

DATE IN 12/21/2014	SUSPENSE	ENGINEER MAN	LOGGED IN 12/21/2014	TYPE NSL	APP NO. PMA 1435651732
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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



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]

NSL

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
 [A] Location - Spacing Unit - Simultaneous Dedication
 X NSL ☐ NSP ☐ SD

Apache Corporation's 873
 Northeast Drinkard Unit 262
 30-025-42250

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

Pool

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

- Entered BLM-TL-
 Dr, north
 22500

- [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.

Brian Wood

Print or Type Name

Signature

Consultant

Title

brian@permitswest.com

e-mail Address

12-21-14

Date

**REQUEST FOR ADMINISTRATIVE APPROVAL
APACHE CORPORATION'S
NORTHEAST DRINKARD UNIT 262
30-025-42250
3530' FSL & 1000' FEL
SECTION 2, T. 17 S., R. 37 E., LEA COUNTY, NM**

I. This proposed oil well is on State surface and a State oil and gas lease within the unit. The well is nonstandard (10' too far west) for the Eunice; Bli-Dr-Tu, North Pool (22900) due to a road (see EXHIBIT A). Apache requests a nonstandard location due to land uses. A standard location would further block the only access to NEDU 244 (30-025-38899). As staked, vehicles will still travel across the pad. However, a standard location would force vehicles too close to the 262 drill rig.

A standard location must be $\geq 330'$ from the boundary of the quarter-quarter according to Order R-8539 et al. In this case, it is 10' from the west side of unit letter H (Lot 16).

II. Form C-102 showing the well and 40-acre dedication is attached as Exhibit B. Exhibit C shows the unit boundary. The well is 10' too far west. However, it is 1,000' from the closest unit boundary. The well encroaches toward the interior of the unit.

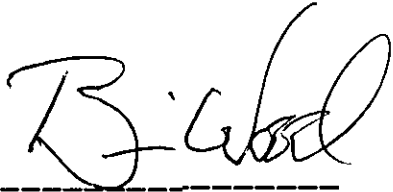
III. Unit boundaries are shown on EXHIBIT C. The well encroaches to the north and west. This is toward the interior of the unit. Eunice; Bli-Dr-Tu, North dedications exist in unit letter H (Lot 16) and all 8 bordering or cornering quarter-quarters or lots. This information is current and correct.

IV. Archaeology is not an issue.

V. Surface issues (road) and the need to prevent waste and recover additional reserves drive the need for this nonstandard location.

VI. Apache does not believe directional drilling to a standard location is cost effective for this well.

VII. I hereby certify that there is common ownership and partner approval of the Blinbry, Drinkard, and Tubb working interest in the lease which comprises the proposed 40 acre spacing unit (unit letter H) and the adjacent quarter-quarters or lots (Lots 9, 10, & 15 of Section 2) of the sides and corner toward which it encroaches, all of which are in the unit, and that the information is current and correct. Therefore, notice to any affected party is not required.



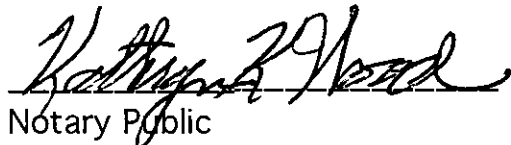
Brian Wood, Consultant

12.21.14

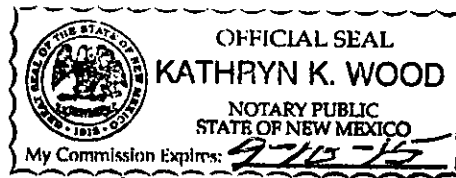
Date

STATE OF NEW MEXICO)
) SS:
COUNTY OF SANTA FE)

The foregoing instrument was acknowledged before me this 21st day of December, 2014 by Brian Wood. Witness my hand and official seal.



