

ABOVE THIS LINE FOR DIVISION USE ONLY

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



PTGW  
 Apache 873

Tony Federal #307

**ADMINISTRATIVE APPLICATION CHECKLIST** 50015-40172

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

6619

**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 \_\_\_\_\_

CB-19-175-3/E

[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

4/23/12  
 Date

drcatanach@netscape.com  
 E-Mail Address

April 23, 2012

**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  
Tony Federal No. 39  
API No. (30-015-40172)  
1115' FNL & 1455' FWL (Unit C)  
Section 19, T-17 South, R-31 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 Tony Federal No. 39. This well will be drilled as a development oil well in the Cedar Lake Glorieta-Yeso Pool (96831).

The proposed Tony Federal No. 39 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the NE/4 NW/4 of Section 19. This unit is currently dedicated to Apache's: i) existing Tony Federal No. 6Y (API No. 30-015-30721) located at an unorthodox well location 245 feet from the North line and 1499 feet from the West line; and ii) existing Tony Federal No. 23 (API No. 30-015-33388) located at standard well location 990 feet from the North line and 2057 feet from the West line.

The Cedar Lake 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 proposed unorthodox well location is necessary in order to avoid a huge ravine, which is major drainage area within this quarter-quarter section.

The affected offset acreage is the W/2 NW/4 and SE/4 NW/4 of Section 19. All three affected offset 40-acre tracts are currently being developed in the Cedar Lake Glorieta-Yeso Pool by numerous wells operated by Apache Corporation. Please note that the working interest ownership between the NE/4 NW/4 and the three affected offset 40-

acre tracts is common. Consequently, notice of this application is not required to any party.

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

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Cedar Lake Glorieta-Yeso Pool underlying the NE/4 NW/4 of Section 19 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 <b>30-015-40172</b>		Pool Code <b>96831</b>	Pool Name <b>Cedar Lake Glorieta-Yeso Pool</b>
Property Code <b>308738</b>	Property Name <b>Tony Federal</b>		Well Number <b>39</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>		Elevation <b>3,672'</b>

