

ABOVE THIS LINE FOR DIVISION USE ONLY

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



873 Apache Corp
 30-015-39221
 Birdie Federal #17
 ULH 17S 30E

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
 X NSL NSP SD

Birdie Federal 17
 30-015-39221

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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 _____

- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] X Working, Royalty or Overriding Royalty Interest Owners
- [B] X 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] X 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.

Brian Wood

Consultant

7-16-12

Print or Type Name

Signature

Title

Date

brian@permitswest.com

e-mail Address

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

**REQUEST FOR ADMINISTRATIVE APPROVAL
NONSTANDARD LOCATION
APACHE CORPORATION
BIRDIE FEDERAL 17
2435' FNL & 1055' FEL
SECTION 17, T. 17 S., R. 30 E., EDDY COUNTY, NM
API 30-015-39221**

I. The well is on BLM oil and gas lease NMNM-074936 and BLM surface. The well bore is 205' from the closest lease line. The proposed oil well is nonstandard for the Loco Hills; Glorieta-Yeso Pool (96718) due to land uses (Frontier pipelines and valve station). A copy of the APD cover sheet is attached (Exhibit A).

Apache requests a nonstandard location due to land uses. Besides Frontier's facilities, there are also 3 Yeso wells, 2 Grayburg Jackson; SR-Q-G-SA wells, 1 Morrow well, 1 plugged and abandoned well, BLM rights-of-way (NM Gas Company pipeline, Duke pipeline, Navajo Refining pipeline, 3 Central Valley power lines), and numerous other pipelines and roads authorized via Sundry Notices.

The 40 acre BLM lease comprises the SENE Section 17. The well was planned to be staked at 2310 FNL & 990 FEL. However, that would interfere with 2 Frontier pipelines, Frontier valves and meters, and an overhead power line (see Exhibit B).

A standard location must be at least 330' from the quarter-quarter line. The well bore is 200' from the closest quarter-quarter line (see C-102 as EXHIBIT C).

II. A C-102 form showing the well and 40 acre pro ration unit (SENE Section 17) is attached as EXHIBIT C.

The oil and gas lease boundary is marked as a solid line on the attached (EXHIBIT D) topographic map. The well bore encroaches 65' too far west (SWNE Section 17) and 125' too far south (NESE Section 17). The NWSE Section 17 is 335' southwest. There are 7 existing Yeso wells in the encroached quarter-quarters (SWNE & NESE Section 17). Apache operates all 7 Yeso wells in those 2 encroached quarter-quarters and BLM is the lessor in those 2 encroached quarter-quarters.

III. See Exhibit E for existing Yeso wells (circles). Apache operates all existing Yeso wells (circles on Exhibit E) in the S2NE4 and N2SE4 Section 17. COG operates all existing Yeso wells in the other 5 quarter-quarters. Closest (538' south) existing Yeso well is Apache's Red Federal 7 (30-015-36740) at 2310 FSL & 990 FEL Section 17. Next closest (746' southwest) existing Yeso well is Apache's Red Federal 4 (30-015-30698) at 2310 FSL & 1575 FEL Section 17. This information is current and correct.

IV. See Exhibits C, D, and E for the proposed well, proration unit, drilling windows, and all wells. Apache does not believe it is cost effective to directionally drill from an existing pad. They have a horizontal Yeso well (30-015-35056) five miles east. Based on their experience with that well, they do not believe it is cost effective to directionally drill to a standard location.

V. See Exhibits B and D for surface uses (Frontier's facilities, 3 Yeso wells, 2 Grayburg Jackson; SR-Q-G-SA wells, 1 Morrow well, 1 plugged and abandoned well, NM Gas Company pipeline, Duke pipeline, Navajo Refining pipeline, 3 Central Valley power lines, and numerous other pipelines and roads that prevent use of a standard location.

VI. Archaeology is not an issue.

VII. The well was planned to be staked at 2310 FNL & 990 FEL. However, an overhead 3 phase power line, Frontier valve station, and 2 Frontier pipelines blocked that option (see Exhibit B).

VIII. Apache does not believe directional drilling to a legal bottom hole location is cost effective.

IX. I hereby certify that Apache Corporation and its partners have 100% of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit and the adjacent quarter-quarters (SWNE & NSE4 Section 17) on one or more of the two sides or the single closest corner to the proposed well toward which it encroaches and that the information is current and correct.

