

8/14/2015 DATE IN	SUSPENSE	MAM ENGINEER	8/14/2015 LOGGED IN	NSL TYPE	PMAM 1523158118 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



**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]

*logged well*

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
X NSL ☐ NSP ☐ SD

-NSL 7345

Apache Corporation's -873  
Lee Federal 53 H  
30-015-43197

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

*Pool  
- Cedar Lake  
Glorieta - yes  
96831*

[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

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RECEIVED OOD

[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	8-19-15
Print or Type Name	Signature	Title	Date
		brian@permitswest.com	
		e-mail Address	



PROVIDING PERMITS for LAND USERS

37 Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

**REQUEST FOR ADMINISTRATIVE APPROVAL  
NONSTANDARD LOCATION  
APACHE CORPORATION'S  
LEE FEDERAL 53  
30-015-43197  
SHL: 1550 FSL & 1180 FWL  
BHL: 1640.8 FSL & 1620.7 FWL  
PERFORATION INTERVAL:  
FROM 1606.3 FSL & 1387.1 FWL TO 1639.8 FSL & 1601.5 FWL  
SECTION 20, T. 17 S., R. 31 E., EDDY COUNTY, NM**

I. This 6266' deep oil well is on BLM surface and 1,786.15 acre BLM oil and gas lease NMLC-029395B. The directional well is nonstandard (too far south, southwest, and west) for the Cedar Lake; Glorieta-Yeso Pool (96831) due to geology.

The entire perforated interval is outside the drilling window. Perforations range from 67.1' to 319.8' from the boundary of the quarter-quarter, instead of the standard  $\geq 330'$  from the boundary of the quarter-quarter.

Apache requests a nonstandard location due to geology. Apache already has 3 other Cedar Lake; Glorieta-Yeso wells in the quarter-quarter and 60 other Cedar Lake; Glorieta-Yeso wells in Section 20. Producing this well from the perforated interval will prevent waste and recover additional reserves.

A standard location must be  $\geq 330'$  from the boundary of the quarter-quarter. In this case, the perforated interval is 67.1' to 319.8' from the boundary of unit letter K.

II. Form C-102 showing the well and 40-acre dedication is attached as Exhibit A. The perforated interval is anywhere from 43.7' too far south to 262.9' too far west. Exhibit B shows the plan and profile views of the well bore.

III. Lease boundaries are shown on Exhibit C. The well encroaches to the south, southwest, and west. Cedar Lake; Glorieta-Yeso dedications exist in unit letter K of Section 20 and all 8 bordering or cornering quarter-quarters. Apache operates the Cedar Lake; Glorieta-Yeso wells in the 3 quarter-quarters toward which the well encroaches and all 8 bordering or cornering quarter-quarters. All

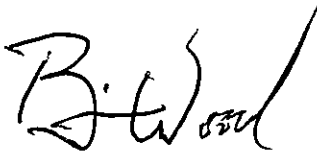
8 quarter-quarters are part of the same BLM lease. Closest lease boundary to a perforation is 1387.1' west. This information is current and correct.

IV. Archaeology is not an issue.

V. Surface issues (US 82) forced the need for a directional well. Geology and the need to prevent waste and recover additional reserves drove the need for this nonstandard location.

VI. Apache does not believe directional drilling to a standard location is cost effective for this well. Perforations are in the reservoir sweet spot.

VII. The perforations are nonstandard (67.1' to 319.8' from the boundary of the quarter-quarter) for the Cedar Lake; Glorieta-Yeso Pool. I hereby certify that there is common ownership and partner approval of the working interest in the lease which comprises the proposed 40 acre spacing unit (NESW Section 20) and the adjacent quarter-quarters (W2SW4 and SESW Section 20) of the sides and corner toward which it encroaches, and that the information is current and correct. Therefore, notice to any affected party is not required.



Brian Wood, Consultant

8-19-15

Date

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

The foregoing instrument was acknowledged before me this 19th day of August, 2015 by Brian Wood. Witness my hand and official seal.

