

State C Tract 12 #15

DATE IN 2-21-05	SUSPENSE 3-14-05	ENGINEER MES	LOGGED IN ms	TYPE NSL	APP NO. [REDACTED]
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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



Separate Record deleted
Appl. consolidated
w/ AMESP-508148420

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 ☐

- [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
[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.

James Bruce
Print or Type Name

Signature

Attorney for applicant 2/18/05
Title Date

jamesbruc@aol.com
e-mail Address

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

FEB 21 2005

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jamesbruc@aol.com

February 18, 2005

Michael E. Stogner
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Request to Amend Division Administrative Order NSL-4957(SD) to include the San Andres formation

Dear Mr. Stogner:

Pursuant to Division Rule 104.F(2), Apache Corporation applies for administrative approval of an unorthodox oil well location in the San Andres formation for the following well:

<u>Well:</u>	State C Tract 12 Well No. 15
<u>Location:</u>	1240 feet FNL & 1400 feet FWL
<u>Well Unit:</u>	NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico

The well was originally drilled to and completed in the Grayburg formation (Penrose Skelly (Grayburg) Pool). The Grayburg unorthodox location was approved by NSL-4957-SD.

The well was also drilled deep enough to test the San Andres formation (which at that time was in the Undesignated Hare-San Andres Gas Pool, spaced on 160 acres). The well was at an orthodox gas well location. The well is now located in the East Hare-San Andres (Oil) Pool,¹ which is developed on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line.

The well tests show that there is San Andres potential, and producing the wells from both zones will make the well more economical and extend the life of the well. An engineering and geological discussion is attached as Exhibit A.

¹ See Division Order No. R-12190.

Attached as Exhibit B is a land plat, highlighting the proposed well's location. The NW¼ of Section 16 is covered by a single lease (State Lease B-1557-1), which has **common royalty, overriding royalty, and working interest ownership**. Therefore, there are no offset interest owners or adversely affected parties to notify of this application.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce".

James Bruce

Attorney for Apache Corporation

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

40 acres – 1240' FNL & 1400' FWL
Section 16, Township 21 South, Range 37 East, NMPM
Lea County, New Mexico

PRIMARY OBJECTIVE: SAN ANDRES

In support:

1. Apache Corporation (Apache) is the operator of the **State C Tract 12 #15** well. The total depth drilled is 4725' in the San Andres formation. The well previously tested as a San Andres oil well and is currently perforated in and productive from the Grayburg.
2. The well was drilled as a standard location in the Hare; San Andres Gas Pool and as an NSL in the Penrose Skelly; Grayburg Oil Pool. Administrative Order NSL-4957 was issued for the Grayburg reservoir. Order R-12190 now extends the East Hare San Andres Oil Pool over this location. As to the San Andres reservoir, the location encroaches toward no currently productive San Andres well (**Exhibit 1**).
3. The **State C Tract 12 #15** unorthodox Grayburg location of 1240' from north line and 1400' from west line is based on wellbore availability.
 - a) **Exhibit 1** (Well Information) illustrates that the well is tested and is capable of producing hydrocarbons from the San Andres.
 - b) **Exhibit 2** (San Andres Net Pay) illustrates that sufficient reservoir is present to contain and produce commercial amounts of hydrocarbons.
 - c) Even though the location is unorthodox, the entire drainage area is contained within the State C Tract 12 Lease.
 - d) Volumetrics and reserves for the State C Tract 12 #16 are:

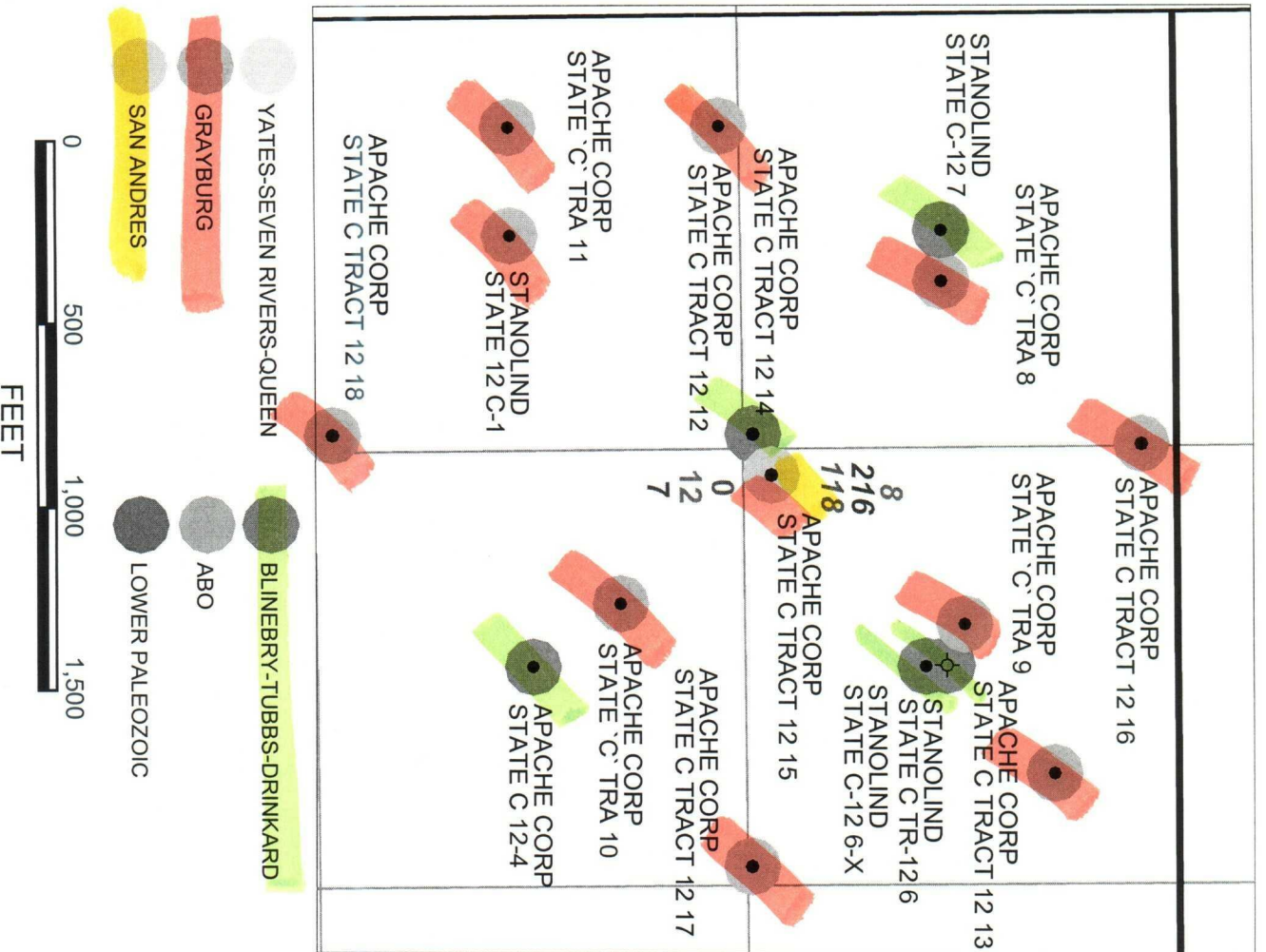
OPER	WELL	LOC	AREA A	EUR MBO	EUR MMCFG
Apache	State C Tract 12 #16	16-C	40	20	982

4. Notice

- a. The State C Tract 12 Lease covers the entire NW¼ §16. Interest ownership in the San Andres Formation is common in the lease. Therefore, there are no adversely affected parties and no one was notified of the application.



5. Approval of this application will afford the interest owners in this spacing unit an opportunity to recover oil and gas which would not otherwise be recovered.



