGINEER	LOGGED IN 3/30/2015	TYPE NSL	APP NO. DMM150845423
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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  
☒ 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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

brian@permitswest.com

e-mail Address

3-30-15

Date

2015 MAR 30 3:33 PM  
 RECEIVED  
 OGD

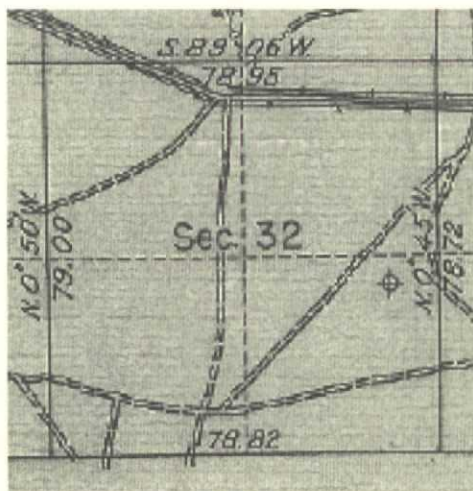
**REQUEST FOR ADMINISTRATIVE APPROVAL  
APACHE CORPORATION'S  
JACKRABBIT STATE 5  
30-015-42864  
1010' FNL & 2540' FEL  
SECTION 32, T. 17 S., R. 28 E., EDDY COUNTY, NM**

I. This proposed 5,300' deep oil well is on private surface and a State oil and gas lease. The well is nonstandard (20' too far south and 266' too far west) for the Artesia; Glorieta-Yeso Pool (96830) due to an overhead 69 kV power line (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 69 kV 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 310' from the south side and 64' 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 20' too far south and 266' too far west. Section 32 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 west, southwest, and south. 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 one of the three quarter-quarters toward which the well encroaches. Apache operates the other two quarter-quarters. See Exhibit D. This information is current and correct.

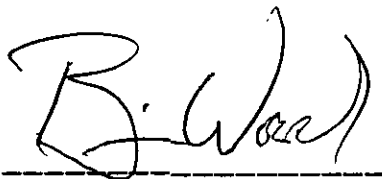
IV. Archaeology is not an issue.

V. Surface issues (power line 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:

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.

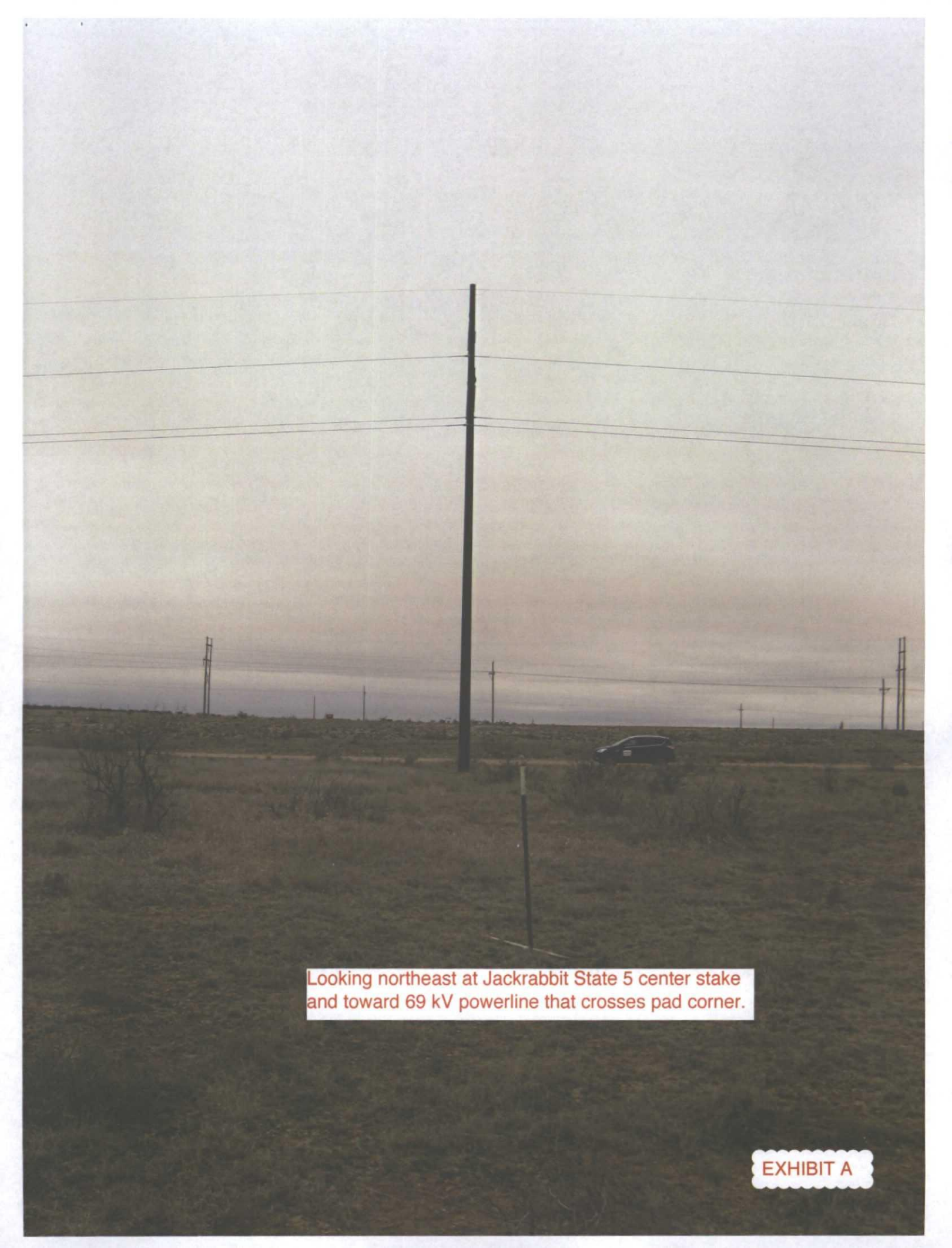
Kathryn K. Wood  
Notary Public

My Commission Expires: 9-10-15

Business Address: 37 Verano Loop, Santa Fe NM 87508



cc: Cooper

A photograph of a landscape under a cloudy sky. A tall, dark utility pole stands prominently in the center-left foreground. Several power lines stretch horizontally across the upper half of the image. In the middle ground, a dark-colored car is parked on a dirt road or path. The terrain is flat and covered with low-lying vegetation. Other utility poles are visible in the distance on both sides.

Looking northeast at Jackrabbit State 5 center stake  
and toward 69 kV powerline that crosses pad corner.

EXHIBIT A



**DISTRICT I**1025 N. French Dr., Hobbs, NM 88240  
Phone:(505)393-8181 Fax:(505)393-0720**DISTRICT II**811 S. First St., Artesia, NM 88210  
Phone:(505)748-1283 Fax:(505)748-0720**DISTRICT III**1000 Rio Bravo, Aztec, NM 87410  
Phone:(505)334-8178 Fax:(505)334-8170**DISTRICT IV**1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone:(505)176-3100 Fax:(505)176-3102State of New Mexico  
Energy, Minerals and Natural Resources Department**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505Form C-102  
Revised August 1, 2011Submit one copy to appropriate  
District Office**WELL LOCATION AND ACREAGE DEDICATION PLAT**☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>JACKRABBIT STATE</b>	Well Number <b>5</b>
GRID No.	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3694'</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>B</b>	<b>32</b>	<b>17 S</b>	<b>28 E</b>		<b>1010</b>	<b>NORTH</b>	<b>2540</b>	<b>EAST</b>	<b>EDDY</b>