Notary Public

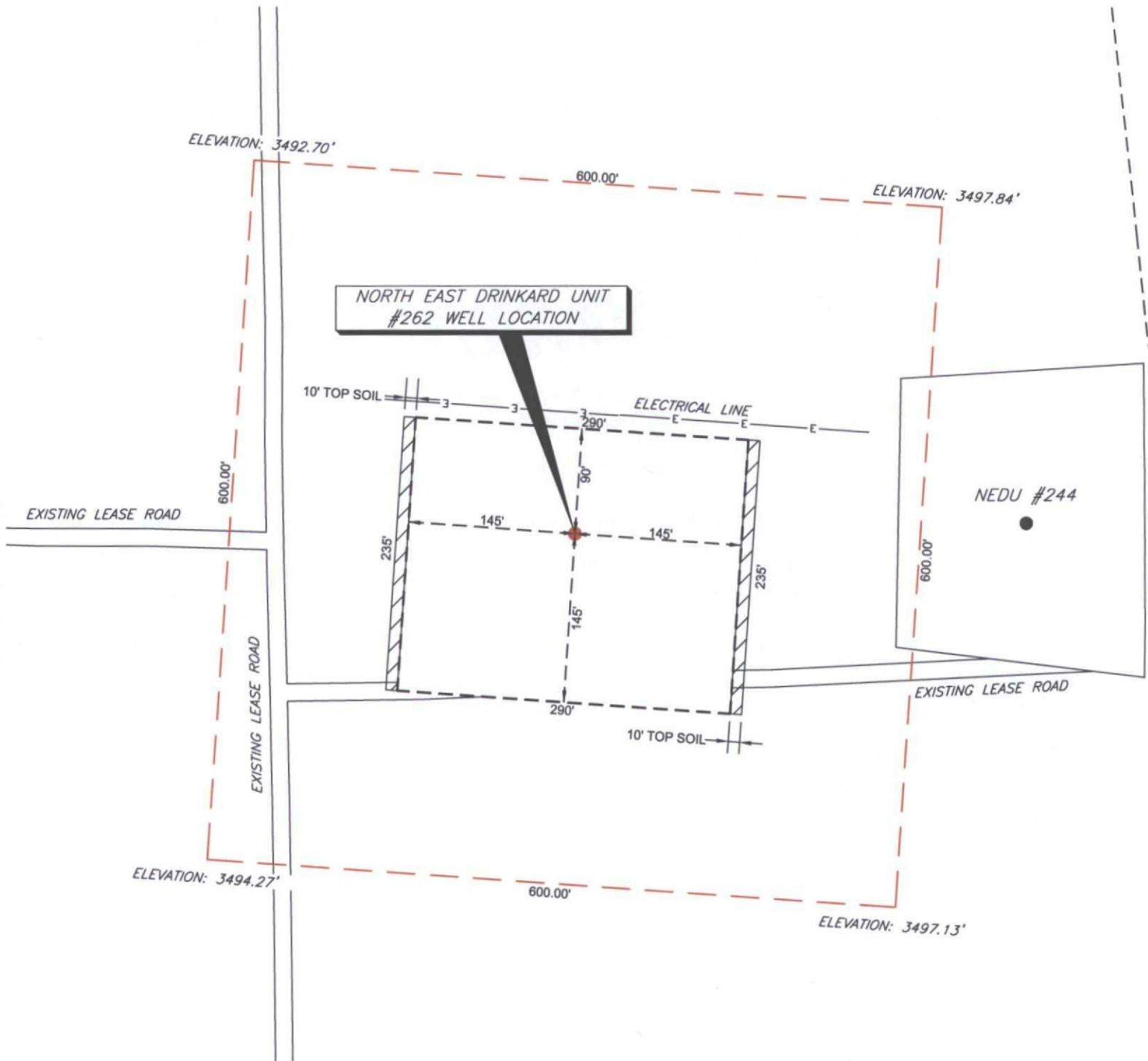


My Commission Expires: 9-10-15
Business Address: 37 Verano Loop, Santa Fe NM 87508

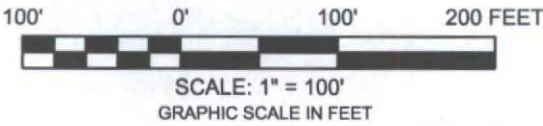
cc: Cooper

LEA COUNTY, NEW MEXICO

SECTION TWO (2), TOWNSHIP TWENTY-ONE (21) SOUTH,
RANGE THIRTY-SEVEN (37) EAST OF THE PRINCIPAL MERIDIAN



COORDINATE TABLE				
WELL NAME	NORTHING (N.A.D. 27)	EASTING (N.A.D. 27)	NORTHING (N.A.D. 83)	EASTING (N.A.D. 83)
NEDU #262 SURFACE LOCATION & PENETRATION POINT	551406.805	871675.398	551466.396	912859.082
ELEVATION	LATITUDE (N.A.D. 27)	LONGITUDE (N.A.D. 27)	LATITUDE (N.A.D. 83)	LONGITUDE (N.A.D. 83)
3,494.93'	32.510149 N	-103.127675 W	32.510268 N	-103.128146 W