I hereby attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see EXHIBIT

11-183

OCD Artesia

Form 3160-3
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM-0074936
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator APACHE CORPORATION <873>		7. If Unit or CA Agreement, Name and No.
3a. Address 303 VETERNAS AIRPARK LN #3000 MIDLAND, TX 79705		8. Lease Name and Well No. BIRDIE FEDERAL #017 <308707>
3b. Phone No. (include area code) 432-818-1167		9. API Well No. 30-015- 39221
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 2435' FNL & 1055' FEL (H) UNORTHODOX LOCATION At proposed prod. zone SAME		10. Field and Pool, or Exploratory LOCO HILLS; GLORIETA-YESO <96718>
11. Sec., T. R. M. or Blk. and Survey or Area UL: H SEC: 17 T17S R30E		12. County or Parish EDDY
14. Distance in miles and direction from nearest town or post office* APPROX 5 MILES SOUTHWEST OF LOCO HILLS, NM		13. State NM
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1055'	16. No. of acres in lease 280	17. Spacing Unit dedicated to this well 40 ACRES
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 360' +/-	19. Proposed Depth 6500'	20. BLM/BIA Bond No. on file BLM - CO - 1463 NATIONWIDE
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3677'	22. Approximate date work will start* 03/31/2011	23. Estimated duration 14 DAYS

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24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Sorina L Flores</i>	Name (Printed/Typed) SORINA L FLORES	Date 03/22/2011
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Title
DRILLING TECH

Approved by (Signature) <i>/s/ James A. Amos</i>	Name (Printed/Typed) JAMES A. AMOS	Date JUL - 6 2011
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Title
FIELD MANAGER
Office
CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.
APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

OCD CONDITION OF APPROVAL of Drilling
Intent to drill ONLY --- CANNOT produce until the Non-Standard
Location has been approved by OCD Santa Fe office

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

EXHIBIT A

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

ROSWELL CONTROLLED WATER BASIN



SECTION 17, TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

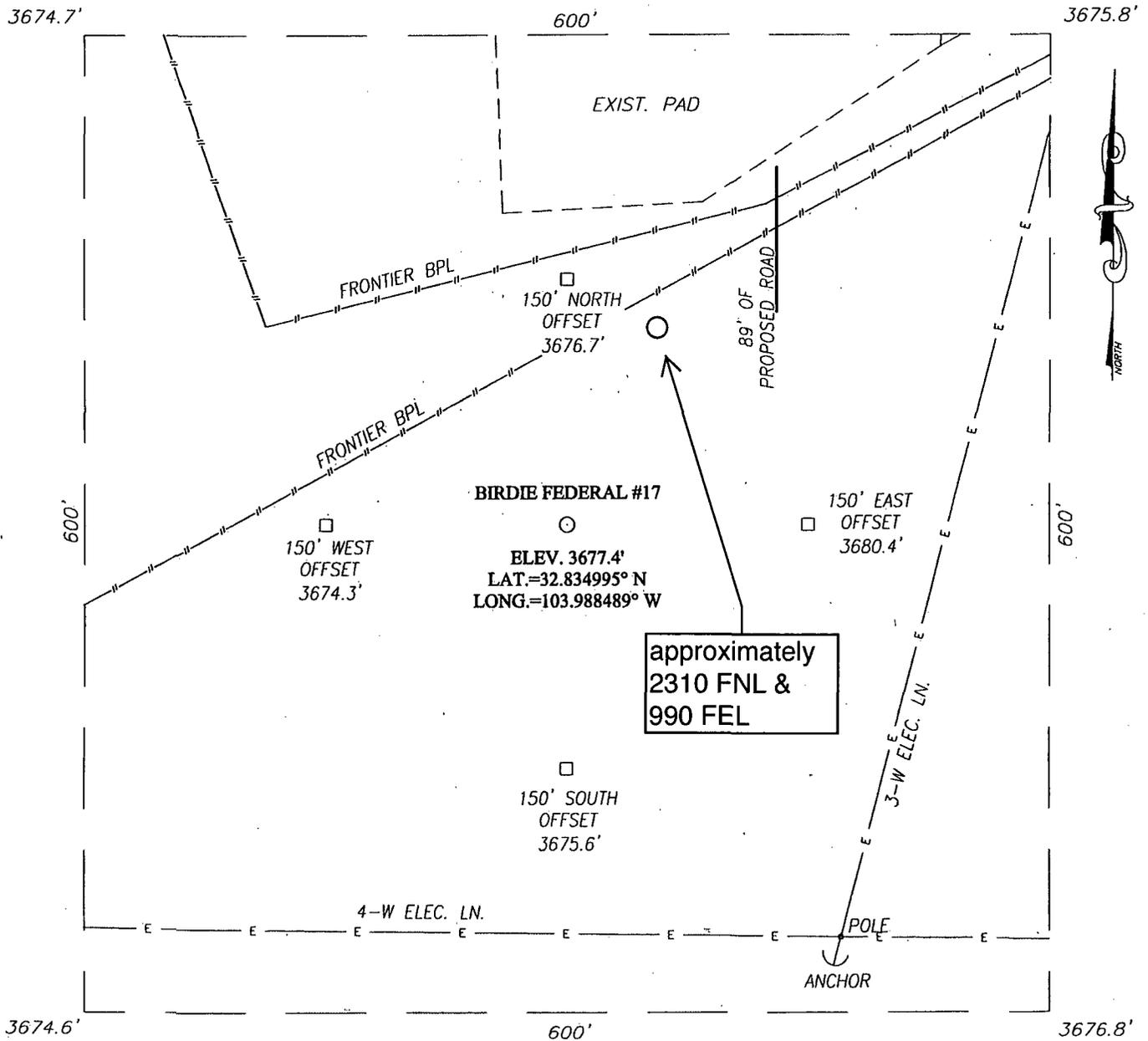
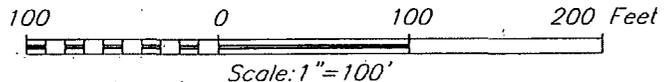