**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 <b>40</b>	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

<p>Lot - N 32°47'52.30" Long - W 104°12'23.14" NADSPCE - E 580331.9 QUAD-83)</p> <p>Lot - N 32°47'51.48" Long - W 104°12'21.30" NADSPCE - E 581552.7 QUAD-27)</p> <p>Lot - N 32°47'26.51" Long - W 104°12'22.70" NADSPCE - E 580372.4 QUAD-83)</p> <p>Lot - N 32°47'26.10" Long - W 104°12'20.86" NADSPCE - E 581348.9 QUAD-27)</p> <p>Lot - N 32°47'00.73" Long - W 104°12'22.28" NADSPCE - E 580805.7 QUAD-83)</p> <p>Lot - N 32°47'00.31" Long - W 104°12'20.12" NADSPCE - E 581874.8 QUAD-27)</p> <p>Lot - N 32°47'01.31" Long - W 104°11'51.80" NADSPCE - E 581013.8 QUAD-83)</p> <p>Lot - N 32°47'00.19" Long - W 104°11'49.96" NADSPCE - E 581874.8 QUAD-27)</p>	<p>Lot - N 32°47'52.70" Long - W 104°11'52.58" NADSPCE - E 582911.9 QUAD-83)</p> <p>Lot - N 32°47'52.28" Long - W 104°11'50.72" NADSPCE - E 581162.8 QUAD-27)</p>	