PREPARED FROM SURVEY
DATED: AUGUST 1, 2014

NOTES:

- 1.) BEARINGS & COORDINATES SHOWN HEREON ARE REFERENCED TO THE NEW MEXICO STATE PLANE COORDINATE SYSTEM, N.A.D. 27 & 83 DATUM (NEW MEXICO EAST ZONE) DERIVED FROM GPS OBSERVATIONS AND ARE BASED REFERENCE STATIONS - "E 148" - MALJAMAR NE (1985)
- 2.) LATITUDE & LONGITUDE ARE NAD 83 & 27 GEOGRAPHIC.
- 3.) THIS IS AN WELL PLAT AND DOES NOT REPRESENT A TRUE BOUNDARY SURVEY. THIS SURVEY IS BASED ON OWNERSHIP AND EASEMENT INFORMATION PROVIDED BY APACHE CORPORATION. SURVEYOR DID NOT ABSTRACT SUBJECT TRACT AND THERE MAY BE EASEMENTS OR OTHER ENCUMBRANCES THAT AFFECT THE SUBJECT TRACT THAT ARE NOT SHOWN HEREON.

THE NEDU 262 WELL LOCATION IS LOCATED
APPROXIMATELY 5.51 MILES SOUTH-SOUTHWEST OF
EUNICE, NEW MEXICO

Apache

Location of
NORTH EAST DRINKARD UNIT #262
Surface Location & Penetration Point: 3650' FSL & 1000' FEL
Section 2, Township 21 South, Range 37 East of P.M.

Lea County, New Mexico

EXHIBIT A

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 E. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Hondo Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6179
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-1460 Fax: (505) 476-1462

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 August 1, 2011
Submit one copy to
appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-	2 Pool Code 22900	3 Pool Name Eunice; BLI-TU-DR, North
4 Property Code 22503	5 Property Name NORTH EAST DRINKARD UNIT	
6 Well Number #262	7 OGRID No. 873	
8 Operator Name APACHE CORPORATION		9 Elevation 3494.93

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
9	2	21 S	37 E		3,530	SOUTH	1000	EAST	LEA

11 Bottom Hole Location If Different From Surface

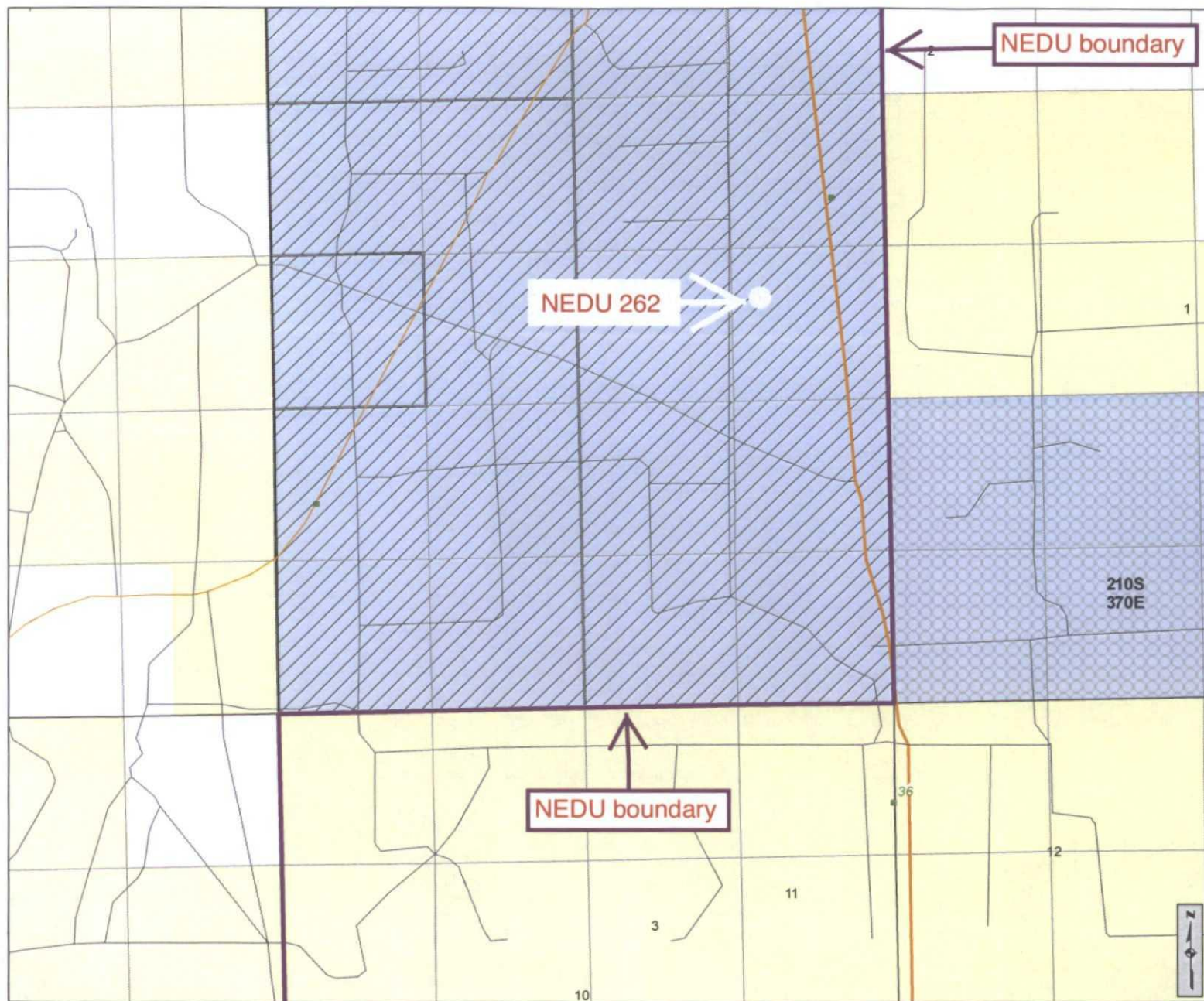
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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.