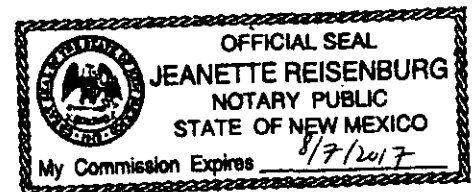


Notary Public

My Commission Expires: 8/7/2017

Business Address: 37 Verano Loop, Santa Fe NM 87508

cc: Flores



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

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

DISTRICT III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-43197</b>	Pool Code <b>96831</b>	Pool Name <b>Cedar Lake; Glorieta-Yeso</b>
Property Code <b>308720</b>	Property Name <b>LEE FEDERAL</b>	Well Number <b>53</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3637'</b>

Surface Location

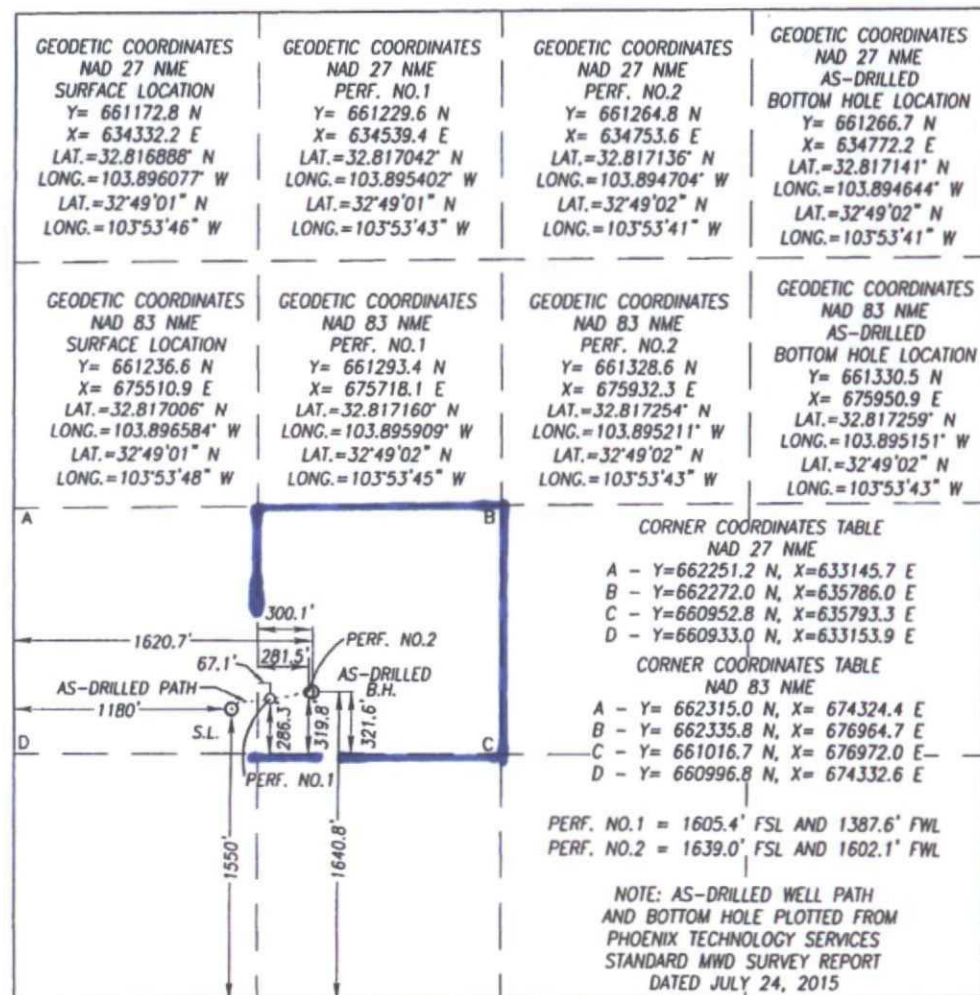
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	20	17-S	31-E		1550	SOUTH	1180	WEST	EDDY

As-Drilled 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
K	20	17-S	31-E		1640.8	SOUTH	1620.7	WEST	EDDY

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

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



OPERATOR CERTIFICATION

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.

