

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



September 9, 2014

Apache Corporation
Attn: Ms. Reesa Fisher

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7153
Administrative Application Reference No. pMAM1424038412

Apache Corporation
OGRID 873
McDonald State A/C 2 Well No. 38
API No. 30-025-41812

Proposed Location:

	<u>Pool</u>	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface		2525 FNL & 1070 FEL	H	13	22S	36E	Lea
Top perforations	Tubb	2346 FNL & 1002FEL	H	13	22S	36E	Lea
Top perforations	Drinkard	2333 FNL & 997FEL	H	13	22S	36E	Lea
Top perforations	Abo	2327 FNL & 995FEL	H	13	22S	36E	Lea
Terminus		2306 FNL & 991FEL	H	13	22S	36E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 NE/4 of Section 13	40	Tubb Oil and Gas (Oil)	60240
SE/4 NE/4 of Section 13	40	Drinkard	19190
SE/4 NE/4 of Section 13	40	Wantz; Abo	62700

Reference is made to your application received on August 28, 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.

An unorthodox location is necessary to avoid surface obstruction in Unit H.

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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.

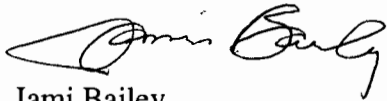
Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

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.

This Administrative Order is done in conjunction with Administrative Order DHC-4696, issued on September 9, 2014.

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 September 9, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals