

DATE IN <u>2-4-10</u>	SUSPENSE	ENGINEER <u>Brooks</u>	LOGGED IN <u>2-4-10</u>	TYPE <u>NSL</u>	PTG <u>W</u> APP NO. <u>1003550825</u>
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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



Apache

STATE C Tract 13 Well #4

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]

Lea

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

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

** Revised Surface & Bottom Hole Location*

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 _____

RECEIVED OGD
100 FEB - 4 A 11: 10

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ~~X~~ 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.

Michelle Hanson

Michelle Hanson

Landman

2/3/2010

Print or Type Name

Signature

Title

Date

Michelle.hanson@apachecorp.com
e-mail Address

REVISED-

Application of Apache Corporation for administrative approval of
an unorthodox well location:

40 acres – SHL: 1331' FNL & 1530' FWL
BHL: 1331' FNL & 1330' FWL
Section 36, Township 21 South, Range 37 East, NMPM
Lea County, New Mexico

PRIMARY OBJECTIVES: Blinebry, Tubb and Drinkard

In support:

1. Apache Corporation (Apache) is the operator of the proposed **State C Tract 13 #14** well (**Exhibit 1**).
2. Pool rules that apply to the proposed location are Blinebry Oil and Gas (oil), Tubb Oil & Gas (oil) and Drinkard. The proposed unorthodox location encroaches on spacing units 36C, 36D, 36E and 36F, which currently have two (2) wells producing from one or more of the aforementioned zones (**Exhibit 1**). The cumulative and daily production values are displayed on **Exhibit 2**.

API					Cum thru 8-09	Daily
30025	Op.	Well	Loc	Pool	O/G/W	O/G/W
07051	Apache Corp	State C TR 13 #5	E	Blinebry Oil & Gas, Tubb Oil & Gas, Drinkard, Wantz; Abo	193/11039/16	0/41/0
07050	Apache Corp	State C TR 13 #8	D	Blinebry Oil & Gas, Tubb Oil & Gas, Drinkard	57/1209/0	TA'd, as to all zones
21311	Apache Corp	State C TR 13 #9	F	Tubb Oil & Gas, Drinkard	85/1114/30	4/31/1
26071	Apache Corp	State C TR 13 #10	C	Blinebry Oil & Gas, Drinkard, Wantz; Abo, Wantz; Granite Wash	14/105/29	TA'd, as to all zones

MBO
MMCFG
MBW

BOPD
MCFGPD
BWPDP

3. The proposed State C Tract 13 #14 location of 1331' from north line and 1330' from west line is based upon drainage considerations.

Location and Drainage

The proposed State C Tract 13 #14 is a "true" 20 Acre infill location between existing Blinebry, Tubb and Drinkard producers. It is approximately equidistant from those wells and should encounter an undrained reservoir volume.

The following table provides drainage areas of the offset wells calculated from SophiH taken off contoured isopach maps or from log calculations.

		21S 37E		SophiH	Area	EUR	EUR
Oper.	Well	Loc	Reservoir	ft	ac	MBO	MMCFG
Apache	State C TR 13 #5	E	B-T-D	11	25.2	184	11000
Apache	State C TR 13 #8	D	B-T-D	7.5	11.4	57	1209
Apache	State C TR 13 #9	F	T-D	6	22.6	90	1175
Apache	State C TR 13 #10	C	B-D	4	5.3	14	105

