

DATE IN 2/06/2014	SUSPENSE	ENGINEER MAM	LOGGED IN 2/06/2014	TYPE NSL	APP NO. PMAM1403749759
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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



2014 FEB -6 A 9:22

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

2/6/14
 Date

drcatanach@netscape.com
 E-Mail Address

NSL
 - Apache Corp
 873
 AA0 Federal Hwy
 30-015-Pending
 Pool
 - Red Lake, Glorieta,
 Y 250, Northeast
 96836

February 6, 2014

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
AAO Federal No. 24
API No. (Not Yet Assigned)
984' FNL & 243' FEL (Lot 1/Unit A)
Section 1, T-18 South, R-27 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 AAO Federal No. 24. This well will be drilled as a development oil well in the Northeast Red Lake Glorieta-Yeso Pool (96836).

The proposed AAO Federal No. 24 will be dedicated to an existing spacing and proration unit in the Northeast Red Lake-Glorieta-Yeso Pool comprising the NE/4 NE/4 of Section 1. This unit is currently dedicated to Apache's existing AAO Federal No. 4 (API No. 30-015-32310) located at a standard well location 990 feet from the North and East lines of Section 1.

The Northeast Red 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 a deep ravine within the drill tract. The BLM requested that Apache move the location from a standard well location to the proposed location in order to avoid this surface obstruction.

The affected offset tracts are the NW/4 NW/4 and SW/4 NW/4 of Section 6, Township 18 South, Range 28 East, NMPM. There is currently no development in the Glorieta-Yeso interval on the two affected offset tracts. The leasehold owners within the NW/4 NW/4 of Section 6 include ZPZ Delaware I, LLC, an Apache entity, and Occidental Permian Limited Partnership. The leasehold owner within the SW/4 NW/4 is

ConocoPhillips Company. In accordance with Division rules, Apache is providing notice of this application to Occidental Permian Limited Partnership and ConocoPhillips Company.

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

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Northeast Red Lake Glorieta-Yeso Pool underlying the NE/4 NE/4 of Section 1 that may otherwise not be recovered by the existing or 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

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 N/A		Pool Code 96836	Pool Name Northeast Red Lake Glorieta-Yeso
Property Code 308703	Property Name AAO Federal		Well Number 24
OGRID No. 873	Operator Name Apache Corporation		Elevation 3654'

Surface Location

UL or lot no. Lot 1/Ut A	Section 1	Township 18 South	Range 27 East	Lot Idn	Feet from the 984	North/South line North	Feet from the 243	East/West line East	County Eddy
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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 40.04		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

				OPERATOR CERTIFICATION <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 _____	
				SURVEYOR CERTIFICATION <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>	
				Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____	

27 East

28 East

36

31

17 South

6

18 South

1
984'
AAO Federal
No. 24
243'

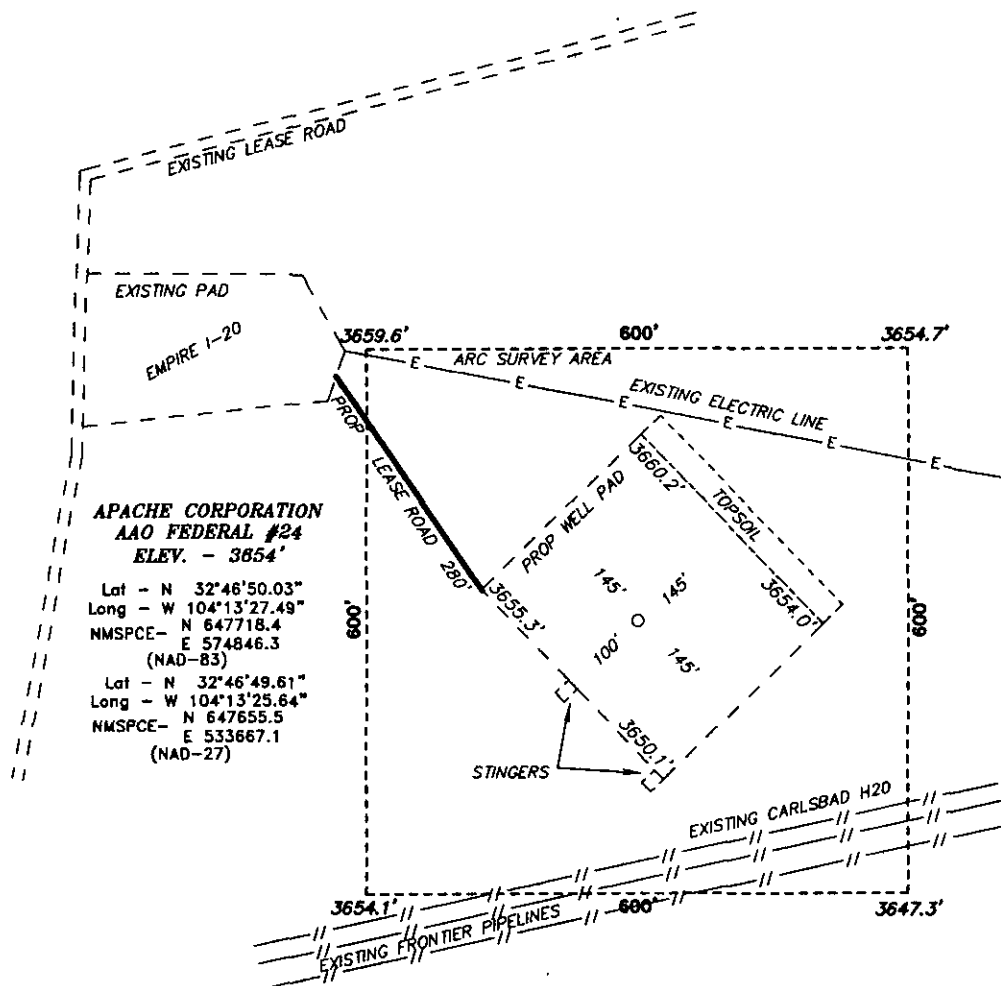
Affected Offset Tract
Leasehold Owners:
ZPZ Delaware
Occidental