*Sorina L. Flores* 8/18/15  
Signature Date

*Sorina L. Flores*  
Printed Name

*sorina.flores@apachecorp.com*  
E-mail 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.

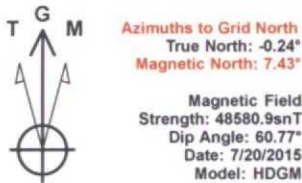
JULY 27, 2011

Date of Survey  
Signature & Seal of Professional Surveyor.

*Ronald J. Eidson* 08/18/2015  
Certificate Number  
Gary G. Eidson 12641  
Ronald J. Eidson 3239  
LSL REV. 8/11/15 JWSC W.O.: 15.13.0784



Project: Eddy County, NM (NAD27 NME)  
Site: Lee Federal  
Well: #53  
Wellbore: OH / Job #1412338  
Design: Plan #3 07-19-15  
Rig: Capstar 114



WELL DETAILS							
	+N/-S	+E/-W	Northing	Ground Level: Easting	3637.00	Latitude	Longitude
	0.00	0.00	661172.80	634332.20		32° 49' 0.79753 N	103° 53' 45.87755 W

SECTION DETAILS										
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	Vsect	Target
1	3468.00	0.65	1.39	3467.55	31.23	33.41	0.00	0.00	39.34	
2	3600.00	0.65	1.39	3599.54	32.72	33.44	0.00	0.00	39.70	
3	4084.33	9.78	81.15	4081.49	41.82	74.26	2.00	83.51	81.52	
4	6437.05	9.78	81.15	6400.00	103.30	469.20	0.00	0.00	480.44	BHL-Lee Fed #53

Annotation  
Tie-on to Phoenix Gyro Survey  
KOP, 2°/100' Build  
EOC, Hold 9.75° Inc, 81.15° Azm  
TD at 6443.62' MD

DESIGN TARGET DETAILS									
Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape	
BHL-Lee Fed #53	6400.00	103.30	469.20	661276.10	634801.40	32° 49' 1.80046 N	103° 53' 40.37452 W	Circle (Radius: 20.00)	
- plan hits target center									

CASING DETAILS				
TVD	MD	Name	Size	
400.00		13 3/8" Surface	13-3/8	
3500.00	3500.45	8 5/8" Intermediate	8-5/8	
6400.00	6437.05	5 1/2" Production	5-1/2	

