

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]

[1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

NSL 731

Apache Corporation's ✓
 Jackrabbit State 12 ✓
 30-015-42985 ✓

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

*Pool: Artesia
 Glorieta - Yeso*

[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

Brian Wood

Consultant

6-16-15

Print or Type Name

Signature

Title

Date

brian@permitswest.com

e-mail Address

**REQUEST FOR ADMINISTRATIVE APPROVAL
APACHE CORPORATION'S
JACKRABBIT STATE 12
30-015-42985
1470' FNL & 2405' FWL
SECTION 32, T. 17 S., R. 28 E., EDDY COUNTY, NM**

I. This proposed 5,300' deep oil well is on private surface and a State oil and gas lease. The well is nonstandard (132' too far west and 180' too far north) for the Artesia; Glorieta-Yeso Pool (96830) due to 4 pipelines east of the center stake, paved Illinois Camp county road that is east and southeast of the pad (see EXHIBIT A), and a buried pipeline that is 175' south of the center stake.

Apache requests a nonstandard location due to land uses. The SWNE Section 32 is occupied by 1 P&A well, 3 active oil wells operated by LRE, and other miscellaneous pipelines, power lines, and roads. In addition, Apache has 2 approved oil wells and COG has an approved sand and gravel pit in the same quarter-quarter.

A standard location must be $\geq 330'$ from the boundary of the quarter-quarter. In this case, it is 150' from the north side of unit letter G and 198' from the west side of unit letter G.

II. Form C-102 showing the well and 40-acre dedication is attached as Exhibit B. The well is 132' too far west and 180' too far north.

III. Lease boundaries are shown on EXHIBIT C. The well encroaches to the north, northwest, and west. Artesia; Glorieta-Yeso dedications exist in unit letter G of Section 32 and all 8 bordering or cornering quarter-quarters or lots. Apache operates the Artesia; Glorieta-Yeso wells in 5 quarter-quarters. LRE operates the Artesia; Glorieta-Yeso wells in NENW and N2SE4 Section 32. See Exhibit D. This information is current and correct.

IV. Archaeology is not an issue.

V. Surface issues (paved county road and pipelines) 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 attest that I, on or before the date that the application was submitted to the division, sent notification to the affected persons (see EXHIBIT E) by certified mail, return receipt requested, advising them that if they have an objection it must be filed in writing within 20 days from the date the division receives the application. These affected persons have working or royalty interests in quarter-quarters that border the 40-acre spacing unit. Said notice was sent to:

LRE
NM State Land Office



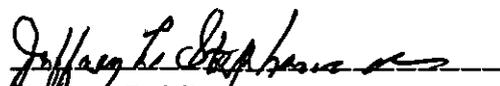
Brian Wood, Consultant

6-14-15

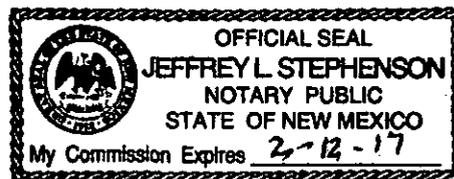
Date

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

The foregoing instrument was acknowledged before me this 14th day of June, 2015 by Brian Wood. Witness my hand and official seal.



