

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 _____
- [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

NSL 27272

Apache Corporation's -873
 T Rex State 1
 30-015-41770

2015 APR 16 A 11:37
 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

Consultant

4-15-15

Print or Type Name

Signature

Title

Date

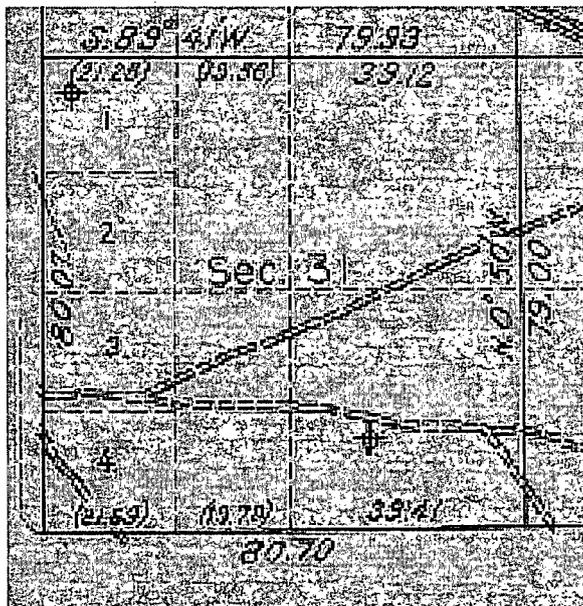
brian@permitswest.com

e-mail Address

**REQUEST FOR ADMINISTRATIVE APPROVAL
APACHE CORPORATION'S
T REX STATE 1
30-015-41770
330' FNL & 2270' FEL
SECTION 31, T. 17 S., R. 28 E., EDDY COUNTY, NM**

i. This proposed oil well is on private surface and a State oil and gas lease in a smaller than standard section (below). The well is nonstandard (18' too far west) for the Artesia; Glorieta-Yeso Pool (96830) due to pipelines on the southeast (see EXHIBIT A). Apache requests a nonstandard location due to land uses. A standard location would force 1 buried pipeline and 3 surface pipelines to be moved. In addition, there are 2 existing oil wells (Empire; Yates - Seven Rivers), 4 other proposed Apache wells (all Artesia; Glorieta-Yeso), multiple roads, an overhead power line, and a guyed communications tower in the quarter-quarter.

A standard location must be $\geq 330'$ from the boundary of the quarter-quarter according to Order R-8539 et al. In this case, it is $\approx 312'$ from the west side of unit letter B. (The north side of the NE4 of Section 31 is shorter than normal. Length of the north side of NE4 Section 31 is 2,581.92' instead of 2,640'.)



II. Form C-102 showing the well and 40-acre dedication is attached as Exhibit B. The well is 18' too far west.

III. Lease boundaries are shown on EXHIBIT C. The well encroaches to the west, northwest, and north. Artesia; Glorieta-Yeso (O) {96830} dedications exist in unit letters A, B, and H of Section 31. Red Lake; Glorieta-Yeso, Northeast {96836} dedications existing unit letters N, O, and P of Section 30 and unit letter G of Section 31. There are no Glorieta or Yeso dedications in unit letters C and F of Section 31. See Exhibit D for Glorieta-Yeso unit operators. This information is current and correct.

IV. Archaeology is not an issue.

V. Surface issues (3 surface pipelines and 1 buried pipeline) 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:

Eako LLC and Valko LLC
LRE Operating, LLC
NM State Land Office

B. Wood

Brian Wood, Consultant

4-14-15

Date

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

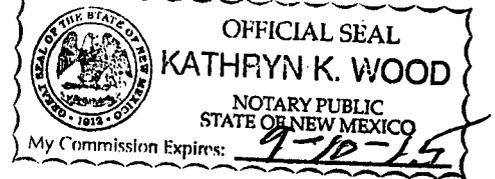
The foregoing instrument was acknowledged before me this 14th day of April, 2015 by Brian Wood. Witness my hand and official seal.

Kathryn K. Wood

Notary Public

My Commission Expires: *9-10-15*

Business Address: 37 Verano Loop, Santa Fe NM 87508



cc: Cooper

center stake



buried Frontier pipeline



Looking NW toward T Rex State 1 center stake.

EXHIBIT A



DISTRICT I
1625 N French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
511 S First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1600 Rio Brizos Road, A.Mc., NM 87410
Phone: (505) 354-6178 Fax: (505) 354-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & 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

DAMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

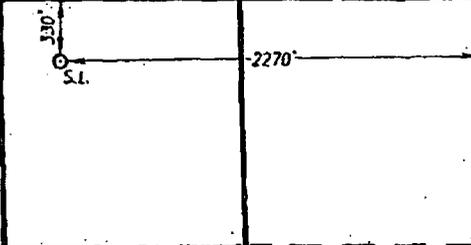
API Number 30-015-41770	Pool Code 96830	Pool Name Artesia; Glorieta - Yaso
Property Code 4D198	Property Name T REX STATE	Well Number 1
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3667

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	31	17-S	28-E		330	NORTH	2270	EAST	EDDY

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 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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Michelle Cooper</i> 10-31-13 Signature Date</p> <p><i>Michelle Cooper</i> Printed Name</p> <p><i>michelle.cooper@apachecorp.com</i> E-mail Address</p>
	<p>SURVEYOR CERTIFICATION</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>AUGUST 21, 2013</p> <p>Date of Survey</p> <p><i>Ronald J. Edson</i> Signature & Seal of Professional Surveyor</p> <p><i>Ronald J. Edson</i> 09/09/2013 Certificate Number Date</p> <p>Ronald J. Edson 12641 Ronald J. Edson 3239</p>
	<p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=653608.6 N X=536888.3 E</p> <p>LAT.=32.796802° N LONG.=104.213287° W</p> <p>LAT.=32° 47' 48" N LONG.=104° 12' 48" W</p>
	<p>ACK JWSC W.D. 13.110543</p>



- 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 Order R-111-P
 - Potash Enclave Outline
- NMOC Oil and Gas Wells**
- CO₂
 - Gas
 - Injection
 - Miscellaneous
 - Oil
 - Salt Water Disposal
 - Water
 - DA or PA

New Mexico State Land Office
Oil, Gas and Minerals

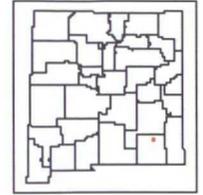
0 0.04 0.08 0.16 0.24 0.32 Miles
 Universal Transverse Mercator Projection, Zone 13
 1983 North American Datum

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.

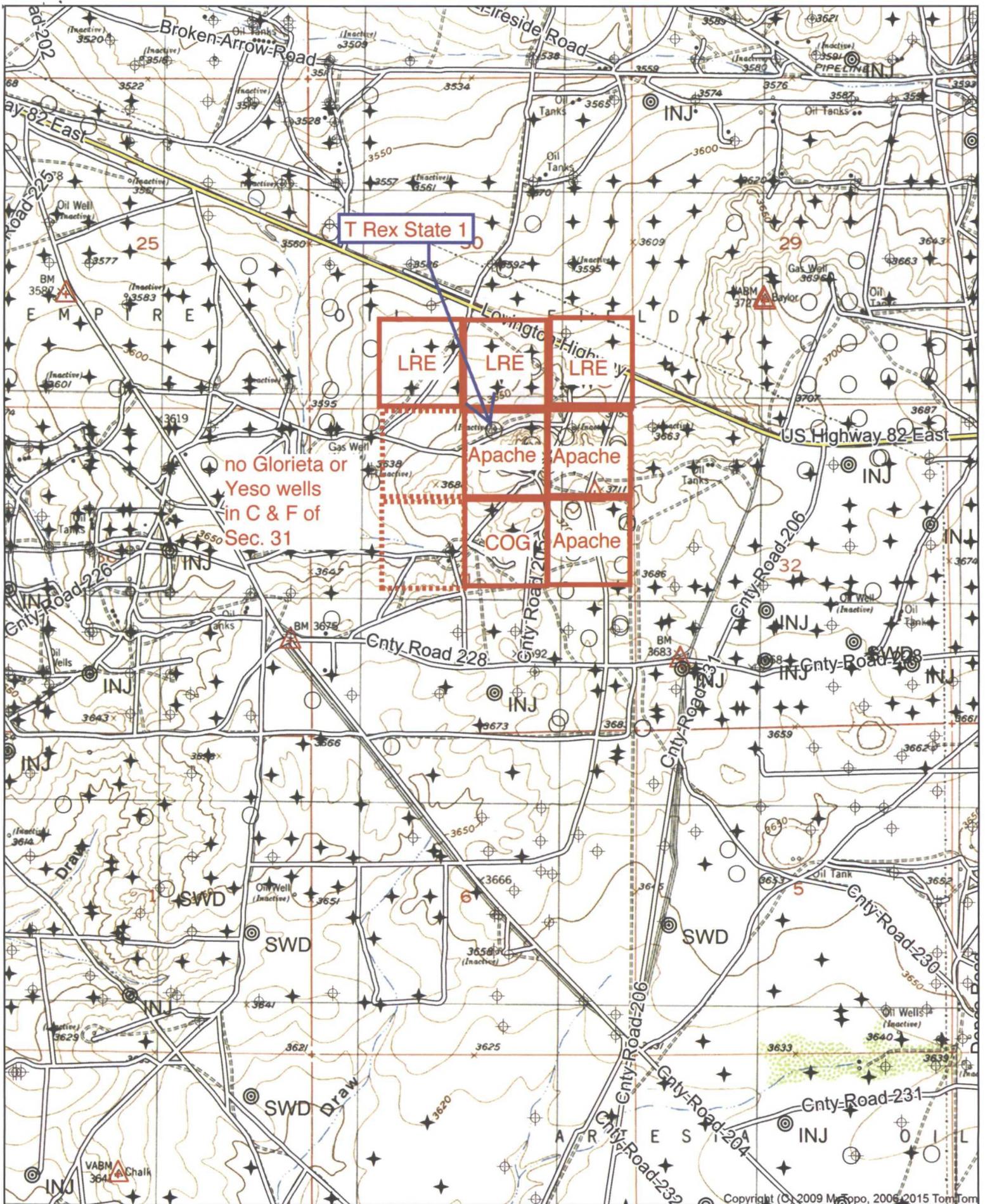
Land Office Geographic Information Center
 logic@slo.state.nm.us