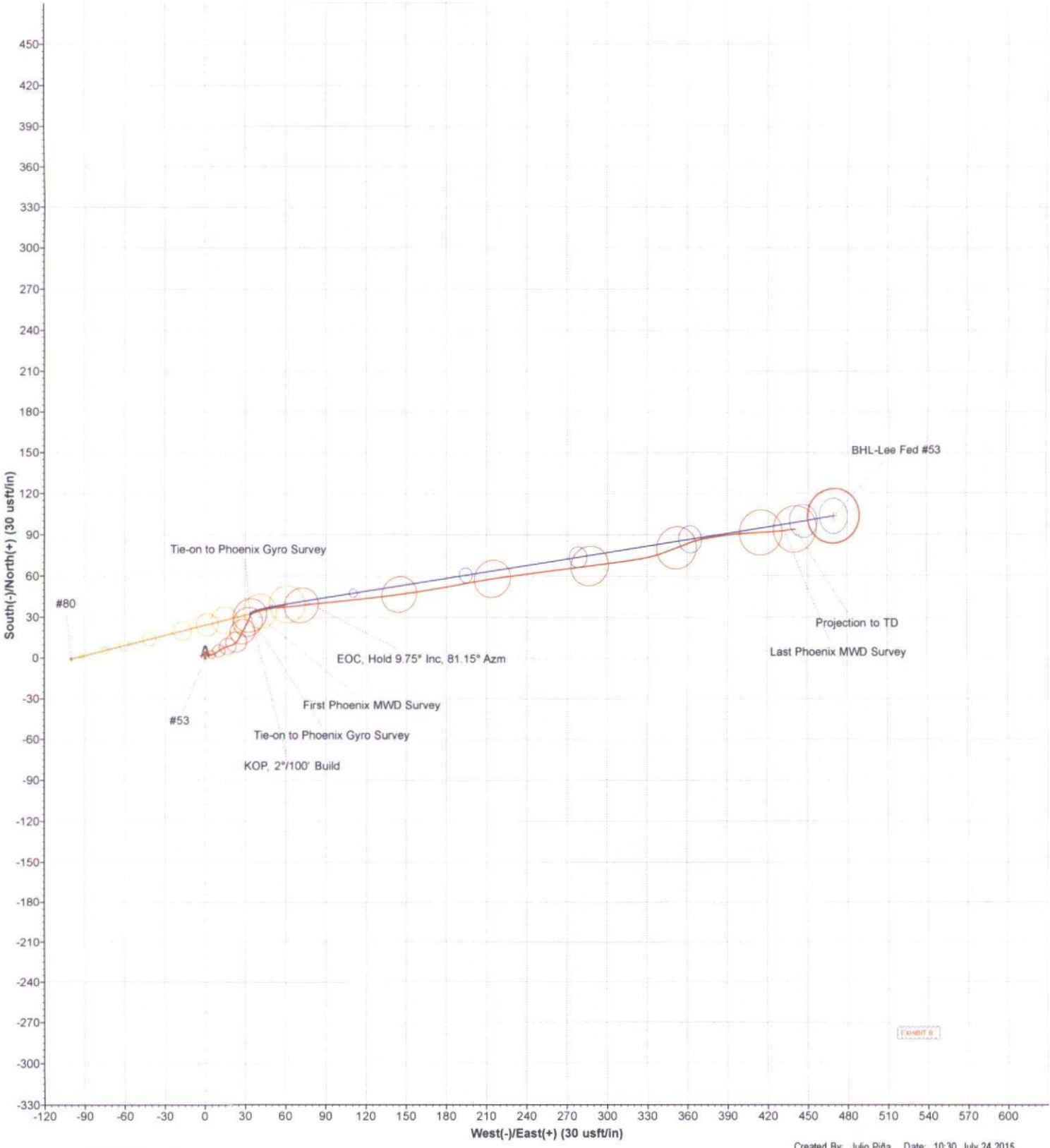
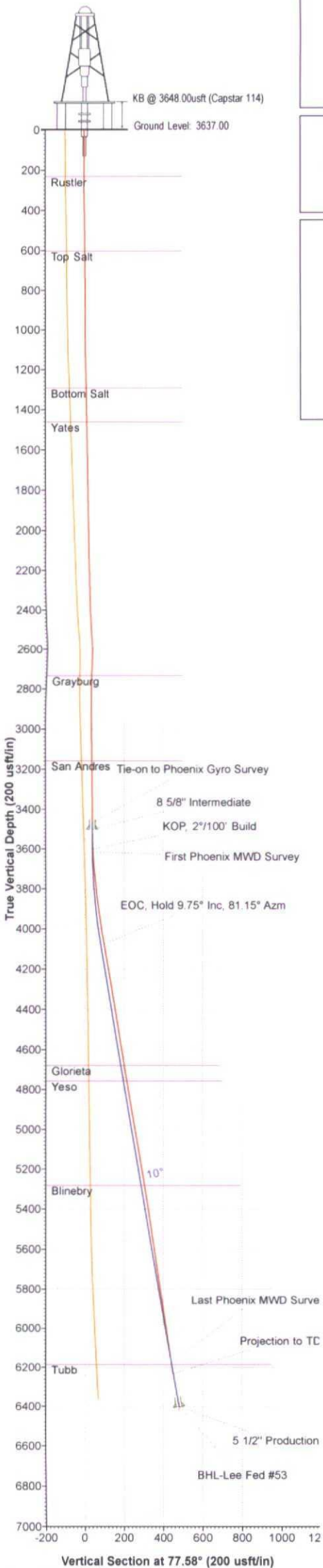
FORMATION TOP DETAILS				
TVDPath	MDPath	Formation	DipAngle	DipDir
4678.00	4689.65	Glorieta	0.00	
4756.00	4768.80	Yeso	0.00	
5280.00	5300.53	Blaine	0.00	
6184.00	6217.86	Tubb	0.00	