EXHIBIT B

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #217 (HAGERMAN CUTOFF), GO NORTH ON CO. RD. #217 APPROX. 1.2 MILE. TURN LEFT AND GO WEST APPROX. 0.2 MILES. TURN LEFT AND GO SOUTHWEST APPROX. 0.1 MILE TO THE GOLDFISH 17 FEDERAL #1 WELL LOCATION. THE LOCATION STAKE IS 200 FEET SOUTH.



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

APACHE CORPORATION

BIRDIE FEDERAL #17 WELL
 LOCATED 2435 FEET FROM THE NORTH LINE
 AND 1055 FEET FROM THE EAST LINE OF SECTION 17,
 TOWNSHIP 17 SOUTH, RANGE 30 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO

Survey Date: 12/12/10	Sheet 1 of 1 Sheets	
W.O. Number: 10.11.1828	Dr By: LA	Rev 1: N/A
Date: 1/6/11	10111828	Scale: 1"=100'



Frontier valves, meters, & pipelines near "standard location"

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Pa

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-39221	Pool Code 96718	Pool Name Loco Hills; Glorieta - Yeso
Property Code 308707	Property Name BIRDIE FEDERAL	Well Number 17
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3677'

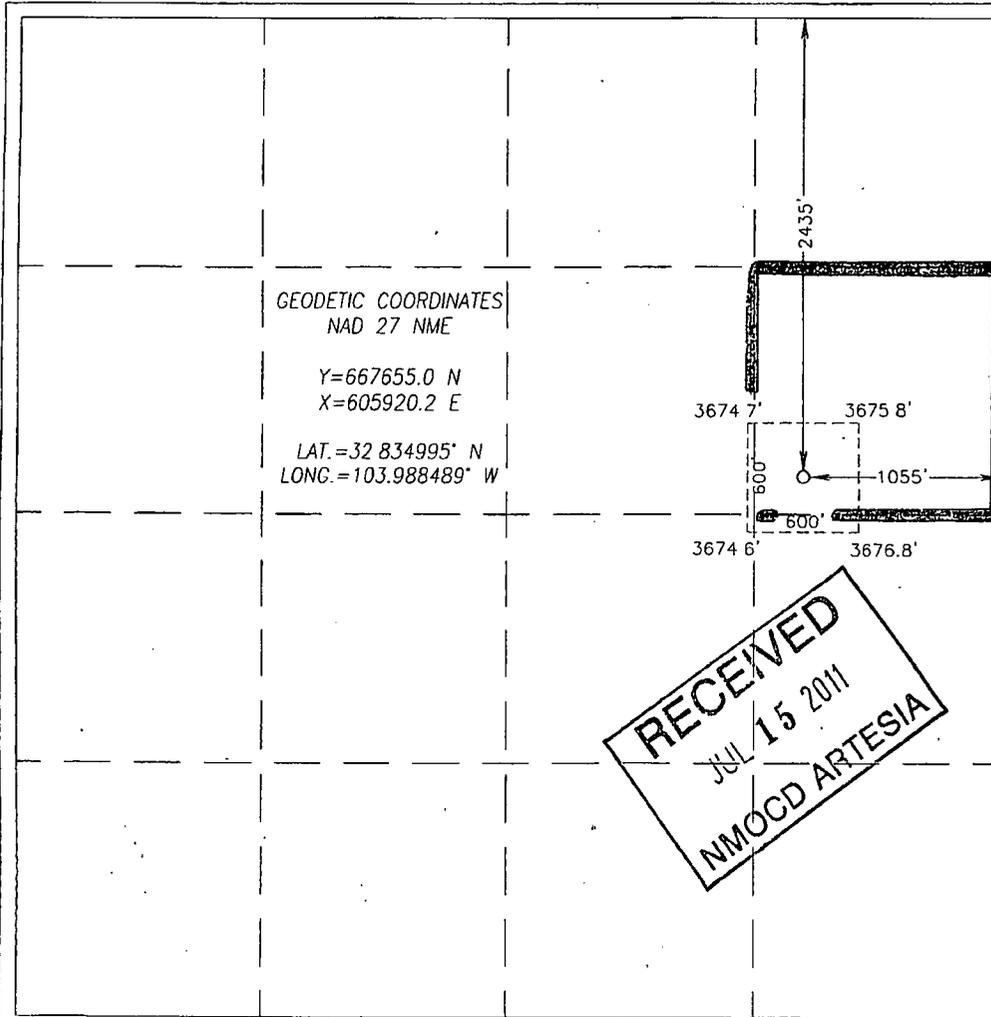
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	17	17-S	30-E		2435	NORTH	1055	EAST	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 40	Joint or Infill	Consolidation 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



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OPERATOR CERTIFICATION

I hereby certify that the information 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 bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: Sorina L. Flores 11/25/11
Date

Printed Name: Sorina L. Flores

SURVEYOR CERTIFICATION

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.

