

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

David R. Catanach, Division Director
Oil Conservation Division



April 6, 2015

Apache Corporation
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7266
Administrative Application Reference No. pMAM1509645251

Apache Corporation
OGRID 873
Jackrabbit State Well No. 7
API No. 30-015-42866

Proposed Location:

| <u>Footages</u> | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|----------------------|-------------|-------------|-------------|--------------|---------------|
| 820' FNL & 1290' FEL | A | 32 | 17S | 28E | Eddy |

Proposed Unit:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|-------------------------|--------------|----------------------------|------------------|
| NE/4 NE/4 of Section 32 | 40 | Artesia; Glorieta-Yeso (O) | 96830 |

Reference is made to your application received on April 6, 2015.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location 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. This location is less than 330 feet from a unit outer boundary.

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 required in order to avoid existing pipelines, an underground phone line, one plug and abandoned well, two overhead power lines, sand and gravel pit, roads, and pump jacks.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

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 April 6, 2015.

A handwritten signature in black ink, appearing to read "David R. Catanach", is written over a horizontal line.

DAVID R. CATANACH
Director

DRC/mam

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