

DATE IN 7.28.11	SUSPENSE	ENGINEER D.K.B.	LOGGED IN 7.28.11	TYPE	APP NO. 1120935325
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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
RECEIVED OGD

EW Weldon #17

2011 JUL 28 A 9:35

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 _____

Free
Lea

[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

7/28/11
Date

drcatanach@netscape.com
E-Mail Address

July 28, 2011

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
E W Walden Well No. 17
API No. (N/A)
2140' FSL & 1200' FWL (Unit L)
Section 15, T-22 South, R-37 East, NMPM,
Paddock, Blinebry (Oil), Tubb (Oil), Drinkard & Wantz-Abo Pools
Lea 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 E W Walden Well No. 17. This well will be drilled as a development oil well in the Paddock (49210), Blinebry Oil & Gas Pool (Oil-6660), Tubb Oil & Gas Pool (Oil-60240), Drinkard (19190), and Wantz-Abo (62700) Pools at an unorthodox oil well location for all horizons 2140 feet from the South line and 1200 feet from the West line (Unit L) of Section 15, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

The proposed E W Walden No. 17 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Blinebry Oil & Gas Pool comprising the NW/4 SW/4 of Section 15. This unit is currently dedicated to Apache's E W Walden No. 4 (API No. 30-025-10272) located 1980 feet from the South line and 660 feet from the West line.

The proposed E W Walden No. 17 will also be dedicated to an existing standard 40-acre spacing and proration unit in the Tubb Oil & Gas Pool comprising the NW/4 SW/4 of Section 15. This unit is currently dedicated to Apache's E W Walden No. 5 (API No. 30-025-10273) located 1880 feet from the South line and 660 feet from the West line.

In the Paddock, Drinkard and Wantz-Abo Pools, the proposed E W Walden No. 17 will be dedicated to the NW/4 SW/4 of Section 15 thereby forming a standard 40-acre oil spacing and proration unit for each of these pools.

The Paddock, Drinkard and Wantz-Abo Pools are all 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 Blinebry and Tubb Oil & Gas Pools are currently governed by the General Rules and Regulations for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Blinebry and Tubb Oil & Gas Pools as established by Order No. R-8170, as amended. These rules require standard 160-acre gas spacing and proration units and 40-acre oil spacing and proration units. Setback requirements for gas wells to which more than 40 acres is dedicated are 660 feet to the outer boundary of the spacing unit or of the quarter section, and 330 feet to any governmental quarter-quarter section. The setback requirement for oil wells and gas wells to which no more than 40 acres is dedicated is 330 feet to the outer boundary of the spacing unit.

The E W Walden No. 17 is being drilled as an infill location between existing Paddock, Blinebry, Tubb, Drinkard and Wantz-Abo producers. A well at this location should recover additional oil and gas reserves from the target reservoirs that will otherwise not be drained by the existing wells, thereby preventing waste.

In support of the application, the following tables show the offset wells, drainage areas, estimated ultimate oil and gas recoveries, cumulative oil and gas production and current daily oil and gas producing rates (as of 4/2011 unless otherwise noted.) **(Note: drainage areas were calculated from SophiH taken off contoured isopach maps or from log calculations.)**

Operator	Well Name & Number	Unit	Reservoir	SophiH (Ft)	Area (Acres)	EUR (MBO)	EUR (MMCFG)
Apache	E W Walden No. 2	K	Blinebry/Drinkard	10	29.39	113	2,409
Apache	E W Walden No. 3	N	Paddock/Tubb	10	7.71	30	213
Apache	E W Walden No. 4	L	Blinebry/Drinkard	9.5	11.74	47	2,079
Apache	E W Walden No. 5	L	Tubb/Drinkard	9.5	31.84	128	933
Apache	E W Walden No. 6	M	Blinebry/Tubb/Drinkard	7	30.67	168	713
Apache	E W Walden No. 7	N	Blinebry/Drinkard	9	36.41	155	3,725
Apache	E W Walden No. 9	K	Blinebry/Tubb/Drinkard	10	2.61	10	200
Apache	E W Walden No. 10	N	Blinebry/Tubb/Drinkard	7.5	2.15	11	137

Operator	Well Name & Number	Unit	Reservoir	Cum Oil (MBO)	Cum Gas (MMCFG)	Daily Oil (Bbls)	Daily Gas (MCFG)
Apache	E W Walden 2	K	Blinebry/Tubb	27.6	388	1.6	6.6
Apache	E W Walden 3	N	Paddock/Tubb	24.4	121	9.0	62
Apache	E W Walden 4	L	Blinebry/Drinkard	24.4	224	1.1	14.0
Apache	E W Walden 5	L	Tubb/Drinkard	12.8	347	0.225	27.0
Apache	E W Walden 6	M	Blinebry/Tubb/Drinkard	34.8	145	1.5	12.0
Apache	E W Walden 7	N	Blinebry/Drinkard	28.6	279	1.8	19.5
Apache	E W Walden 9	K	Blinebry/Tubb/Drinkard	10.3	190	5.0	114
Apache	E W Walden 10	N	Blinebry/Tubb/Drinkard	11.4	144.9	6.6	105

Utilizing the average offset drainage areas and SophiH and applying it to the proposed location for the E W Walden No. 17 results in an estimated recovery of 60 MBO and 600 MMCF of gas from the Paddock, Blinebry, Tubb, Drinkard and Wantz-Abo reservoirs.

The affected offset acreage with regards to the unorthodox location in all horizons is the NE/4 SW/4 of Section 15. This affected offset unit is an existing 40-acre spacing and proration unit in the Blinebry, Tubb, Drinkard and Wantz-Abo Pools that is currently operated by Apache. Please be advised that the E W Walden Lease comprises the SW/4 of Section 15, and that Apache owns 100% of the working interest in this lease. Consequently notice of this application is not required to any party.

Attached is a Form C-102.

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Paddock, Blinebry Oil & Gas, Tubb Oil & Gas, Drinkard and Wantz-Abo Pools underlying the NW/4 SW/4 of Section 15 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
6120 S. Yale, Suite 1500
Tulsa, Oklahoma 74136

Xc: OCD-Hobbs

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

30-025-40208
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number N/A	Pool Code 49210, 6660, 60240, 19190 & 62700	Pool Name Paddock, Blinebry Oil & Gas (Oil), Tubb Oil & Gas (Oil), Drinkard & Wantz-Abo
Property Code	Property Name E W Walden	Well Number 017
OGRID No. 873	Operator Name Apache Corporation	Elevation 3399'

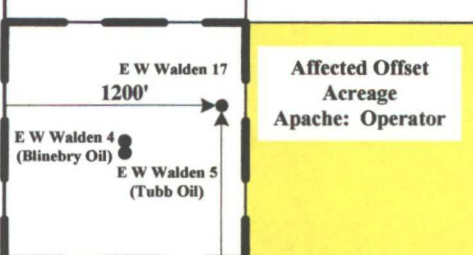
Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	15	22 South	37 East		2140'	South	1200'	West	Lea

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 40	Joint or Infill	Consolidate Code	Order No.						

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

				OPERATOR CERTIFICATION <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>
				Signature _____ Date _____
				Printed Name _____
				E-mail Address _____
				SURVEYOR CERTIFICATION <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>
				Date of Survey _____
				Signature and Seal of Professional Surveyor: _____
				Certificate Number _____