Created On: 4/12/2015 10:53:34 AM

EXHIBIT C



www.nmstatelands.org



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

EXHIBIT D

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

April 14, 2015

Eako LLC and Valko LLC
 P. O. Box 1090
 Roswell NM 88202

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 T Rex State 1 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 18' further west than is standard (see attached application). Thus, it is a nonstandard location. The NSL is due to land uses (pipelines) and a smaller than a standard quarter-section.

Well Name: T Rex State 1 ID: 5,300'
Proposed NSL Zone: Artesia; Glorieta-Yeso (O)
NSL Acreage Dedication: 40 acres (NWNE Section 31, T. 17 S., R. 28 E., Eddy County, NM) on NMSLO lease B0-1538-0016
Location: ~11 air miles southeast of Artesia, NM at 330 FNL & 2270 FEL 31-17s-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.

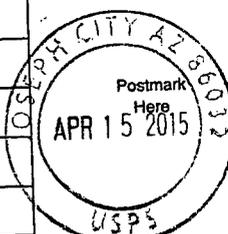
Sincerely,



Brian Wood

EXHIBIT E

7012 1010 0000 4651 4316

U.S. Postal Service™		<i>T Rex 1</i>
CERTIFIED MAIL™ RECEIPT		
<small>(Domestic Mail Only; No Insurance Coverage Provided)</small>		
<small>For delivery information visit our website at www.usps.com</small>		
OFFICIAL USE		
Postage	\$.70	
Certified Fee	3.30	
Return Receipt Fee (Endorsement Required)	2.70	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 6.70	
Sent To <i>Eako & Valko</i>		
Street, Apt. No., or PO Box No.		
City, State, ZIP+4		
PS Form 3800, August 2006		See Reverse for Instructions

April 14, 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.

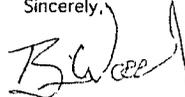
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Submission Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. 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

EXHIBIT E

April 14, 2015

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

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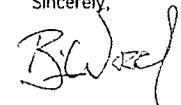
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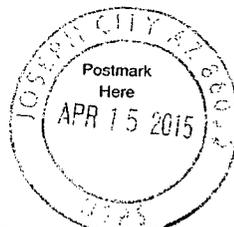
Please call me if you have any questions.

Sincerely,

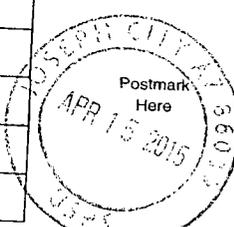


Brian Wood

6051 1010 0000 4651 4301

U.S. Postal Service™		T Rex	
CERTIFIED MAIL™ RECEIPT			
(Domestic Mail Only; No Insurance Coverage Provided)			
For delivery information visit our website at www.usps.com			
OFFICIAL USE			
Postage	\$ 1.70		
Certified Fee	3.30		
Return Receipt Fee (Endorsement Required)	2.70		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 6.70		
Sent To <u>LRE</u>			
Street, Apt. No., or PO Box No.			
City, State, ZIP+4			
PS Form 3800, August 2006			

6924 1594 4651 4281

U.S. Postal Service™		T Rex 1	
CERTIFIED MAIL™ RECEIPT			
(Domestic Mail Only; No Insurance Coverage Provided)			
For delivery information visit our website at www.usps.com			
OFFICIAL USE			
Postage	\$ 70		
Certified Fee	3.30		
Return Receipt Fee (Endorsement Required)	2.70		
Restricted Delivery Fee (Endorsement Required)			
Total Postage & Fees	\$ 6.70		
Sent To <u>NMSLO</u>			
Street, Apt. No., or PO Box No.			
City, State, ZIP+4			
PS Form 3800, August 2006			