

DATE IN 1-29-13	SUSPENSE NA	ENGINEER DB	LOGGED IN 1-30	TYPE NSL	APP NO. PDRB1303039084
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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*  
*Tony Fed #44*

**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]**

6743

**[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 \_\_\_\_\_

**[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

1/29/13  
 Date

drcatanach@netscape.com  
 E-Mail Address

January 29, 2013

**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. 44  
API No. (30-015-40389)  
370' FSL & 2350' FEL (Unit O)  
Section 18, 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. 44. This well will be drilled as a development oil well in the Cedar Lake Glorieta-Yeso Pool (96831).

The proposed Tony Federal No. 44 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Cedar Lake Glorieta-Yeso Pool comprising the SW/4 SE/4 of Section 18. This unit is currently dedicated to Apache's: i) existing Tony Federal No. 5 (API No. 30-015-30378) located at an unorthodox well location 1090 feet from the South line and 2366 feet from the East line; ii) existing Tony Federal No. 15 (API No. 30-015-31084) located at standard well location 330 feet from the South line and 1710 feet from the East line; and iii) existing Tony Federal No. 34 (API No. 30-015-39342) located at an unorthodox location 1120 feet from the South line and 1345 feet from the East 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 lease roads and surface pipelines.

The affected offset tract is the SE/4 SW/4 of Section 18. This offset 40-acre tract is currently being developed in the Cedar Lake Glorieta-Yeso Pool by Apache

Corporation. Please note that the working interest ownership between the SW/4 SE/4 and the affected offset 40-acre tract 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 wells in the spacing unit and the affected offset acreage. Also attached is a vicinity map.

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 SW/4 SE/4 of Section 18 that may otherwise not be recovered by the existing 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>30-015-40389</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>44</b>
OGRID No. <b>873</b>	Operator Name <b>Apache Corporation</b>		Elevation <b>3692'</b>

