

DATE IN 6-7-10	SUSPENSE	ENGINEER DB	LOGGED IN 6-7-10	TYPE NSL	PTG 40 APP NO. 1015855279
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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

E.W. Walden #16

ADMINISTRATIVE APPLICATION CHECKLIST

30-025-11277

39696

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]

NSL-6146A

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

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☐ NSP ☐ SD

* Revise Surface and Bottom-Hole Locations

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 _____

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[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.

Michelle Hanson

Michelle Hanson

Landman

6/3/10

Print or Type Name

Signature

Title

Date

Michelle.hanson@apachecorp.com
 e-mail Address

6120 S. YALE / SUITE 1500 / TULSA, OKLAHOMA 74136



Central Region Land Department
(918) 491-4900
(918) 491-4854 (FAX)

June 3, 2010

Mark E. Fesmire, P. E.
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Dear Mr. Fesmire,

Apache Corporation ("Apache") respectfully requests to revise the non-standard surface location of the E W Walden #16 Well to **1343' FSL & 1415' FWL** and further revise the bottom-hole location of said well to **1308' FSL & 1303' FWL** of Section 15, Township 22 South, Range 37 East, Lea County, New Mexico. Current non-standard surface (2000' FSL & 1550' FWL) and bottom-hole (1309' FSL & 1303' FWL) locations for the E W Walden #16 was approved via Administrative Order No. NSL-6146-A, dated March 30, 2010, covering the Blinbry, Tubb, Drinkard and Abo formations.

Apache wishes to revise the surface location to the location set forth above to shorten the distance of directional drilling.

Apache owns 100% leasehold interest, and the revenue interest is common, as to the Blinbry, Tubb, Drinkard and Abo formations in the entire SW/4 of said Section 15-T22S-R37E. Therefore, no other parties have been notified of this change.

Please call me if you need any further information on this matter.

Sincerely,
APACHE CORPORATION

A handwritten signature in black ink that reads "Michelle Hanson". The signature is written in a cursive, flowing style.

Michelle Hanson
Landman
(918) 491-4838 direct
(918) 491-4854 fax
Michelle.hanson@apachecorp.com



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



March 30, 2010

Apache Corporation
Attn: Ms. Michelle Hanson
6120 S. Yale, Suite 1500
Tulsa, OK 74136

Administrative Order NSL-6146-A

Re: E.W. Walden Well No. 16
API No. 30-025-
2000 feet FSL and 1550 feet FWL
Unit K, Section 15-22S-37E
Lea County, New Mexico

Dear Ms. Hanson:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW10-08934200**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on March 30, 2010, and

(b) the Division's records pertinent to this request.

Apache Corporation [OGRID 873] (Apache) has requested to drill the above-referenced well as a directional well to the Blinbry, Tubb, Drinkard and Abo formations, at a location that will be unorthodox under Division Rule 16.14.B. The proposed surface location and bottom-hole locations of the well are as follows:

Surface Location:	2000 feet from the South line and 1550 feet from the West line (Unit K) of Section 15, Township 22S, Range 37E, NMPM, Lea County, New Mexico
Terminus	1309 feet from the South line and 1303 feet from the West line (Unit M) of said section



The SW/4 SW/4 of Section 15 will be dedicated to the proposed well to form standard 40-acre oil spacing and proration units in the Blinebry Oil and Gas (Oil) Pool (6660), the Tubb Oil and Gas (Oil) Pool (60240), the Drinkard Pool (19190) and the undesigned Wantz-Abo Pool (62700). Spacing in the Blinebry and Tubb pools is governed by the Special Rules and Regulations for the Blinebry Oil and Gas Pool and the Special Rules and Regulations for the Tubb Oil and Gas Pool, as provided in Order R-8170 issued on March 28, 1986. Spacing in the Drinkard Pool and the Wantz-Abo Pool is governed by statewide Rule 15.9. However, in all of these pools, the applicable rules provide for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is unorthodox because the bottom-hole location will be less than 330 feet from the northern and eastern unit boundaries.

Your application has been duly filed under the provisions of Division Rules 15.13 and 4.12.A(2).

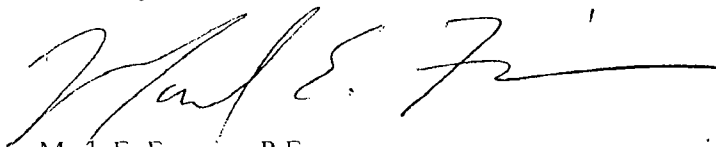
It is our understanding that you are seeking this location for engineering reasons, in order to efficiently drain the reserves in these reservoirs underlying the SW/4 of Section 15. It is further understood notice of this application to offsetting operators or owners is not required due to common ownership.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved PROVIDED, HOWEVER, that nothing in this Order shall authorize the simultaneous dedication of any of the above-described units to both a gas well and an oil well in the same formation in any one of the formations named herein.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Acting Director

MEF/db

cc: New Mexico Oil Conservation Division - Hobbs