<p>Lot - N 32°47'53.09" Long - W 104°11'52.04" NADSPCE - E 585547.4 QUAD-83)</p> <p>Lot - N 32°47'52.67" Long - W 104°11'50.80" NADSPCE - E 584040.9 QUAD-27)</p> <p>Lot - N 32°47'27.39" Long - W 104°11'21.72" NADSPCE - E 585577.8 QUAD-83)</p> <p>Lot - N 32°47'26.58" Long - W 104°11'19.88" NADSPCE - E 584444.4 QUAD-27)</p> <p>Lot - N 32°47'01.70" Long - W 104°11'21.35" NADSPCE - E 580810.4 QUAD-83)</p> <p>Lot - N 32°47'01.28" Long - W 104°11'19.50" NADSPCE - E 584434.4 QUAD-27)</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>Email Address _____</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>JULY 25, 2014</p> <p>Date Surveyed _____</p> <p>Signature &amp; Seal of Professional Surveyor _____</p> <p>12 DEC 14</p> <p>TIM C. PAPPAS Certificate No. 21209 HALFF ASSOC., INC. 29976-W033</p>
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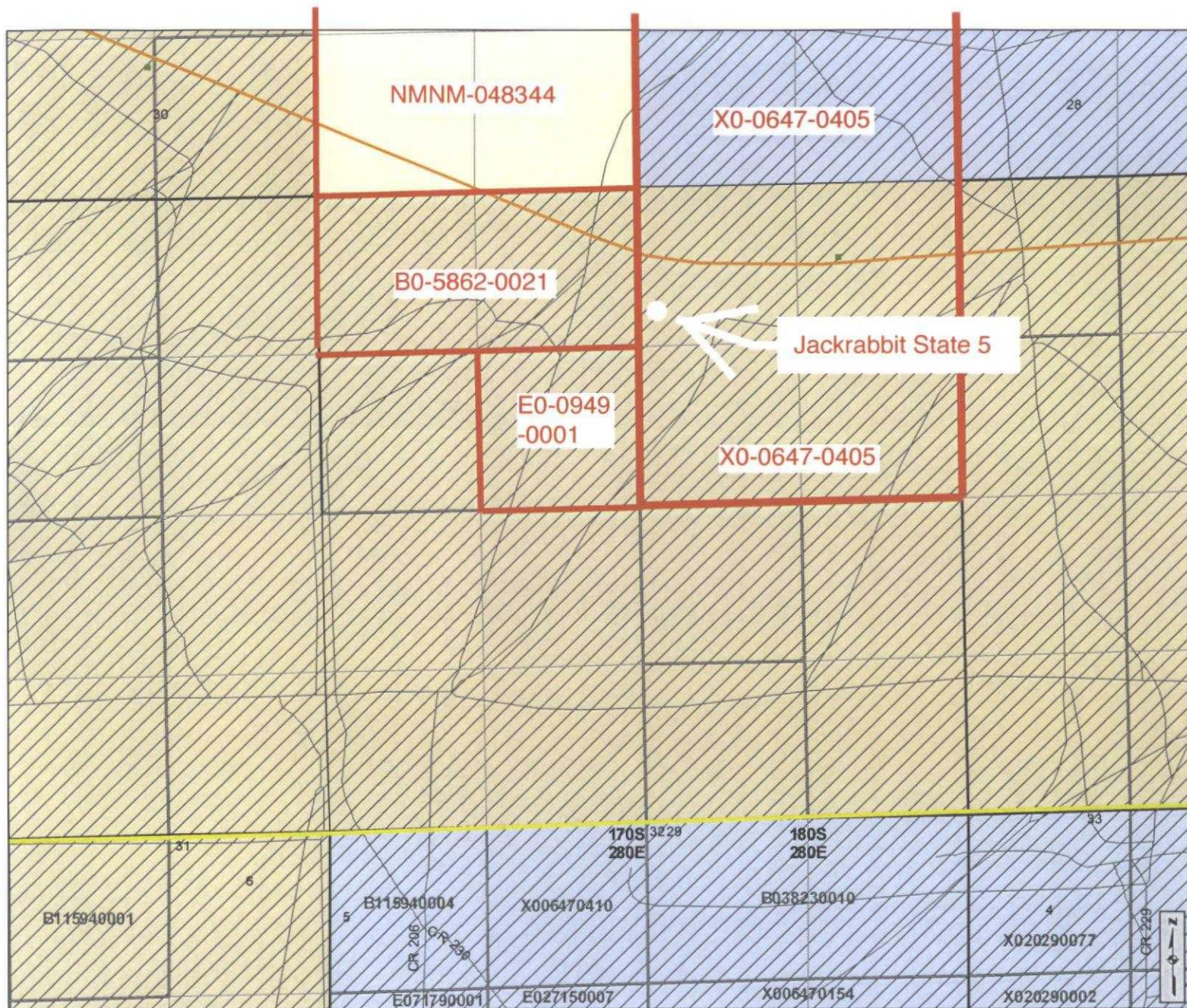
**SURFACE LOCATION**

