

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



NSL-6858

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 PPR

- [D] Other: Specify _____

Apache Corp.
 30-015-41498
 AB State 677 #/4

[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.

David Catanach
 Print or Type Name

David Catanach
 Signature

Agent for Apache Corporation
 Title

8/23/13
 Date

drcatanach@netscape.com
 E-Mail Address

August 23, 2013

Hand Delivered

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

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
AB State 647 No. 14
API No. (30-015-41498)
330' FSL & 1090' FWL (Unit M)
Section 32, T-17 South, R-28 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Apache Corporation ("Apache") respectfully requests administrative approval of an unorthodox oil well location for its proposed AB State 647 No. 14. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830) at an unorthodox oil well location 330 feet from the South line and 1090 feet from the West line (Unit M) of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

The proposed AB State 647 No. 14 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 SW/4 of Section 32. This unit is currently dedicated to Apache's proposed: i) AB State 647 No. 11 (API No. 30-015-41495) located at a standard well location 920 feet from the South line and 960 feet from the West line; ii) AB State 647 No. 12 (API No. 30-015-41496) located at a standard well location 910 feet from the South line and 330 feet from the West line; and iii) AB State 647 No. 13 (API No. 30-015-41497) located at an unorthodox location 220 feet from the South line and 350 feet from the West line.

The Artesia Glorieta-Yeso Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

The attached vicinity map shows that the proposed unorthodox is necessary in order to avoid existing lease roads and buried cables within the drill tract.

The affected offset tracts are the SE/4 SW/4 of Section 32, and the NE/4 NW/4 of Section 5, Township 18 South, Range 28 East. The SE/4 SW/4 of Section 32 is an existing 40-acre spacing unit in the Artesia Glorieta-Yeso Pool that is operated by Apache. Please note that the working interest ownership between the SW/4 SW/4 and the SE/4 SW/4 of Section 32 is common. There are currently no Glorieta-Yeso producing wells within the NE/4 NW/4 of Section 5. The leasehold owners of this tract are Apache Corporation and Oxy USA, Inc. Notice of this application is being provided to Oxy USA, Inc. in accordance with Division rules.

Attached is a Form C-102 showing the proposed well, spacing unit, other wells in the spacing unit and the affected offset acreage. Also attached is a vicinity map.

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Artesia Glorieta-Yeso Pool underlying the SW/4 SW/4 of Section 32 that may otherwise not be recovered by the existing or proposed producing wells, thereby preventing waste, and will not violate correlative rights.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent
Apache Corporation
303 Veterans Airpark Lane
Suite 3000
Midland, Texas 79705

Xc: OCD-Artesia

District I.
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-41498	Pool Code 96830	Pool Name Artesia Glorieta-Yeso Pool
Property Code 39734	Property Name AB State 647	Well Number 14
OGRID No. 873	Operator Name Apache Corporation	Elevation 3678

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	32	17 South	28 East		330	South	1090	West	Eddy

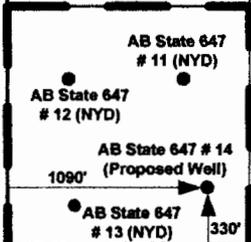
Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidate Code	Order No.
40			

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 align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained 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 bottomhole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
				<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>



Affected Offset Tract
Apache-Operator
WI Ownership
Common w/Drill Tract

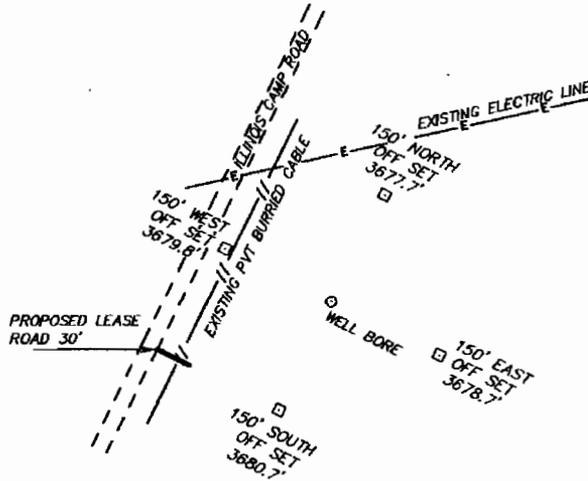
Affected Offset Tract
Leasehold Owners:
Apache Corporation
Oxy USA, Inc.

← **Unit C, Section 5, T-18 South, R-28 East**

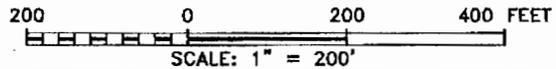
SECTION 32, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

APACHE CORPORATION
AB STATE 647 #14
ELEV. - 3678

SURFACE LOCATION
Lat - N 32°47'04.20"
Long - W 104°12'09.60"
NMSPC - N 848157.04
E 581487.31
(NAD-83)
Lat - N 32°47'03.77"
Long - W 104°12'07.71"
NMSPC - N 649094.13
E 540318.14
(NAD-27)



WELL IS LOCATED 12 MILES SOUTHEAST OF ARTESIA, NEW MEXICO.



Directions to Location:

FROM HIGHWAY 82 AND ILLINOIS CAMP GO SOUTH .5
MILES THEN TURN WEST TO PROPOSED LOCATION.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 28810

Drawn By: D. JONES

Date: 06-12-2013

Disk: DAJ 28810

APACHE CORPORATION	
REF: AB STATE 647 #14/ WELL PAD TOPO	
THE AB STATE 647 #14 LOCATED 330'	
FROM THE SOUTH LINE AND 1090' FROM THE WEST LINE OF	
SECTION 32, TOWNSHIP 17 SOUTH, RANGE 28 EAST,	
N.M.P.M., EDDY COUNTY, NEW MEXICO.	
Survey Date: 06-06-2013	Sheet 1 of 1 Sheets

August 23, 2013

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 79710

Re: Apache Corporation
Unorthodox Oil Well Location
AB State 647 No. 14 (API No. 30-015-41498)
330' FSL & 1090' FWL (Unit M)
Section 32, T-17 South, R-28 East, NMPM,
Artesia Glorieta-Yeso Pool
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Apache Corporation ("Apache") for authorization to drill it's AB State 647 No. 14 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 330 feet from the South line and 1090 feet from the West line (Unit M) of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 SW/4 of Section 32. This unit is currently dedicated to Apache's proposed AB State 647 Wells No. 11, 12 and 13. The unorthodox location is necessary in order to avoid existing lease roads and buried cables.

As the owner of an interest that may be affected by the proposed unorthodox oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach
Agent-Apache Corporation
303 Veterans Airpark Lane
Suite 3000
Midland, Texas 79705

Enclosure

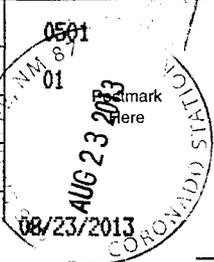
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7013 0600 0001 8715 1356

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MIDLAND TX 79710

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Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$6.77



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Oxy USA, Inc.
P.O. Box 50250
Midland, Texas 79710

PS Form 3849, June 2012
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