State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



May 2, 2014

Apache Corporation Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7073
Administrative Application Reference No. pMAM1411943845

Apache Corporation OGRID 873 Tony Federal Well No. 51 API No. 30-015-41990

Proposed Location:

	Footages	<u>Unit</u>	Sec.	Twsp	Range	County_
Surface	1340 FSL & 2220 FWL	K	18	17S	31E	Eddy
Terminus	990 FSL & 2210 FWL	N	18	17 S	31E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
SE/4 SW/4 of Section 18	40	Cedar Lake; Glorieta-Yeso	96831

Reference is made to your application received on April 29, 2014.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary.

Lot 4 of Section 18 is an irregular Section comprising of 32.31 acres. The dimensions of this irregular Section are 1320 feet high, and 1066 feet wide, thereby making the top of the producing interval of this well which is 1119 feet from the South line and 2214 feet from the West line unorthodox.

An unorthodox location is also necessary to avoid numerous surface obstructions in Unit N including well pads, roads, electric lines and pipelines.

May 2, 2014 Page 2

Your application has been duly filed under the provisions of Division Rules 15.13 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on May 2, 2014.

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Jami Bailey Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management - Carlsbad