

DATE IN 04/24/13	SUSPENSE	ENGINEER PG	LOGGED IN 04/25/13	TYPE NSL	PPG NO. PPG 1311637303
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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



30-015-41053  
 A State #73  
 Apache Corp.

**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  
☒ 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

4/24/13  
 Date

drccatanach@netscape.com  
 E-Mail Address

RECEIVED OGD  
 2013 APR 24 A 9:24

**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**

<b>API Number</b> 30-015-41053		<b>Pool Code</b> 96830	<b>Pool Name</b> Artesia Glorieta-Yeso Pool
<b>Property Code</b> 308701	<b>Property Name</b> A State		<b>Well Number</b> 073
<b>OGRID No.</b> 873	<b>Operator Name</b> Apache Corporation		<b>Elevation</b> 3,667'

**Surface Location**

<b>UL or lot no.</b> E	<b>Section</b> 25	<b>Township</b> 17 South	<b>Range</b> 28 East	<b>Lot Idn</b>	<b>Feet from the</b> 2410	<b>North/South line</b> North	<b>Feet from the</b> 330	<b>East/West line</b> West	<b>County</b> Eddy
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**Bottom Hole Location If Different From Surface**

<b>UL or lot no.</b>	<b>Section</b>	<b>Township</b>	<b>Range</b>	<b>Lot Idn</b>	<b>Feet from the</b>	<b>North/South line</b>	<b>Feet from the</b>	<b>East/West line</b>	<b>County</b>
<b>Dedicated Acres</b> 40		<b>Joint or Infill</b>		<b>Consolidate Code</b>		<b>Order No.</b>			

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 align="center"><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 heretofor entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>			
	<p align="center"><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>			

**28 East**



 **Affected Offset Acreage**

**Apache Corporation**  
**Application for Non-Standard Well Location**  
**A State No. 73 (API No. 30-015-41053)**

## NEW MEXICO



April 24, 2013

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

TO: See Attached Notice List

Re: Apache Corporation  
Unorthodox Oil Well Location  
A State No. 73 (API No. 30-015-41053)  
2410' FNL & 330' FWL (Unit E)  
Section 25, T-17 South, R-28 East, NMPM,  
Artesia Glorieta-Yeso Pool  
Eddy County, New Mexico

Ladies and Gentlemen:

Enclosed please find a copy of the application filed by Apache Corporation ("Apache") for authorization to drill it's A State No. 73 at an unorthodox oil well location in the Artesia Glorieta-Yeso Pool 2410 feet from the North line and 330 feet from the West line (Unit E) of Section 25, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico. The well will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 NW/4 of Section 25. This unit is currently dedicated to Apache's proposed A State Wells No. 41, 59 and 74. The unorthodox location is necessary in order to avoid an existing well and well pad.

As the owner of an interest that may be affected by the proposed unorthodox oil well location, you are being provided notice as per Division rules and regulations. Objections must be filed in writing at the Division's Santa Fe office within 20 days from the date this notice was sent to you. If no objection is received within twenty days after the filing of this application and proof of notice with the Division, the application may be approved.

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

Enclosure

wells operated by Apache. Please note that the working interest ownership between the drill tract and the NE/4 SE/4 of Section 26 is common. The working interest ownership between the drill tract and the NW/4 SW/4 of Section 25 is not common. Consequently, notice of this application is being provided to the working interest owners in the NW/4 SW/4 of Section 25 which include COG Operating, Inc., Khody Land and Minerals Company, Marathon Oil Company and Yates Petroleum Corporation.

Attached is a Form C-102 showing the proposed well, spacing unit and other proposed wells in the spacing unit. Also attached is a map showing the affected offset acreage, a vicinity map, notice letter and notice list.

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Artesia Glorieta-Yeso Pool underlying the SW/4 NW/4 of Section 25 that may otherwise not be recovered by the proposed 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

Apache Corporation  
Application for Unorthodox Well Location  
A State No. 73  
Section 25, T-17S, R-28E, NMPM,  
Eddy County, New Mexico  
Notice List

COG Operating, Inc.  
Attn: David Evans  
600 W. Illinois Avenue  
Midland, Texas 79701

Khody Land & Minerals Co.  
Attn: Land Dept.  
210 Park Avenue, Suite 900  
Oklahoma City, OK 73101

Marathon Oil Company  
Attn: Land Dept.  
200 North Loraine, Suite 1310  
Midland, Texas 79702

