

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



October 23, 2014

Apache Corporation
Attn: Mr. David Catanach

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7179
Administrative Application Reference No. pMAM1427542933

Apache Corporation
OGRID 873
Warn State AC 2 Well No. 29
API No. 30-025-42056

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2600 FSL & 1900 FWL	K	6	18S	35E	Lea
Terminus	2310FNL & 2310FWL	F	6	18S	35E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE/4 NW/4 of Section 6	40	Vacuum; Abo Reef	61780
S/2 NW/4 of Section 6	80	Vacuum; Wolfcamp	62340
S/2 NW/4 of Section 6	80	Vacuum; Upper Penn	62320

Reference is made to your application received on October 2, 2014.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pools or formations. This location for the Vacuum; Abo Reef is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. The perforated interval is less than 330 feet from a unit outer boundary.

This location for the Vacuum; Wolfcamp and Vacuum; Upper Penn is governed by the Special Rules for each which provides for 80-acre units, with wells located at least 200 feet from a center of a governmental quarter-quarter section. The perforated intervals in these pools will not be within 200 feet of the center of the quarter-quarter section.

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

An unorthodox location is necessary to avoid surface obstructions, and recover additional reserves in the three pools in Unit F.

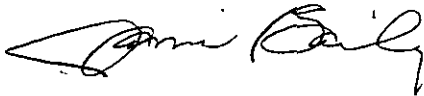
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on October 23, 2014.

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

Jami Bailey
Director

JB/mam

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