EXHIBIT C

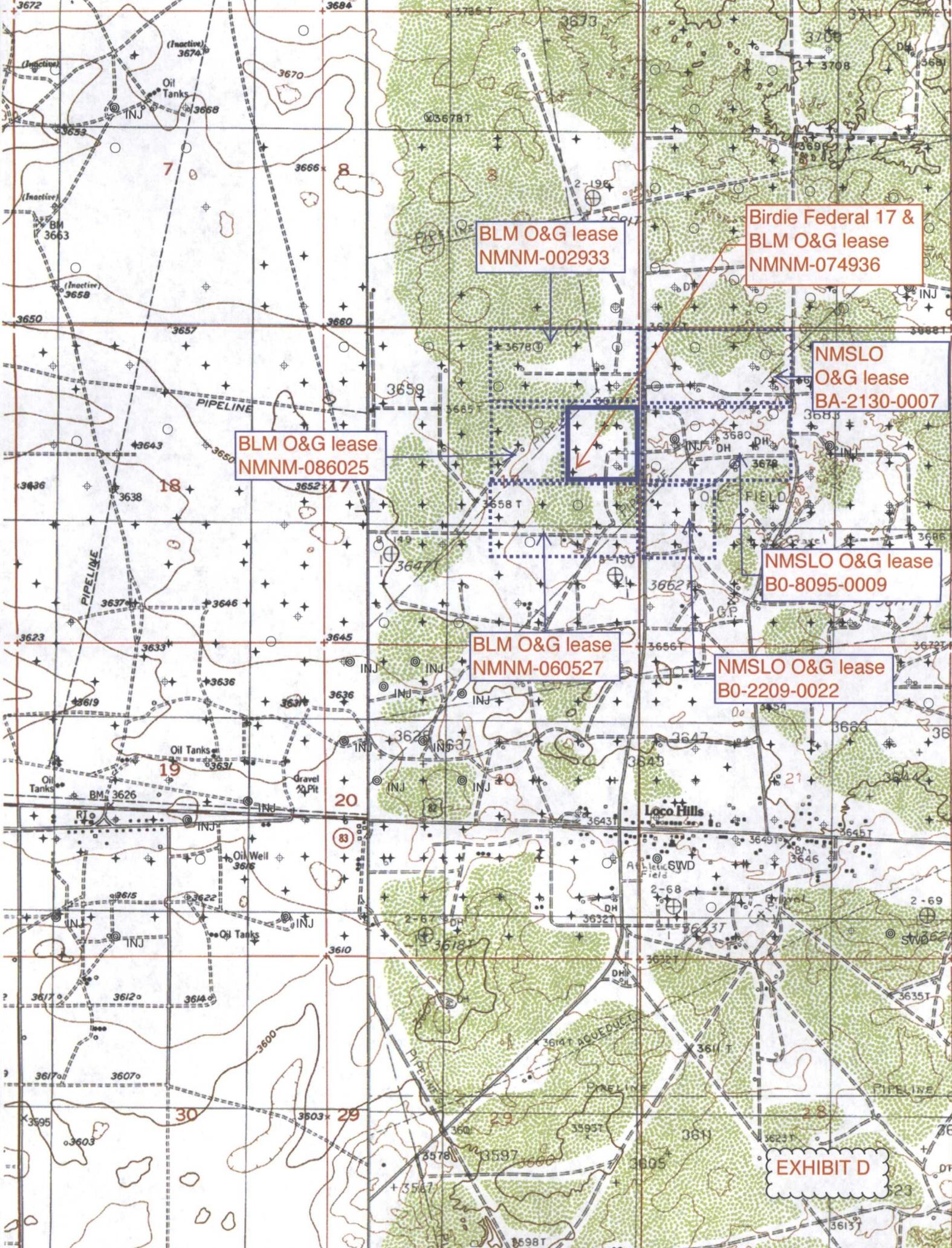
DECEMBER 27, 2010

Date Surveyed: _____ LA

Signature & Seal of Professional Surveyor: Ronald N. Eidson 01/06/2011

Certificate No. GARY G. EIDSON 12641
RONALD N. EIDSON 3239

(Handwritten initials)