SECTION 2, TOWNSHIP 21 SOUTH, RANGE 37 EAST P.M.

<p>FOUND 2 INCH IRON PIPE, CAPPED, DISTURBED LAT: 32.521975 N LONG: -103.141730 W NADSPCE N: 335469.522 NADSPCE E: 807294.102 (N.A.D. 27) LAT: 32.520894 N LONG: -103.142202 W NADSPCE N: 335790.403 NADSPCE E: 808417.394 (N.A.D. 83)</p>		<p>FOUND 1-1/2 INCH IRON PIPE, ALUMINUM CAPPED LAT: 32.521975 N LONG: -103.141730 W NADSPCE N: 335469.522 NADSPCE E: 807294.102 (N.A.D. 27) LAT: 32.520894 N LONG: -103.142202 W NADSPCE N: 335790.403 NADSPCE E: 808417.394 (N.A.D. 83)</p>	
<p>17 OPERATOR CERTIFICATION 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 unless mineral interest in the land including the proposed bottom hole 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 heretofore entered by the division.</p> <p><u>Michelle Cooper</u> 11-8-14 Signature Date <u>Michelle Cooper</u> Printed Name <u>michelle.cooper@apachecorp.com</u> E-mail Address</p>			
<p>18 SURVEYOR CERTIFICATION 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.</p> <p>10-02-2014 Date of Survey Signature and Seal of Professional Surveyor <u>Jeffery E. Hudson</u> Certificate Number 20559</p>		<p>10-02-2014 Date of Survey Signature and Seal of Professional Surveyor <u>Jeffery E. Hudson</u> Certificate Number 20559</p>	

EXHIBIT B



Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate
- US Hwy
- NM Hwy
- Local Road
- Continental Divide

Federal Minerals Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands

- Surface Estate
- Subsurface Estate
- Surface and Subsurface Estate

State Leases

- Oil and Gas Leases
- Agricultural Leases
- Commercial Leases
- Minerals Leases
- Not Available for Oil and Gas Leasing
- Oil and Gas Leasing Influenced by Restriction

Oil and Gas Related Features

- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- Volcanic Vents
- NMOCD Order R-111-P
- Potash Enclave Outline

NMOCD Oil and Gas Wells

- CO₂
- Injection
- Oil
- Water
- Gas
- Miscellaneous
- Salt Water Disposal
- DA or PA

New Mexico State Land Office

Oil, Gas and Minerals

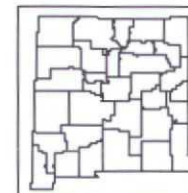
0 0.05 0.1 0.2 0.3 0.4 Miles
 Universal Transverse Mercator Projection, Zone 13
 1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
 logic@slo.state.nm.us

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EXHIBIT C



www.nmstatelands.org