

DATE IN 11-26-12	SUSPENSE NA	ENGINEER DB	LOGGED IN 11-26	TYPE NSL	APP NO. 95K81233/53695
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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*

*6718*

**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

*Tony Federal 42*  
 30-015-40387

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] ☐ 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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

brian@permitswest.com

e-mail Address

11-26-12

Date

**REQUEST FOR ADMINISTRATIVE APPROVAL  
NONSTANDARD LOCATION  
APACHE CORPORATION'S  
TONY FEDERAL 42  
2425' FSL & 2160' FWL  
SECTION 18, T. 17 S., R. 31 E., EDDY COUNTY, NM  
API 30-015-40387**

I. The proposed oil well (see APD as Exhibit A) is on BLM surface and BLM oil and gas lease NMLC-029395A (609.43 acres). The well is 215' from the closest lease line (Exhibit B). The proposed oil well is nonstandard for the Cedar Lake; Glorieta-Yeso (Pool 96831) due to land uses.

Apache requests a nonstandard location due to land uses. There are 2 other Apache Yeso oil wells, one Linn Grayburg-Jackson oil well, one Linn water injection well, 3 Central Valley Electric power lines, one COG 3" pipeline, one DCP 4" pipeline, and one Frontier 8" pipeline in the same quarter-quarter (Exhibit C). Exhibit C is a BLM Master Title Plat and shows only pipelines and power lines authorized by rights-of-way. It does not show pipelines, roads, or power lines authorized by an APD or Sundry Notice.

A standard location must be at least 330' from the quarter-quarter line. The well bore is 215' from the north quarter-quarter line (see C-102 as EXHIBIT D). It is 115' too far north.

II. Form C-102 showing the well and 40 acre pro ration unit (NESW Section 18) is attached as Exhibit D.

Exhibit E shows the lease boundaries (solid lines) and existing Yeso acreage dedications (dashed lines). The well encroaches 115' too far north toward the SENW Section 18.

Apache operates all Yeso wells in the S2NE4, SWNE, SW4, and W2SE4 Section 18. There is common ownership in the Yeso in these affected offset quarter-quarters.

Closest Yeso well is Apache's Coffee Federal 2 (30-015-31058), which is 459' northwest at 2410 FNL & 2046 FWL 17-17s-31e. The Coffee Federal 2 is also nonstandard, one of thirteen nonstandard wells within Section 18.

III. The BLM oil and gas lease boundary is marked as a solid line on the attached (Exhibit E) topographic map. The well encroaches to the north toward a different BLM oil and gas lease. Eight existing Yeso pro ration units (see Exhibit E) touch the proposed pro ration unit. All eight are Apache operated. There is common ownership of the Yeso working interest in the quarter-quarter in which the well is located, the quarter-quarter (SENE Section 18) toward which the well encroaches, and the closest cornering quarter-quarters (SWNE & NWSE Section 18). This information is current and correct.

IV. Exhibit F shows the proposed well, proration unit, and all wells. Yeso wells are circled. Apache does not believe directional drilling to a standard location from an existing pad is cost effective for this well.

V. Two other Apache Yeso oil wells, one Linn Grayburg-Jackson oil well, one Linn water injection well, 3 Central Valley Electric power lines, one COG 3" pipeline, one DCP 4" pipeline, and one Frontier 8" pipeline in the same quarter-quarter prevent a standard location.

VI. Archaeology is not an issue.

VII. The well was planned to be staked 2310 FSL & 2160 FWL. However, other existing wells, roads, pipelines, and power lines prevent a standard location.

VIII. Apache does not believe directional drilling to a standard location is cost effective for this well.

IX. I hereby certify that there is common ownership and partner approval of the Yeso working interest in the lease which comprises the proposed 40 acre spacing unit (NESE Section 18), the adjacent quarter-quarter (SENE Section 18) of the side toward which it encroaches, and the single closest corner to the proposed well (SWNE & NWSE Section 18) toward which it encroaches and that the information is current and correct. Therefore, notice to any affected party is not required.

*B. Wood*

Brian Wood, Consultant

*11-26-12*

Date

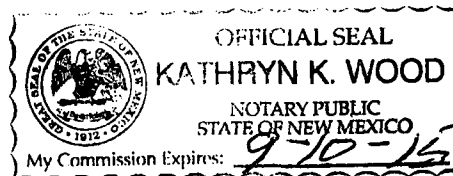
STATE OF NEW MEXICO     )  
  ) SS:  
COUNTY OF SANTA FE     )

The foregoing instrument was acknowledged before me this 26th day of November, 2012 by Brian Wood. Witness my hand and official seal.

*Kathryn K. Wood*  
Notary Public

My Commission Expires: *9-10-15*

Business Address:



cc: Flores, OCD (Artesia & Santa Fe)

## OCD-ARTESIA

ATG-12-368

Form 3160-3  
(April 2004)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

## APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 20075. Lease Serial No.  
NMLC-0029395A

6. If Indian, Allottee or Tribe Name

1a. Type of work: ☒ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.

TONY FEDERAL #42 &lt;308738&gt;

2. Name of Operator  
APACHE CORPORATION

9. API Well No.

30-015-

40387  
6/8/2012  
969313a. Address 303 VETERANS AIRPARK LN #3000  
MIDLAND, TX 797053b. Phone No. (include area code)  
432-818-116710. Field and Pool, or Exploratory  
CEDAR LAKE; GLORIETA-YESO

4. Location of Well (Report location clearly and in accordance with any State requirements.)\*

At surface 2425' FSL &amp; 2160' FWL

At proposed prod. zone SAME

11. Sec., T. R. M. or Blk. and Survey or Area

UL: K SEC: 18 T17S R31E

14. Distance in miles and direction from nearest town or post office\*

APPROX 4.2 MILES NORTHEAST OF LOCO HILLS, NM

12. County or Parish

EDDY

13. State

NM

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any)

2160'

16. No. of acres in lease

609.43

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.

~225'

19. Proposed Depth

6500'

20. BLM/BIA Bond No. on file

BLM - CO - 1463 NATIONWIDE

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
3743'

22. Approximate date work will start\*

As soon as approved

23. Estimated duration

~ 15 DAYS

24. Attachments

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

1. Well plat certified by a registered surveyor

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the  
SUPO shall be filed with the appropriate Forest Service Office)4. Bond to cover the operations unless covered by an existing bond on file (see  
Item 20 above).

5. Operator certification

6. Such other site specific information and/or plans as may be required by the  
authorized officer.

25. Signature

Sorina L Flores

Name (Printed/Typed)

SORINA L. FLORES

Date

1/26/12

Title

SUPV OF DRILLING SERVICES

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

Date

MAY 31 2012

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)

Roswell Controlled Water Basin

RECEIVED  
JUN 04 2012  
NMOCD ARTESIA  
SEE ATTACHED FOR  
CONDITIONS OF APPROVALApproval Subject to General Requirements  
& Special Stipulations Attached

EXHIBIT A





Tony Federal 42

BLM O&G lease  
NMLC-029395A

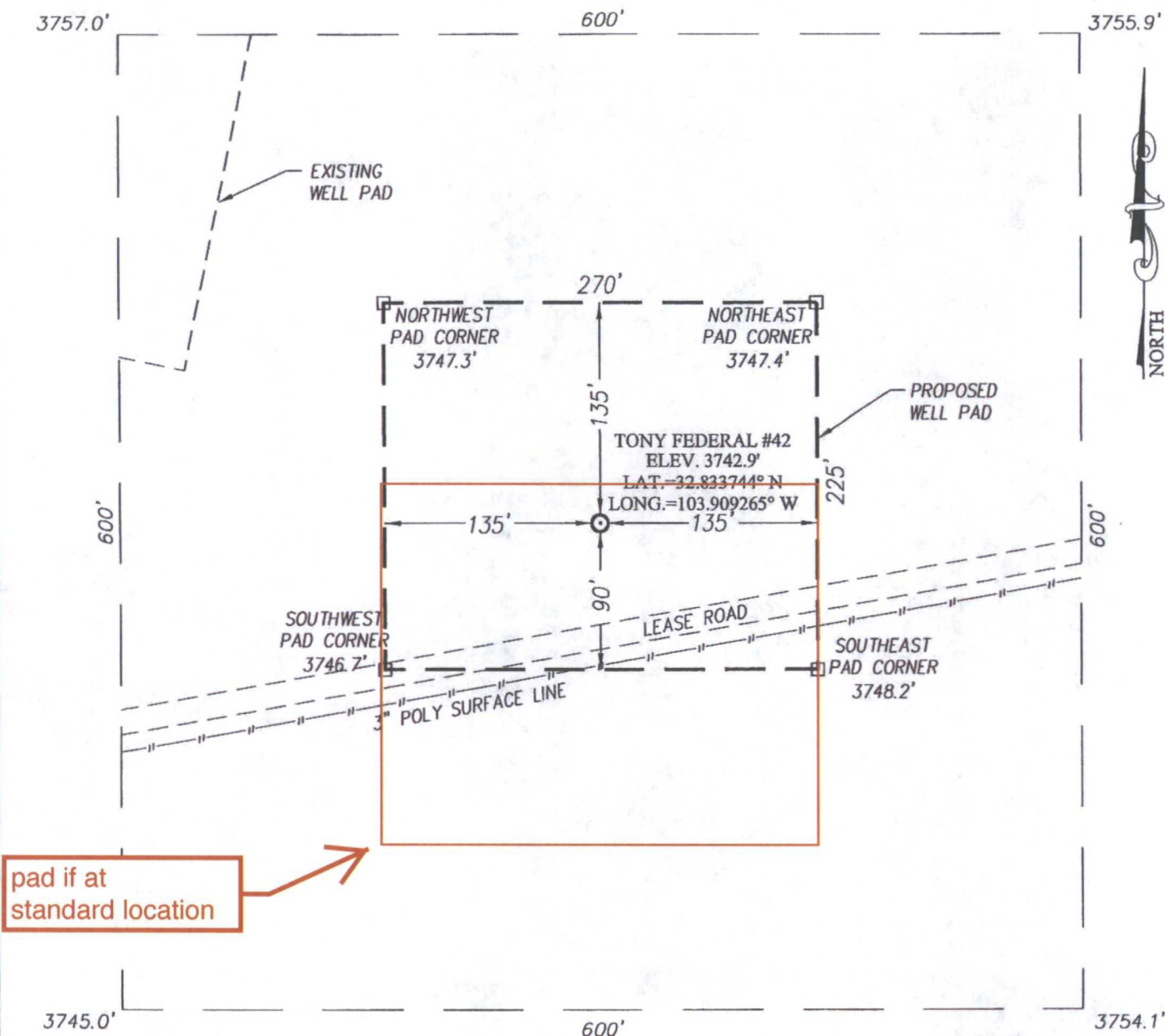
EXHIBIT B







SECTION 18, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
EDDY COUNTY NEW MEXICO

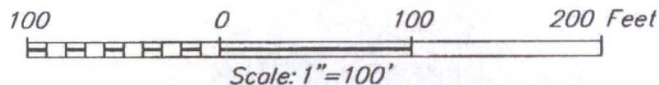
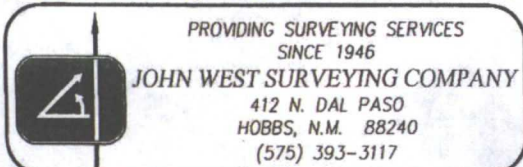


Note: more facilities are present  
than are shown by the surveyor.

EXHIBIT C

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HIGHWAY #82 AND  
C.R. #221 GO NORTH ON C.R. #221 FOR APPROX. 1.0  
MILE; TURN RIGHT AND GO SOUTHEAST ON A MAIN  
LEASE ROAD APPROX. 0.2 MILES; TURN LEFT AND  
GO EAST APPROX. 0.3 MILE; THIS LOCATION STAKE  
IS APPROX. 70 FEET NORTH OF THE LEASE ROAD.



APACHE CORPORATION

TONY FEDERAL #42 WELL  
LOCATED 2425 FEET FROM THE SOUTH LINE  
AND 2160 FEET FROM THE WEST LINE OF SECTION 18,  
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

Survey Date: 11/11/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.2364	Dr. By: AF Rev 1:
Date: 11/28/11 Rel. W.O.:	11112364 Scale: 1"=100'



DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720

DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720

DISTRICT III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-40387</b>	Pool Code <b>96831</b>	Pool Name <b>Cedar Lake; Glorieta-Yeso</b>
Property Code <b>308738</b>	Property Name <b>TONY FEDERAL</b>	Well Number <b>42</b>
OGRID No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	Elevation <b>3743'</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
K	18	17-S	31-E		2425	SOUTH	2160	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	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

<p>LOT 1 LOT 4</p> <p>31.99 AC. LOT 2</p> <p>32.10 AC.</p> <p>2160'</p> <p>LOT 3 32.20 AC. LOT 4</p> <p>32.31 AC</p> <p>2425'</p> <p>SEE DETAIL</p> <p>DETAIL</p> <p>3757.0' 3755.9'</p> <p>600' 600'</p> <p>3745.0' 3754.1'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=667299.3 N X=630256.0 E</p> <p>LAT.=32.833774° N LONG.=103.909265° W LAT.=32° 50' 02" N LONG.=103° 54' 33" W</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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</p> <p><u>Sorina L Flores 1/26/12</u> Signature Date</p> <p><u>Sorina L. Flores</u> Printed Name</p> <p><u>sorina.flores@apachecorp.com</u> E-mail Address</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>NOVEMBER 11, 2011</p> <p>Date of Survey Signature of Professional Surveyor: <u>Ronald J. Eidson</u> NEW MEXICO REGISTERED SURVEYOR 3239 EXHIBIT D 11/30/2011 Certificate Number Garret G. Eidson 12641 Ronald J. Eidson 3239 AF JWSC W O 11.11.2364</p>
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Tony Federal 42