BLM O&G lease
NMNM-002933

Birdie Federal 17 &
BLM O&G lease
NMNM-074936

NMSLO
O&G lease
BA-2130-0007

BLM O&G lease
NMNM-086025

NMSLO O&G lease
B0-8095-0009

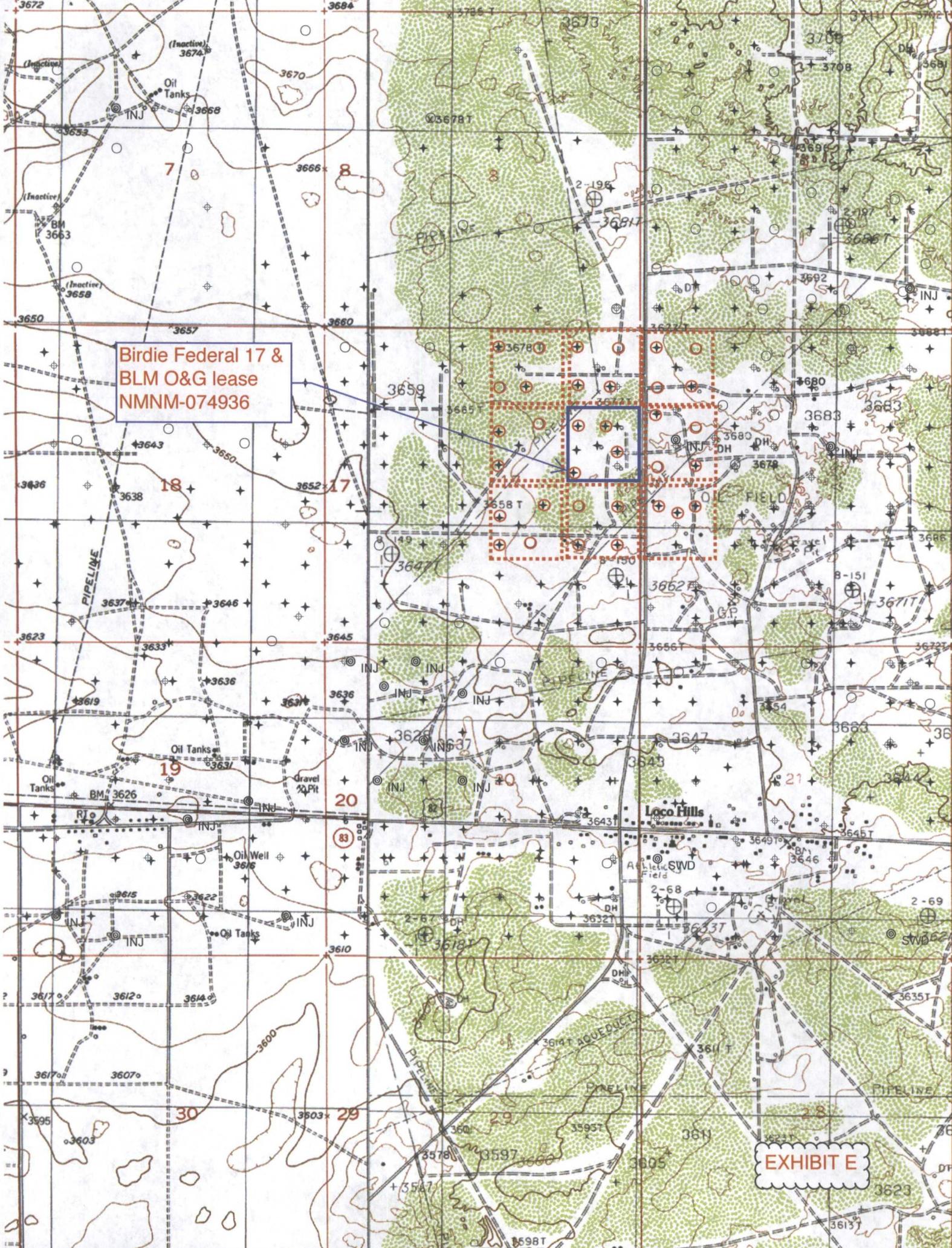
BLM O&G lease
NMNM-060527

NMSLO O&G lease
B0-2209-0022

EXHIBIT D

Birdie Federal 17 &
BLM O&G lease
NMNM-074936

EXHIBIT E



PERMITS WEST, INC.
 PROVIDING PERMITS for LAND USERS
 37 Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

July 15, 2012

David Evans
 COG Operating LLC
 550 West Texas Ave., Suite 100
 Midland, TX 79701

Dear Mr. Evans:

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

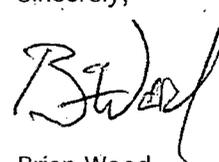
Apache Corporation is applying for NSL approval for its Birdie Federal 17 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 65' further west and 125' further south than is standard (see attachment). Thus, it is a nonstandard location. The NSL is due to land uses.

Well Name: Birdie Federal 17 ID: 6,454'
Proposed NSL Zone: Loco Hills; Glorieta-Yeso
NSL Acreage Dedication: 40 acres (SENE Section 17, T. 17 S., R.30 E., Eddy County, NM on BLM lease NMNM-074936.
Location: ~1 air mile north of Loco Hills, NM (2435 FNL & 1055 FEL 17-17s-30e)
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland, TX 79705

Submission Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT F

7011 2970 0003 9311 3663

U.S. Postal Service <i>Apache Birdie</i> CERTIFIED MAIL RECEIPT <small>(Domestic Mail Only; No Insurance Coverage Provided)</small>	
<small>For delivery information visit our website at www.usps.com</small>	
OFFICIAL USE	
Postage	\$ 0.45
Certified Fee	\$2.95
Return Receipt Fee <small>(Endorsement Required)</small>	\$2.35
Restricted Delivery Fee <small>(Endorsement Required)</small>	\$0.00
Total Postage & Fees	\$ 5.75
Sent To: <i>COG</i>	
<small>Street, Apt. No., or PO Box No.</small>	
<small>City, State, ZIP+4</small>	

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