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 15, 2015

Apache Corporation Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7278 Administrative Application Reference No. pMAM1511729231

Apache Corporation OGRID 873 T Rex State Well No. 3 API No. 30-015-41772

Proposed Location:

	Footages	<u>Unit</u>	Sec.	<u>Twsp</u>	Range	County_
Surface	875` FNL & 2430` FEL	В	31	17S	28E	Eddy
Top perforation	875` FNL & 2350` FEL	В	31	17S	28E	Eddy
Bottom Hole	875` FNL & 2310` FEL	В	31	17S	28E	Eddy

Proposed Unit:

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

Reference is made to your application received on April 24, 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.

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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 232 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 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 15, 2015.

DAVID R. CATANACH

Director

DRC/mam

cc: New Mexico Oil Conservation Division – Artesia

New Mexico State Land Office - Oil, Gas, and Minerals