**Surface Location**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	19	17 South	31 East		1115	North	1455	West	Eddy

**Bottom Hole Location If Different From Surface**

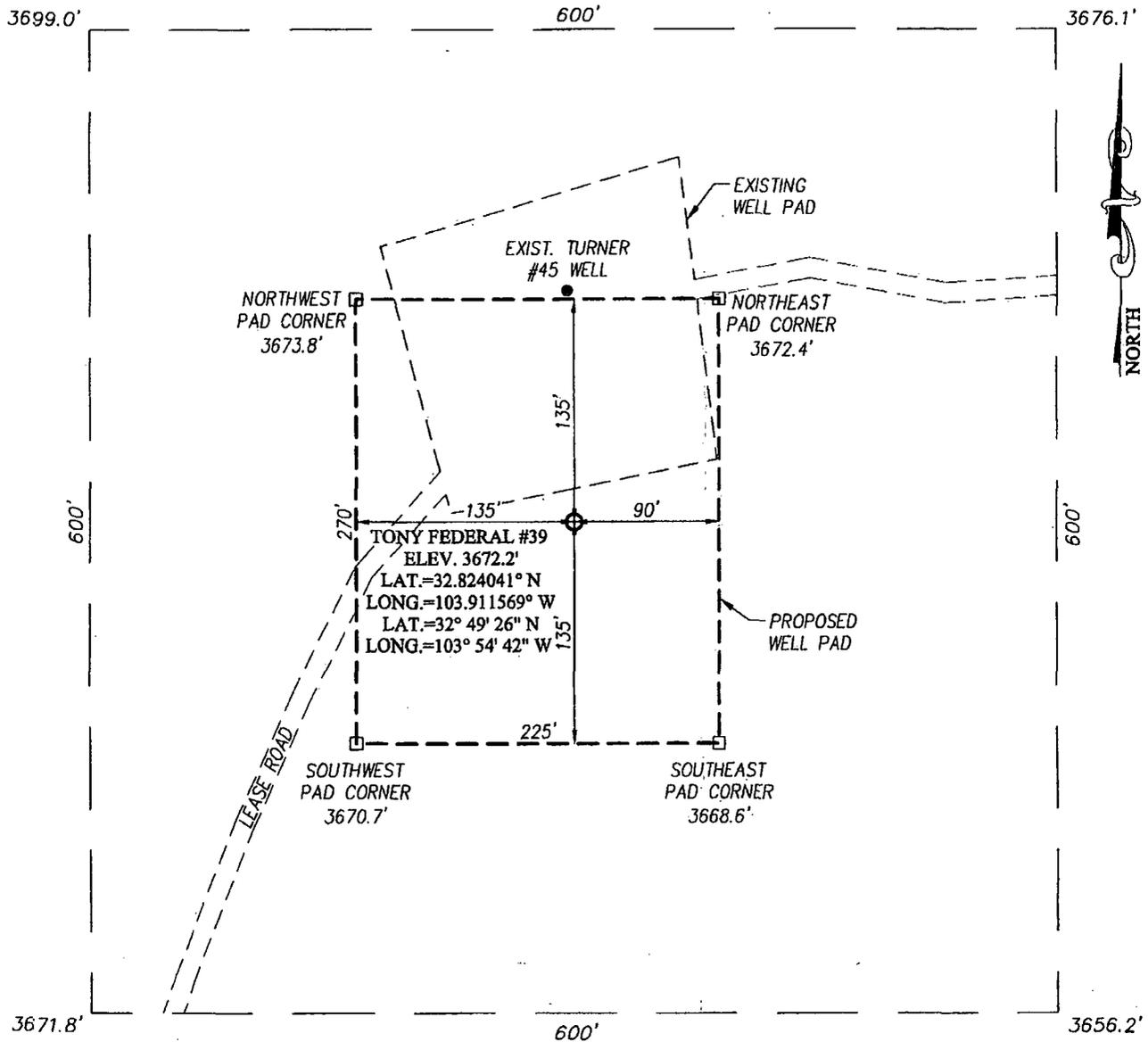
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <b>40</b>	Joint or Infill	Consolidate Code	Order No.
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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

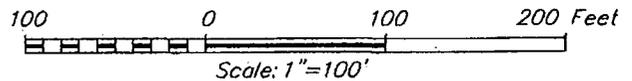
<p>The diagram shows a yellow-shaded area representing the affected offset acreage. It includes Lot 1, Tony Federal 6Y (Existing), Tony Federal 23 (Existing), and Tony Federal 39 (Proposed Well). Distances of 1115' and 1455' are marked. A box indicates 'Affected Offset Acreage Operator: Apache WI Ownership common w/drill tract'. Acreage values are 32.41 AC., 32.51 AC., 32.61 AC., and 32.71 AC.</p>	<p><b>OPERATOR CERTIFICATION</b></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><b>SURVEYOR CERTIFICATION</b></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>

SECTION 19, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #221 (SKELLY RD.), GO NORTH ON CO. RD. #221 APPROX. 0.2 MILES. TURN RIGHT AND GO EAST APPROX. 0.2 MILES. TURN LEFT AND GO NORTH APPROX. 640 FEET TO THE EXISTING TURNER #45 WELL. THIS LOCATION STAKE IS APPROX. 140 FEET SOUTH OF THE EXISTING WELL HEAD.



