

State of New Mexico  
Energy, Minerals and Natural Resources Department

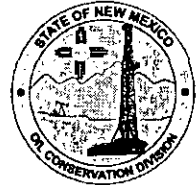
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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**JamI Bailey, Division Director**  
Oil Conservation Division



April 30, 2013

Apache Corporation  
Attn: David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL-6798**  
**Administrative Application Reference No. pPRG1309839659**

**Apache Corporation**  
OGRID 26487  
State PA Well No. 8  
API No. 30-025-40541

**Proposed Location:**

| <u>Footages</u>    | <u>Unit</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>County</u> |
|--------------------|-------------|----------------|-----------------|--------------|---------------|
| 330 FSL & 1600 FWL | N           | 18             | 22S             | 37E          | Lea           |

**Proposed Unit:**

| <u>Description</u>      | <u>Acres</u> | <u>Pools</u>               | <u>Pool Codes</u> |
|-------------------------|--------------|----------------------------|-------------------|
| SE/4 SW/4 of Section 18 | 40           | Paddock                    | 49210             |
|                         |              | Blinebry Oil and Gas (Oil) | 6660              |
|                         |              | Tubb Oil and Gas (Oil)     | 60240             |
|                         |              | Drinkard                   | 19190             |
|                         |              | Wantz-Abo                  | 62700             |

Reference is made to your application received on April 5, 2013.

You have requested to drill a development oil well with multiple completions at an unorthodox well location described above, in the referenced pools. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC] for the Paddock, Drinkard and Wantz-Abo pools which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is also governed by Order No. R-8170, as amended, for the Blinebry and Tubb Oil and Gas pools which requires 40-acre spacing and proration units for oil wells and 160-acre spacing and proration units for gas wells. The setback requirement for oil wells, and gas wells to which no more than 40 acres are dedicated, is at least 330 feet from a unit outer boundary or any

April 30, 2013

Page 2

governmental quarter-quarter section of subdivision line. This proposed location is less than 330 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location approval in order to avoid an existing pipeline within the quarter-quarter section.

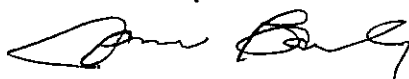
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey  
Director

JB/pg

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office - Oil, Gas and Minerals