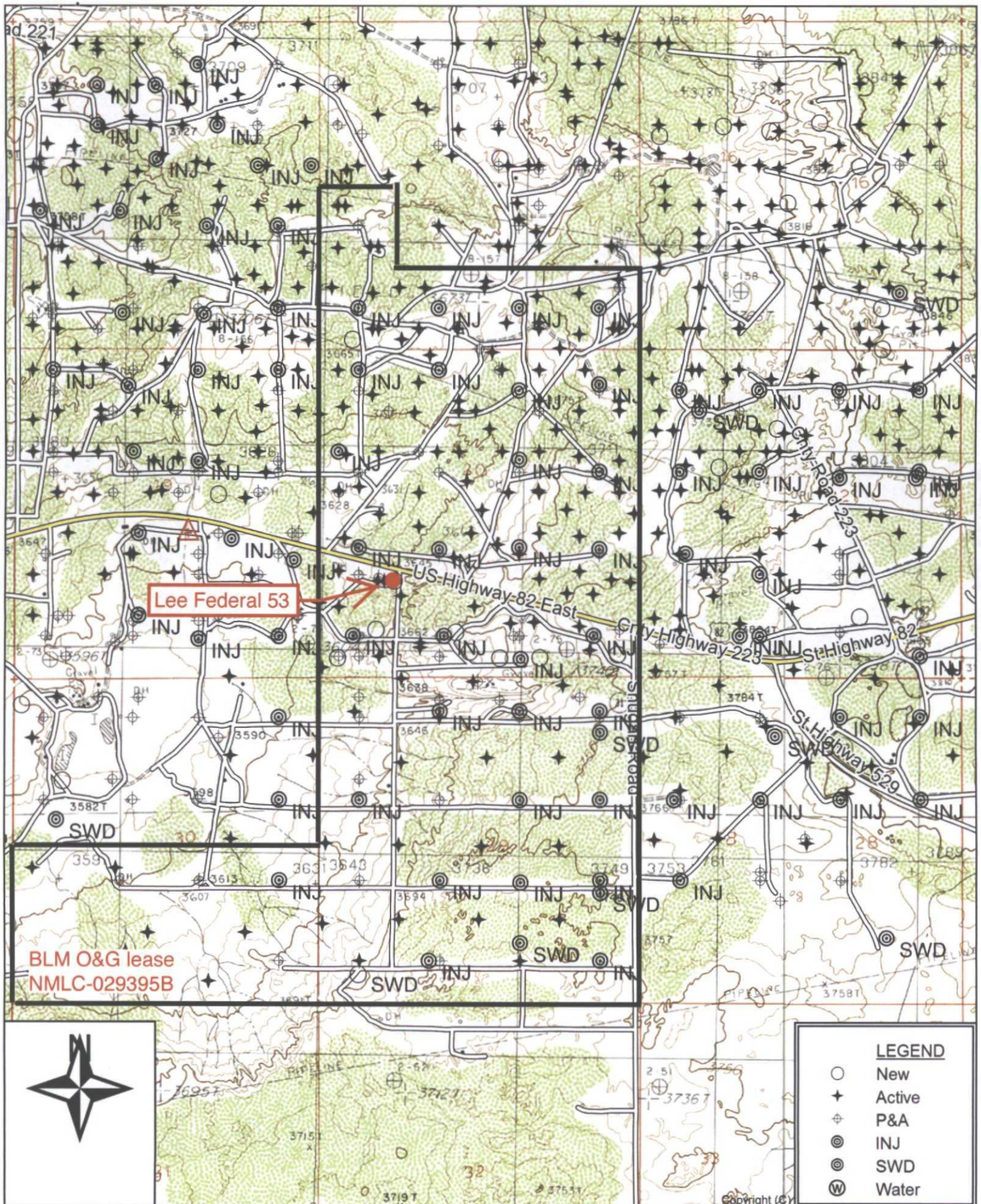
Map System: US State Plane 1927 (Exact solution)  
Datum: NAD 1927 (NADCON CONUS)  
Ellipsoid: Clarke 1866  
Zone Name: New Mexico East 3001  
  