**APACHE CORPORATION**

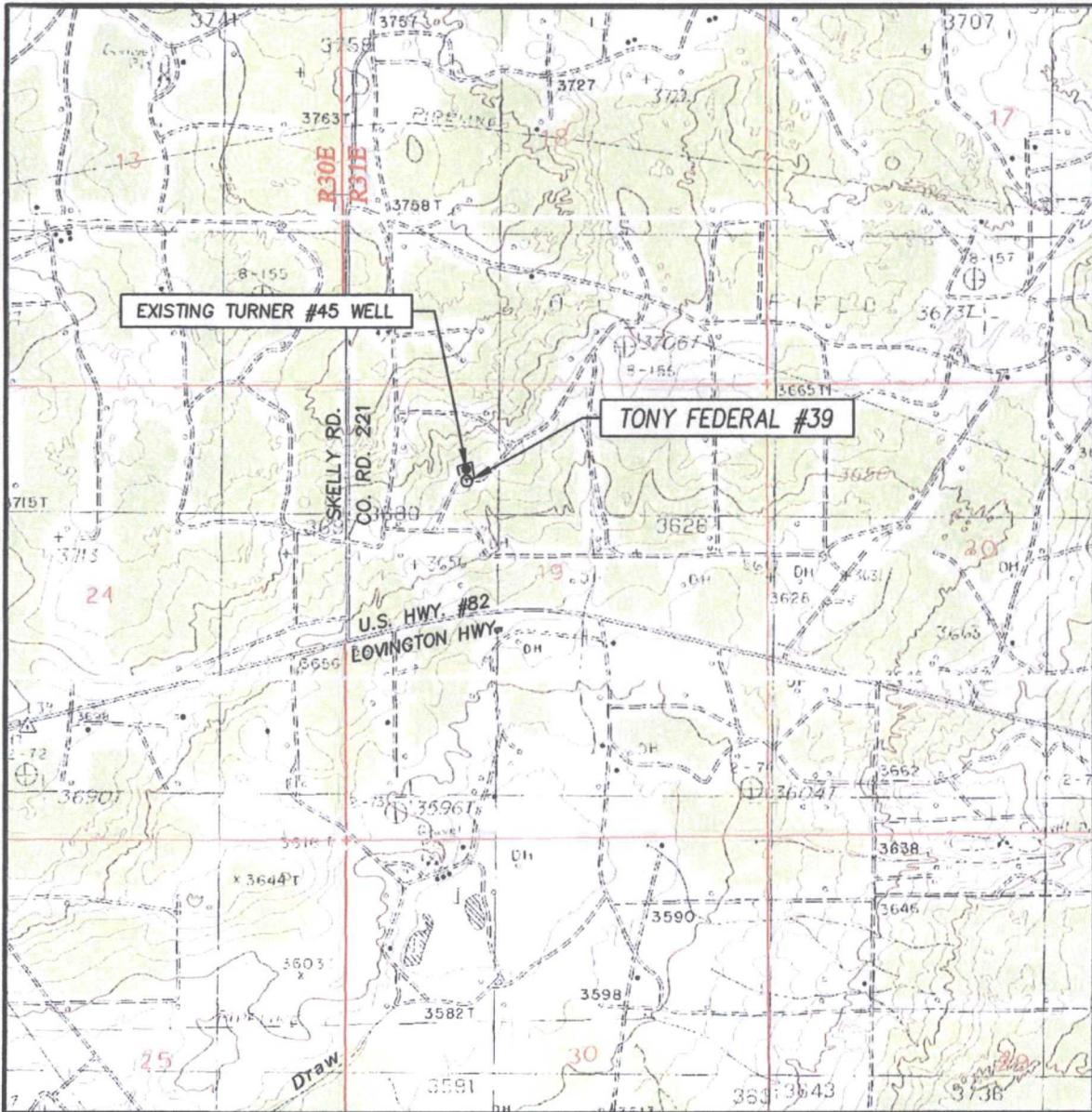
TONY FEDERAL #39 WELL  
 LOCATED 1115 FEET FROM THE NORTH LINE  
 AND 1455 FEET FROM THE WEST LINE OF SECTION 19,  
 TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 6/29/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0952	Dr. By: DSS
Date: 7/15/11	Rel. W.O.: 11110952
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
LOCO HILLS, N.M. - 10'

SEC. 19 TWP. 17-S RGE. 31-E

SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1115' FNL & 1455' FWL

ELEVATION 3672'

OPERATOR APACHE CORPORATION

LEASE TONY FEDERAL

U.S.G.S. TOPOGRAPHIC MAP  
LOCO HILLS, N.M.



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