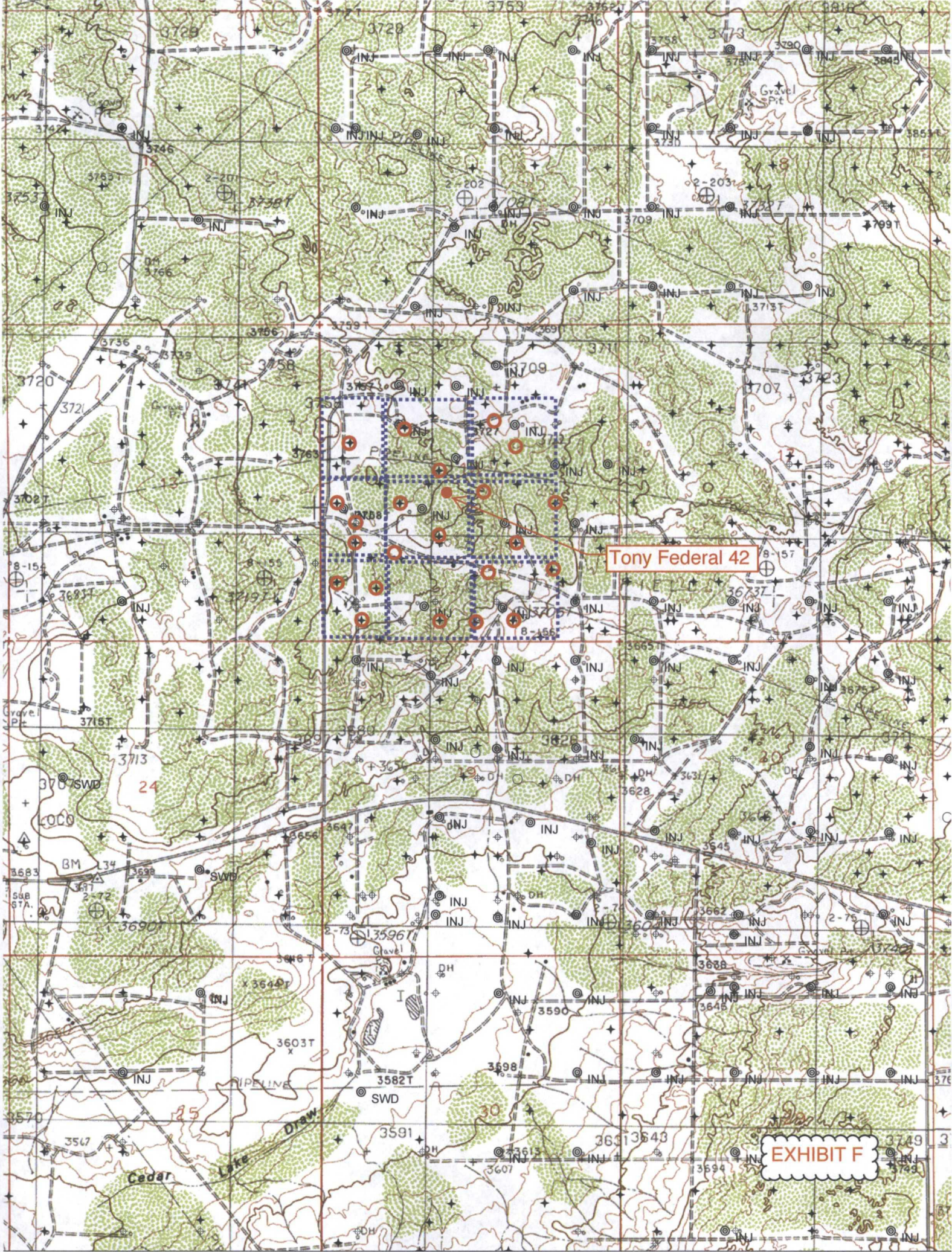
BLM O&G lease  
NMLC-029548A

BLM O&G lease  
NMLC-029395A

EXHIBIT E







Tony Federal 42

EXHIBIT F