Local Origin: Well #53, Grid North  
  
Latitude: 32° 49' 0.79753 N  
Longitude: 103° 53' 45.87755 W  
  
Grid East: 634332.20  
Grid North: 661172.80  
Scale Factor: 1.000  
  
Geomagnetic Model: HDGM  
Sample Date: 20-Jul-15  
Magnetic Declination: 7.67°  
Dip Angle from Horizontal: 60.77°  
Magnetic Field Strength: 48581

To convert a Magnetic Direction to a Grid Direction, Add 7.43°  
To convert a Magnetic Direction to a True Direction, Add 7.67° East  
To convert a True Direction to a Grid Direction, Subtract 0.24°

LEGEND

- #80, OH, Surveys V0
- #53, OH / Job #1412338, Surveys (Capstar 114) V0
- Plan #3 07-19-15





Quad: LOCO HILLS  
Scale: 1 inch = 2,000 ft.

EXHIBIT C

## OCD Permitting

[Home](#) [Land Searches](#) [Land Details](#)

### Section : 20-17S-31E

Type: Normal

Total Acres: 640

County: Eddy (15)

D (D) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	C (C) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	B (B) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	A (A) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40
E (E) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	F (F) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	G (G) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	H (H) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40
L (L) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	K (K) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	J (J) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	I (I) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40
M (M) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	N (N) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	O (O) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40	P (P) Federal <sup>1</sup> Federal <sup>2</sup> (15) 40

Note<sup>1</sup> = Surface Owner RightsNote<sup>2</sup> = Sub-Surface Mineral Rights

#### Land Restrictions

No land restrictions found for this section.

[Return to Search](#)

Now Mexico Energy, Minerals and Natural Resources Department | Copyright 2012  
1220 South St. Francis Drive | Santa Fe, NM 87505 | P: (505) 476-3200 | F: (505) 476-3220

[EMNRD Home](#) [OCD Main Page](#) [OCD Rules](#) [Help](#)

Submit 1 Copy To Appropriate District Office:  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised July 18, 2013

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

SUNDRY NOTICES AND REPORTS ON WELLS. (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. <b>30-015-43197</b>
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator <b>Apache Corporation</b>		6. State Oil & Gas Lease No. <b>NMLC-029395B</b>
3. Address of Operator <b>303 Airpark Lane, Suite 1000, Midland TX 79705</b>		7. Lease Name or Unit Agreement Name <b>Lee Federal</b>
4. Well Location Unit Letter: L <b>1550</b> feet from the <b>South</b> line and <b>1180</b> feet from the <b>West</b> line (SHL). Section <b>20</b> Township <b>17 S</b> Range <b>31 E</b> NMPM <b>Eddy</b> County		8. Well Number <b>53H*</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3637 GR</b>		9. OGRID Number <b>873</b>
		10. Pool name or Wildcat <b>Cedar Lake; Glorieta-Yeso</b>

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐  
CLOSED-LOOP SYSTEM ☐  
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS ☐ P AND A ☐  
CASING/CEMENT JOB ☐  
OTHER: ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details; and give pertinent dates, including estimated date of starting any proposed work): SEE RULE 19:15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Well was not drilled as far as originally planned.  
Attached C-102 and well bore diagrams show final result.

\*Due to well bore configuration, well is now considered a horizontal well under NMOC rules.  
Well name has changed accordingly from Lee Federal 53 to Lee Federal 53H.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*Brian Wood*

TITLE Consultant

DATE August 20, 2015

Type or print name: Brian Wood  
For State Use Only

E-mail address: brian@permitswest.com

PHONE: (505) 466-8120

APPROVED BY:

TITLE

DATE

Conditions of Approval (if any):