**Surface Location**

UL or lot no. <b>O</b>	Section <b>18</b>	Township <b>17 South</b>	Range <b>31 East</b>	Lot Idn	Feet from the <b>370</b>	North/South line <b>South</b>	Feet from the <b>2350</b>	East/West line <b>East</b>	County <b>Eddy</b>
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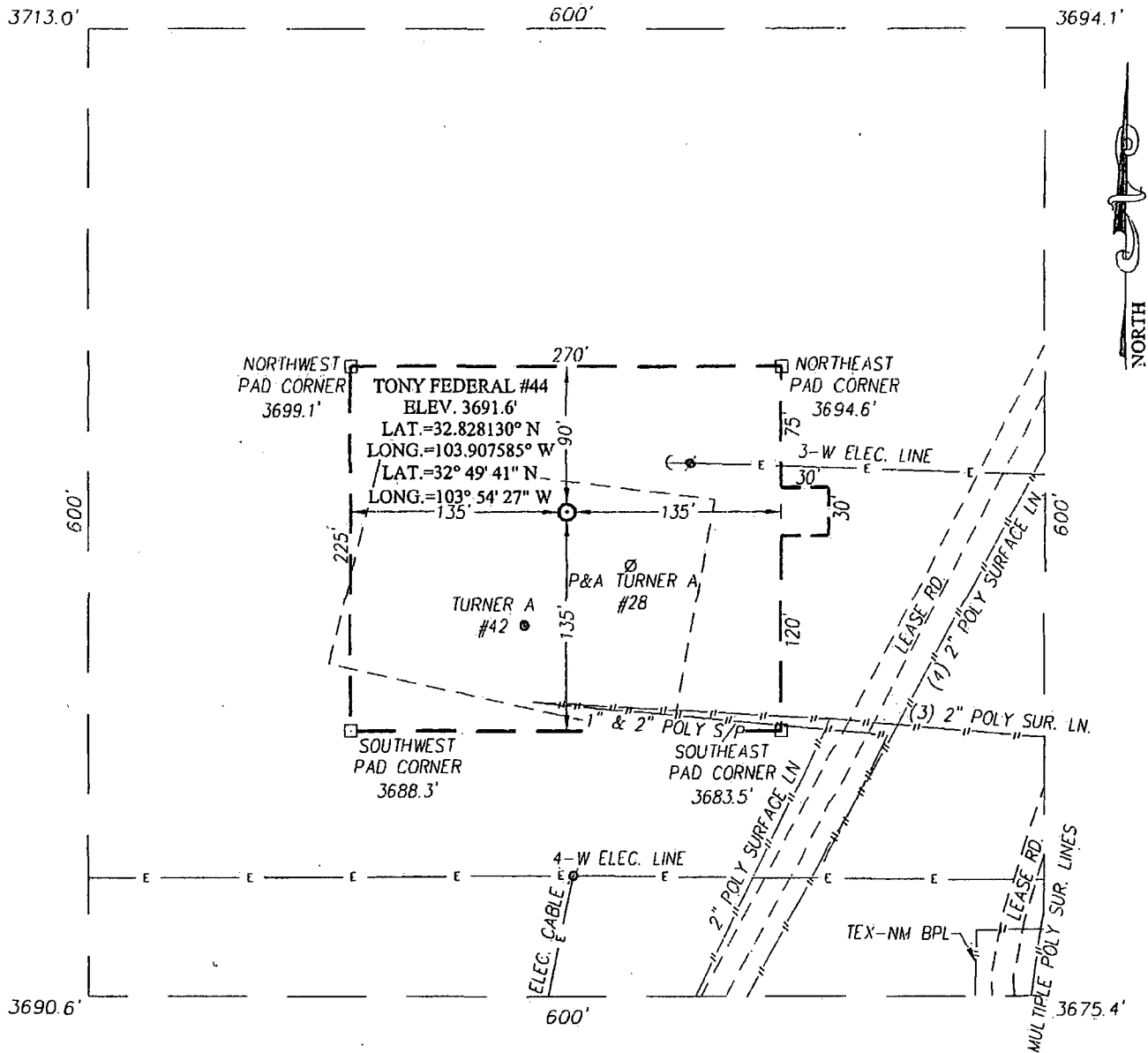
**Bottom Hole Location If Different From Surface**

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.			

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

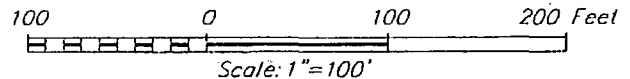
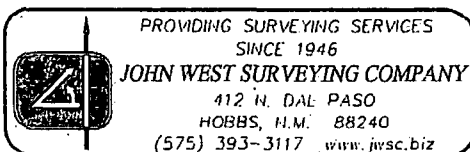
Lot 1  <b>31.99 AC</b>				<b>OPERATOR CERTIFICATION</b>  <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole 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 heretofor entered by the Division.</i>  Signature _____ Date _____  Printed Name _____  E-mail Address _____
Lot 2  <b>32.10 AC</b>				
Lot 3  <b>32.20 AC</b>				
Lot 4  <b>32.31 AC</b>	Affected Offset Tract Operator: Apache WI ownership common w/drill tract			

**SECTION 18, 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) GO NORTH APPROX. 0.2 MILES. TURN RIGHT AND GO EAST APPROX. 300 FEET. TURN LEFT AND GO NORTH APPROX. 200 FEET. TURN RIGHT AND GO EAST APPROX. 0.1 MILES. TURN LEFT AND GO NORTH APPROX. 0.2 MILES TO THE LOCATION.



**APACHE CORPORATION**

**TONY FEDERAL #44 WELL**  
**LOCATED 370 FEET FROM THE SOUTH LINE**  
**AND 2350 FEET FROM THE EAST LINE OF SECTION 18,**  
**TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,**  
**EDDY COUNTY, NEW MEXICO**

Survey Date: 01/27/12	CAD Date: 02/10/12	Drawn By: AF
W.O. No.: 11112707	Rev.:	Rel. W.O.:
		Sheet 1 of 1