Lot - N 32°47'42.71"  
Long - W 104°11'51.66"  
NADSPCE - E 583052.4  
(NAD-83)

Lot - N 32°47'42.30"  
Long - W 104°11'49.82"  
NADSPCE - E 582989.4  
(NAD-27)

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
- NMOC D Order R-111-P
- Potash Enclave Outline

#### NMOC D Oil and Gas Wells

- CO<sub>2</sub>
- Gas
- Injection
- Miscellaneous
- Oil
- Salt Water Disposal
- Water
- DA or PA

## New Mexico State Land Office

### Oil, Gas and Minerals

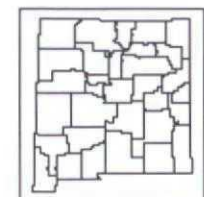
0 0.05 0.1 0.2 0.3 0.4  
Miles  
Universal Transverse Mercator Projection, Zone 13  
1983 North American Datum

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.

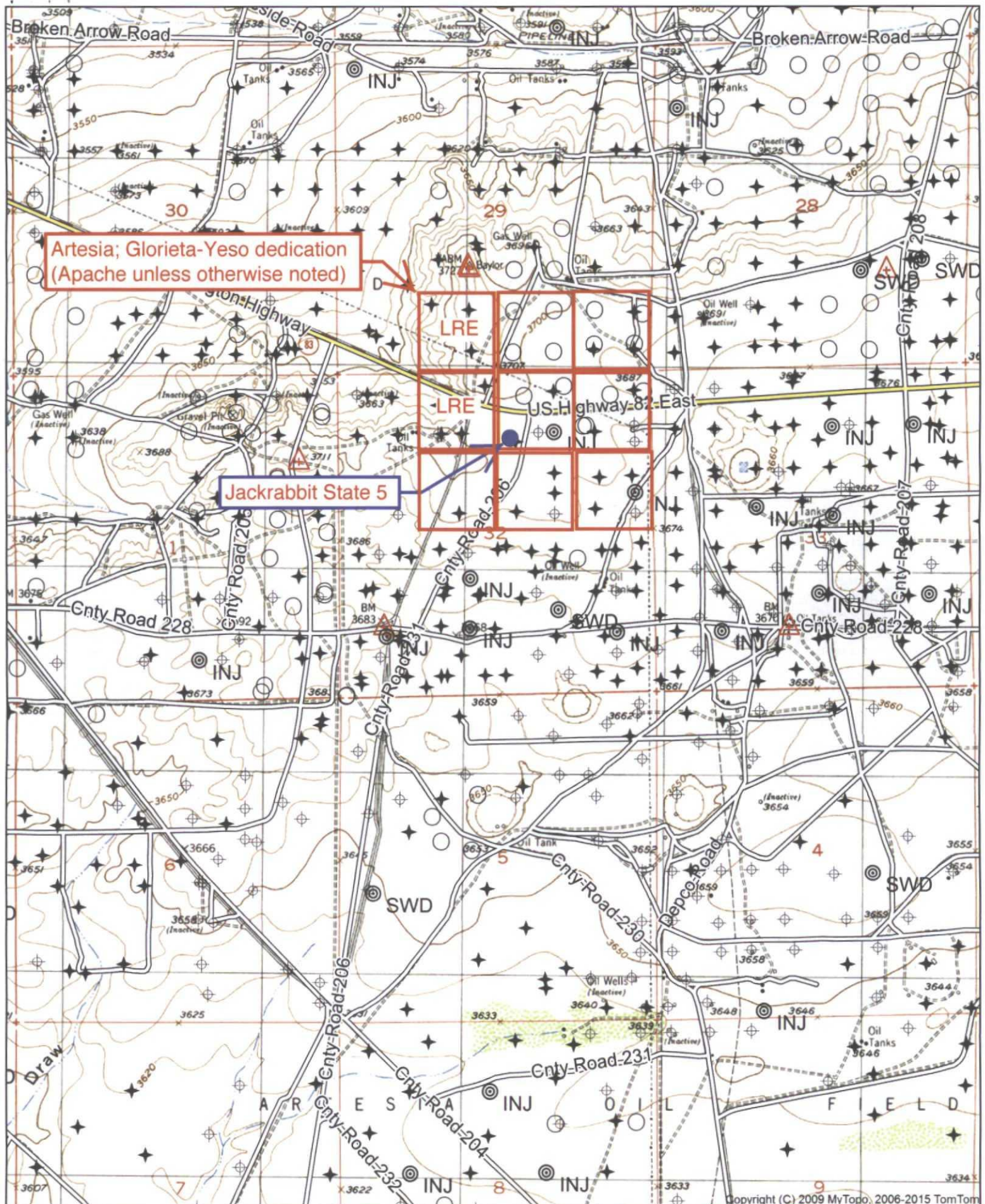
Land Office Geographic Information Center  
logc@slo.state.nm.us

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

**EXHIBIT C**



www.nmstatelands.org



Quad: RED LAKE  
Scale: 1 inch = 2,000 ft.

EXHIBIT D

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.

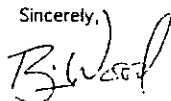
Apache Corporation is applying for NSL approval for its Jackrabbit State 5 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 20' further south and 266' further west than is standard (see attached application). Thus, it is a nonstandard location. The NSL is due to land uses (overhead power line and other infrastructure).

Well Name: Jackrabbit State 5 ID: 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 X0-0647-0405  
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

U.S. Postal Service™ **CERTIFIED MAIL™ RECEIPT**  
(Domestic Mail Only; No Insurance Coverage Provided)  
For delivery information visit our website at [www.usps.com](http://www.usps.com)

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Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$	

Postmark Here: MAR 30 2015 87552

Sent To: Mr. McClusky LRE  
Street, Apt. No., or PO Box No.:  
City, State, ZIP+4: Houston

March 30, 2015

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

Dear Eric,

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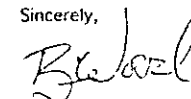
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Please call me if you have any questions.

Sincerely,



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PS Form 3800, August 2006