Affected Offset Tract
Leasehold Owner:
ConocoPhillips

 **Affected Offset Acreage**

Apache Corporation
Application for Non-Standard Well Location
AAO Federal No. 24

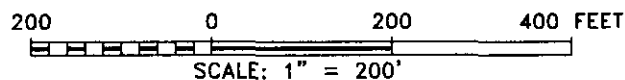
SECTION 1, TOWNSHIP 18 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



APACHE CORPORATION
AAO FEDERAL #24
ELEV. - 3854'

Lat - N 32°46'50.03"
Long - W 104°13'27.49"
NMSPCE- N 647718.4
E 574846.3
(NAD-83)
Lat - N 32°46'49.61"
Long - W 104°13'25.64"
NMSPCE- N 647655.5
E 533667.1
(NAD-27)

WELL IS LOCATED ±11 MILES SOUTHEAST OF ARTESIA, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF ILLINOIS CAMP AND HILLTOP,
GO NORTHWEST ON HILLTOP FOR 1.3 MILES TO
LEASE ROAD, ON LEASE ROAD GO SOUTHWEST 0.4
MILES TO PROPOSED LEASE ROAD AT I-20 LOCATION.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

APACHE CORPORATION

REF: AAO FEDERAL #24 / WELL PAD TOPO

THE AAO FEDERAL #24 LOCATED 984'

FROM THE NORTH LINE AND 243' FROM THE EAST LINE OF

SECTION 1, TOWNSHIP 18 SOUTH, RANGE 27 EAST,

N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 28395

Drawn By: J. SMALL

Date: 05-13-2013

Disk: JMS 28395

Survey Date: 05-01-2013

Sheet 1 of 1 Sheets

February 6, 2014

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: Occidental Permian Ltd. Partnership ConocoPhillips Company
P.O. Box 4294 P.O. Box 7500
Houston, Texas 77210-4294 Bartlesville, OK 74005-7500

Re: Apache Corporation
Application for Unorthodox Well Location
AAO Federal No. 24 (API No. Not Yet Assigned)
984' FNL & 243' FEL (Lot 1/Unit A)
Section 1, T-18 South, R-27 East, NMPM,
Northeast Red Lake 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 AAO Federal No. 24 at the unorthodox oil well location described above to test the Northeast Red Lake Glorieta-Yeso Pool. The well will be dedicated to an existing 40.04-acre spacing and proration unit in the Northeast Red Lake Glorieta-Yeso Pool comprising the NE/4 NE/4 of Section 1. This unit is currently dedicated to Apache's existing AAO Federal No. 4. The unorthodox location is necessary in order to avoid a deep ravine within the drill tract.

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

7012 0470 0001 5964 7698

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

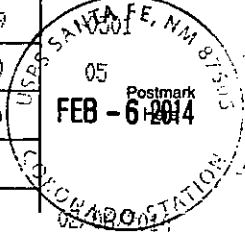
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 Restricted Delivery Fee (Endorsement Required) \$0.00
Total \$7.19

To: **ConocoPhillips Company**
P.O. Box 7500
Bartlesville, OK 74005-7500

PS Form 3800, August 2006 See Reverse for Instructions



7012 0470 0001 5964 7698

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 Restricted Delivery Fee (Endorsement Required) \$0.00
Total \$7.19

Sent To: **Occidental Permian Ltd. Part.**
P.O. Box 4294
Houston, Texas 77210-4294

PS Form 3800, August 2006 See Reverse for Instructions