Yates Petroleum Corporation  
105 S. Fourth Street  
Artesia, New Mexico 88210

7011 3500 0002 1604 0020

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**OFFICIAL USE**

Postage	\$	\$1.12
Certified Fee		\$3.10
Return Receipt Fee (Endorsement Required)		\$2.55
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.77</b>

Postmark  
APR 24 2013  
CORONADO STATION  
04/24/2013

Sent To: **Khody Land & Minerals Co.**  
**Attn: Land Dept.**  
 Street, Apt. No. or PO Box No.: **210 Park Avenue, Suite 900**  
 City, State, ZIP+4®: **Oklahoma City, OK 73101**

PS Form 3800, August 2006 See Reverse for Instructions

7011 3500 0002 1604 0044

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Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.77</b>

Postmark  
APR 24 2013  
CORONADO STATION  
04/24/2013

Sent To: **Yates Petroleum Corporation**  
 Street, Apt. No. or PO Box No.: **105 S. Fourth Street**  
 City, State, ZIP+4®: **Artesia, New Mexico 88210**

PS Form 3800, August 2006 See Reverse for Instructions

7011 3500 0002 1604 0037

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Return Receipt Fee (Endorsement Required)		\$2.55
Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.97</b>

Postmark  
APR 24 2013  
CORONADO STATION  
04/24/2013

Sent To: **COG Operating, Inc.**  
**Attn: David Evans**  
 Street, Apt. No. or PO Box No.: **600 W. Illinois Avenue**  
 City, State, ZIP+4®: **Midland, Texas 79701**

PS Form 3800, August 2006 See Reverse for Instructions

7011 3500 0002 1604 0013

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Restricted Delivery Fee (Endorsement Required)		\$0.00
<b>Total Postage &amp; Fees</b>	<b>\$</b>	<b>\$6.77</b>

Postmark  
APR 24 2013  
CORONADO STATION  
04/24/2013

Sent To: **Marathon Oil Company**  
**Attn: Land Dept.**  
 Street, Apt. No. or PO Box No.: **200 North Loraine, Suite 1310**  
 City, State, ZIP+4®: **Midland, Texas 79702**

PS Form 3800, August 2006 See Reverse for Instructions



April 24, 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  
A State No. 73  
API No. (30-015-41053)  
2410' FNL & 330' FWL (Unit E)  
Section 25, T-17 South, R-28 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 A State No. 73. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed A State No. 73 will be dedicated to an existing 40-acre spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 NW/4 of Section 25. This unit is currently dedicated to Apache's: i) proposed A State No. 41 (API No. 30-015-40368) located at an unorthodox well location 1600 feet from the North line and 330 feet from the West line; ii) proposed A State No. 59 (API No. 30-015-38967) located at an unorthodox well location 2310 feet from the North line and 1100 feet from the West line; and iii) proposed A State No. 74 (API No. 30-015-41054) located at a standard well location 1740 feet from the North line and 860 feet from the West line.

The Artesia 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 an existing well and well pad.

The affected offset tracts are the NW/4 SW/4 of Section 25 and the NE/4 SE/4 of Section 26, both in Township 17 South, Range 28 East, NMPM. Both of the affected offset tracts are currently being developed in the Artesia Glorieta-Yeso Pool by numerous

Submit 1 Copy To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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 and Natural Resources.

Form C-103  
October 13, 2009

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-015-41053
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator APACHE CORPORATION		6. State Oil & Gas Lease No.
3. Address of Operator 303 VETERANS AIR PARK LANE, STE 3000 MIDLAND, TEXAS 79705		7. Lease Name or Unit Agreement Name A STATE
4. Well Location Unit Letter: <u>E</u> 2410 feet from the <u>NORTH</u> line and 330 feet from the <u>WEST</u> line Section <u>25</u> Township <u>17S</u> Range <u>28E</u> NMPM County <u>EDDY</u>		8. Well Number 73
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3667 GR		9. OGRID Number 873
		10. Pool name or Wildcat ARTESIA; GLORIETA-YESO (O)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

OTHER: ☒ CHANGE INCORRECT SECTION NUMBER

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

4/16/2013 - Apache requests to have the Section number changed for the Surface Location on this permit.  
The correct Section is 25. The original plat is attached. It was correct as submitted, with Section 25 listed.  
Thank You.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Vicki Brown TITLE Drilling Tech DATE 4/16/2013

Type or print name Vicki Brown E-mail address: vicki.brown@apachecorp.com PHONE: 432-818-1117

**For State Use Only**

APPROVED BY: \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any): \_\_\_\_\_