

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



May 7, 2015

Apache Corporation
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7272
Administrative Application Reference No. pMAM1510652182

Apache Corporation
OGRID 873
T Rex State Well No. 1
API No. 30-015-41770

Proposed Location:

| <u>Footages</u> | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|----------------------|-------------|-------------|-------------|--------------|---------------|
| 330' FNL & 2270' FEL | B | 31 | 17S | 28E | Eddy |

Proposed Unit:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|-------------------------|--------------|------------------------|------------------|
| NW/4 NE/4 of Section 31 | 40 | Artesia; Glorieta-Yeso | 96830 |

Reference is made to your application received on April 16, 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, roads, power lines, communication tower, and well pads. Further, the Unit is less than 40-acres; the proposed well is 312 feet from the West boundary.

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 May 7, 2015.



DAVID R. CATANACH
Director

DRC/mam

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