WELL SYMBOLS

- Location Only
- Oil Well
- ☀ Gas Well
- ☐ Dry

POSTED WELL DATA

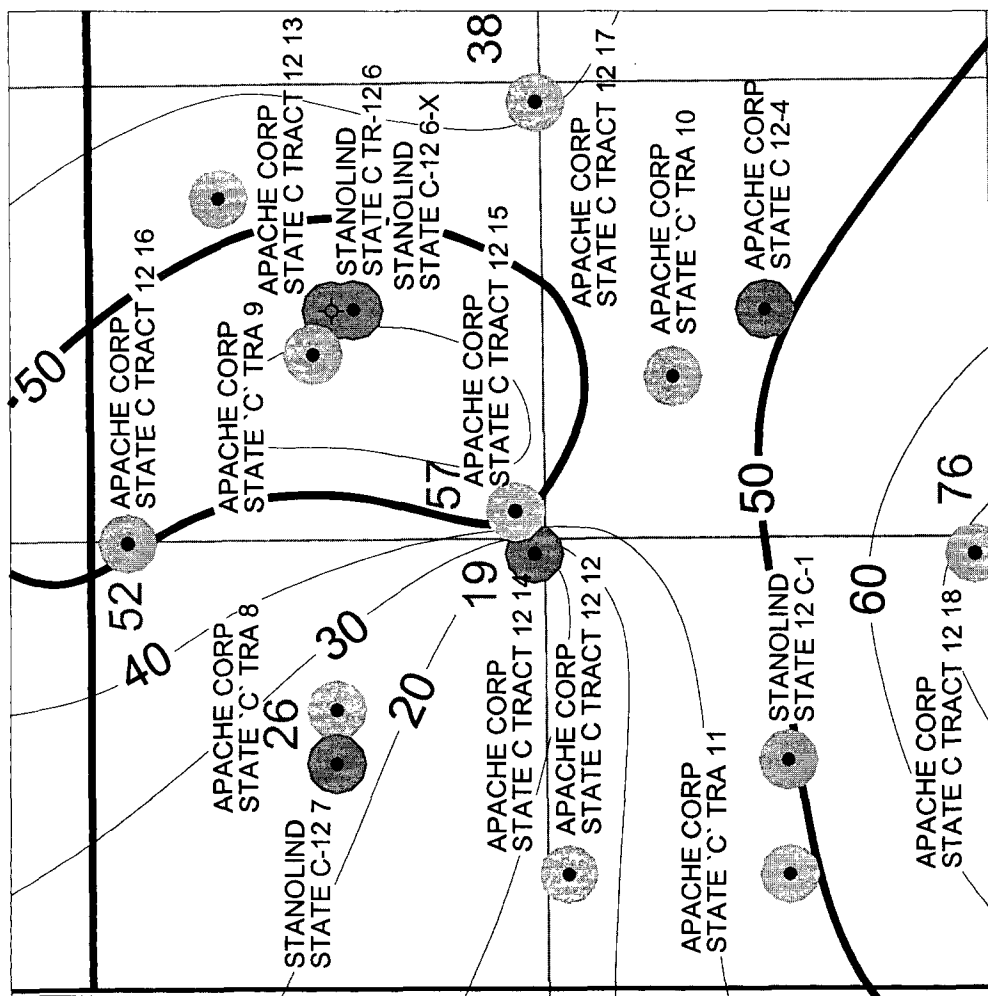
APACHE CORPORATION
CENTRAL REGION
TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

STATE C TR. 12 # 15
SEC 16-T21S-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 1
WELL INFORMATION

DATE: 5/26/04 DWG: PROD (CURTIS)OCD-NM2004 SAN ANDRES)

SAN ANDRES
NET PAY ● **OPERATOR**
WELL LABEL



YATES-SEVEN RIVERS-QUEEN

GRAYBURG

BLINEBRY-TUBBS-DRINKARD

ABO

LOWER PALEOZOIC

SAN ANDRES

Age Group	Number of People
18-24	1,500
25-34	1,200
35-44	1,000
45-54	800
55-64	600
65+	400

1333 FEET

Apadre
CORPORATION
CENTRAL REGION
TWO WARREN PLACE, SUITE 1500
6120 SOUTH YALE
TULSA, OKLAHOMA 74136-4224

STATE C TR. 12 #15

SEC 16-T21 S-R37E
LEA COUNTY, NEW MEXICO

EXHIBIT 2
SAN ANDRES
NET PAY

DATE: 5/26/04 DWG: PROD (CURTIS\OCD-NM\2004 SAN ANDRES)