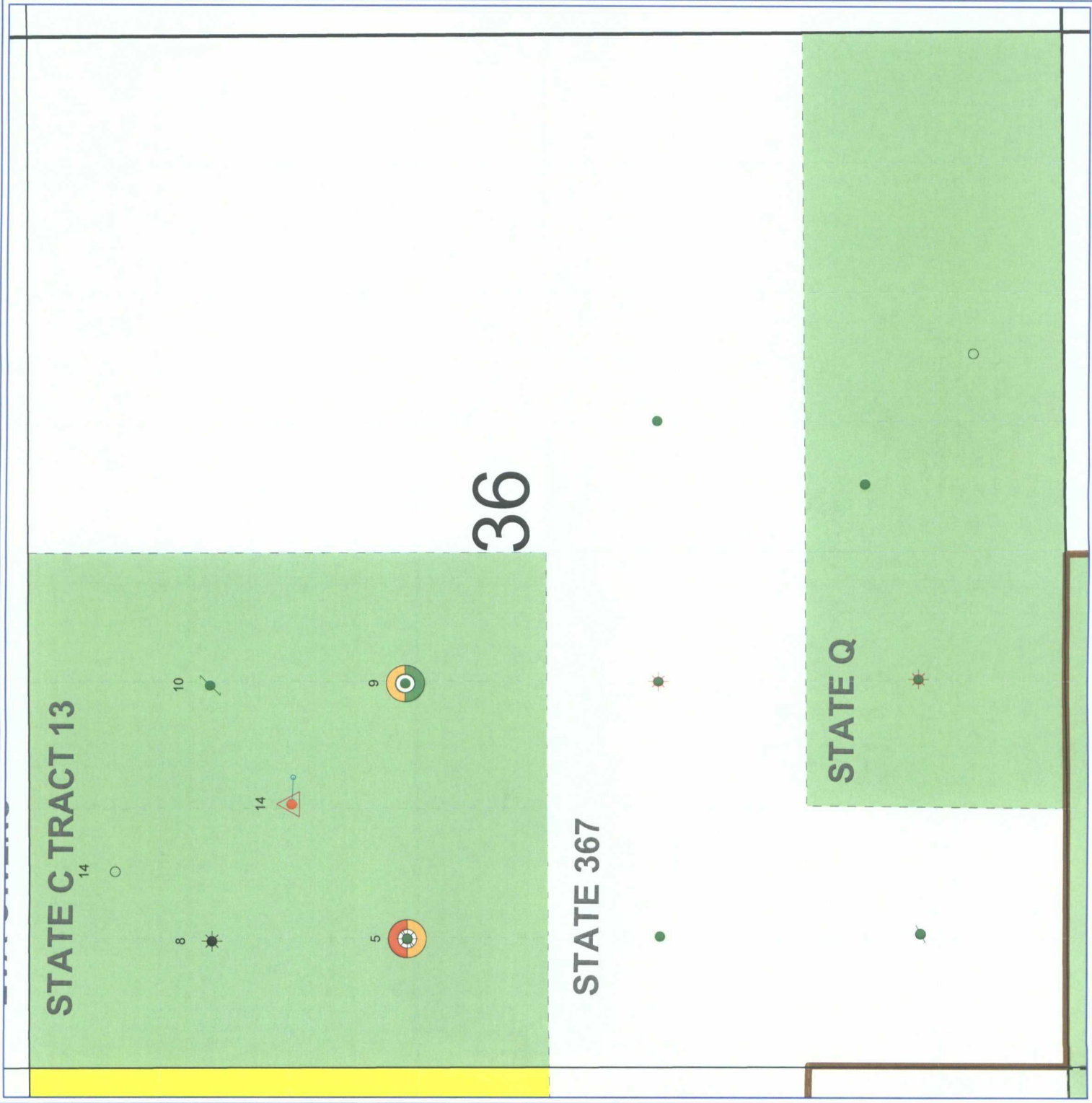
Reserves for the proposed location were calculated by averaging the offset drainage areas and SophiH and applying it to the new location. Any competitive drainage is shared between the proposed well and the existing offset wells. The results are as follows:

				SophiH	Area	EUR	EUR
Oper.	Well	Loc	Reservoir	ft	ac	MBO	MMCFG
Apache	State C TR 13 #14	F	B-T-D	7.5	7.7	38.5	308

4. Notice

The proposed **State C Tract 13 #14** only encroaches toward Apache operated Blinebry, Tubb and Drinkard wells. Therefore, no other parties need to be notified.

5. Approval of this application will afford the interest owners in these spacing units an opportunity to recover oil and gas which would not otherwise be recovered and will do so without violating correlative rights.



36

STATE C TRACT 13

STATE 367

STATE Q

State C Tract 13 #14

EXHIBIT 1 to NSL Application

BHL: 1331' FNL & 1330' FWL

Sec 36-T21S-R37E, Lea Co., NM

0 703
FEET

POSTED WELL DATA
Well Number

ATTRIBUTE MAP
BLINEBRY
TUBB
DRINKARD

WELL SYMBOLS
Abandoned Well
Gas Well
Location
Proposed Drilling Location
Oil & Gas Well
Oil Well
Active Gas Producer
Active Producer
Shut In Oil Well

By: Michelle Hanson
February 3, 2010

STATE C TRACT 13

36

STATE 367

STATE Q



FEET

POSTED WELL DATA

Well Number

WELL - CUMUL (RBL S)
WELL - CUMUL (RBL S)
WELL - CUMUL (RBL S)
WELL - CUMUL (RBL S)
WELL - CUMUL (RBL S)



- WELL SYMBOLS**
- Abandoned Well
 - Gas Well
 - Location
 - Proposed Drilling Location
 - Oil & Gas Well
 - Oil Well
 - Active Gas Producer
 - Active Producer
 - Shut In Oil Well

By: Michelle Hanson

February 3, 2010