Notary Public

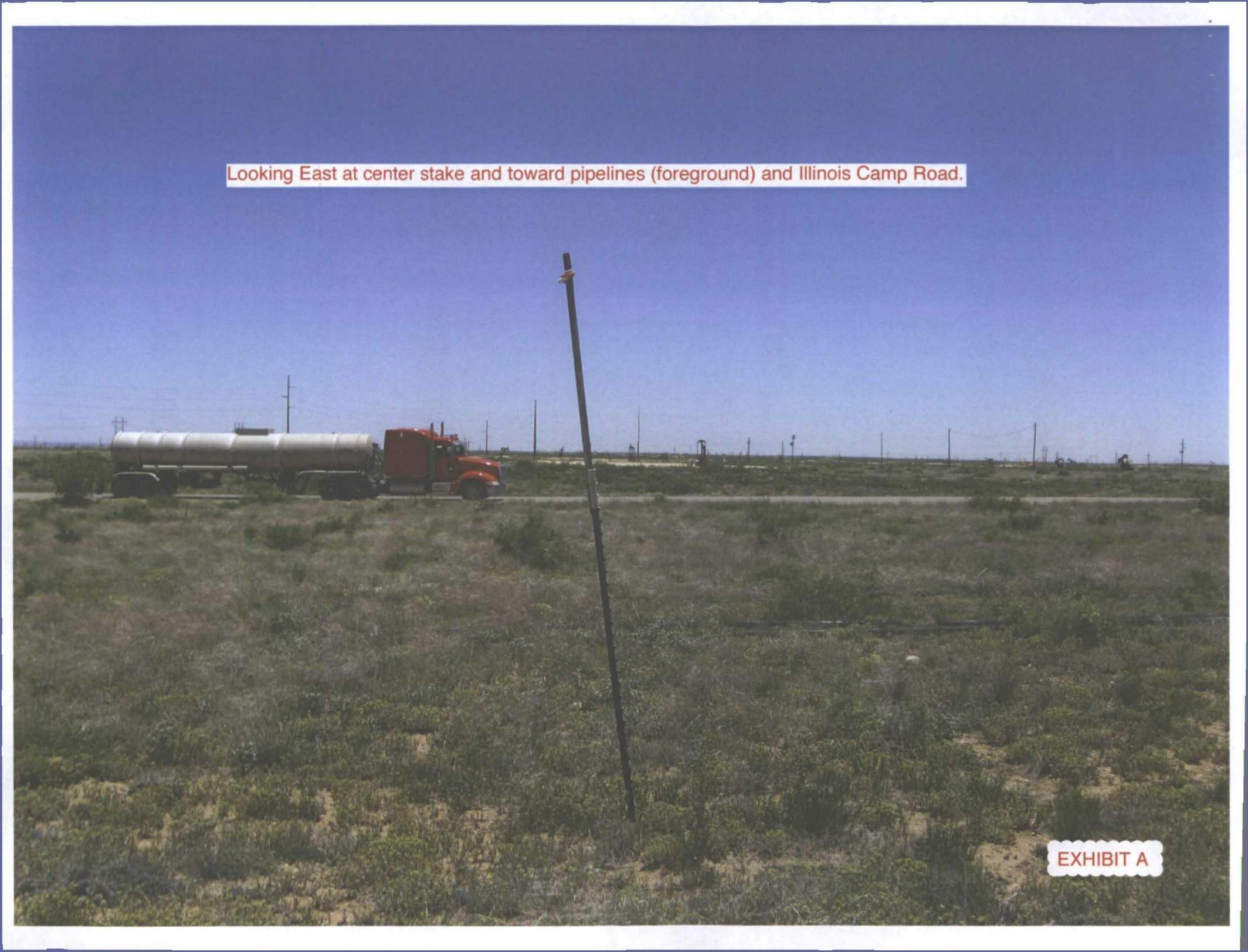


My Commission Expires: 2-12-2017
Business Address: 37 Verano Loop, Santa Fe NM 87508

cc: Flores

Looking East at center stake and toward pipelines (foreground) and Illinois Camp Road.

EXHIBIT A



DISTRICT I
1025 N. French Dr., Hobbs, NM 88240
Phone:(505)393-1181 Fax:(505)393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone:(505)748-1283 Fax:(505)748-9720

DISTRICT III
1000 Rio Brazos, Aztec, NM 87410
Phone:(505)334-0178 Fax:(505)334-0170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone:(505)476-3100 Fax:(505)476-3102

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015	Pool Code 96830	Pool Name Artesia; Glorieta - Yeso
Property Code 313975	Property Name JACKRABBIT STATE	Well Number 12
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3699'

Surface Location

EL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	32	17 S	28 E		1470	NORTH	2405	EAST	EDDY

Bottom Hole if Different From Surface

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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

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 unleased mineral interest in the land including the proposed bottom hole 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.

Michelle Cooper 3-5-15
Signature Date

Michelle Cooper
Printed Name

Michelle.cooper@apachecorp.com
Email Address

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.

JULY 25, 2014
Date Surveyed

TIM C. PAPPAS
Signature & Stamp
Professional Surveyor

15 DEC 2014
REGISTERED PROFESSIONAL SURVEYOR
NEW MEXICO
21209

TIM C. PAPPAS
Certificate No. 21209
HALFF ASSOC., INC. 29976-KUG2

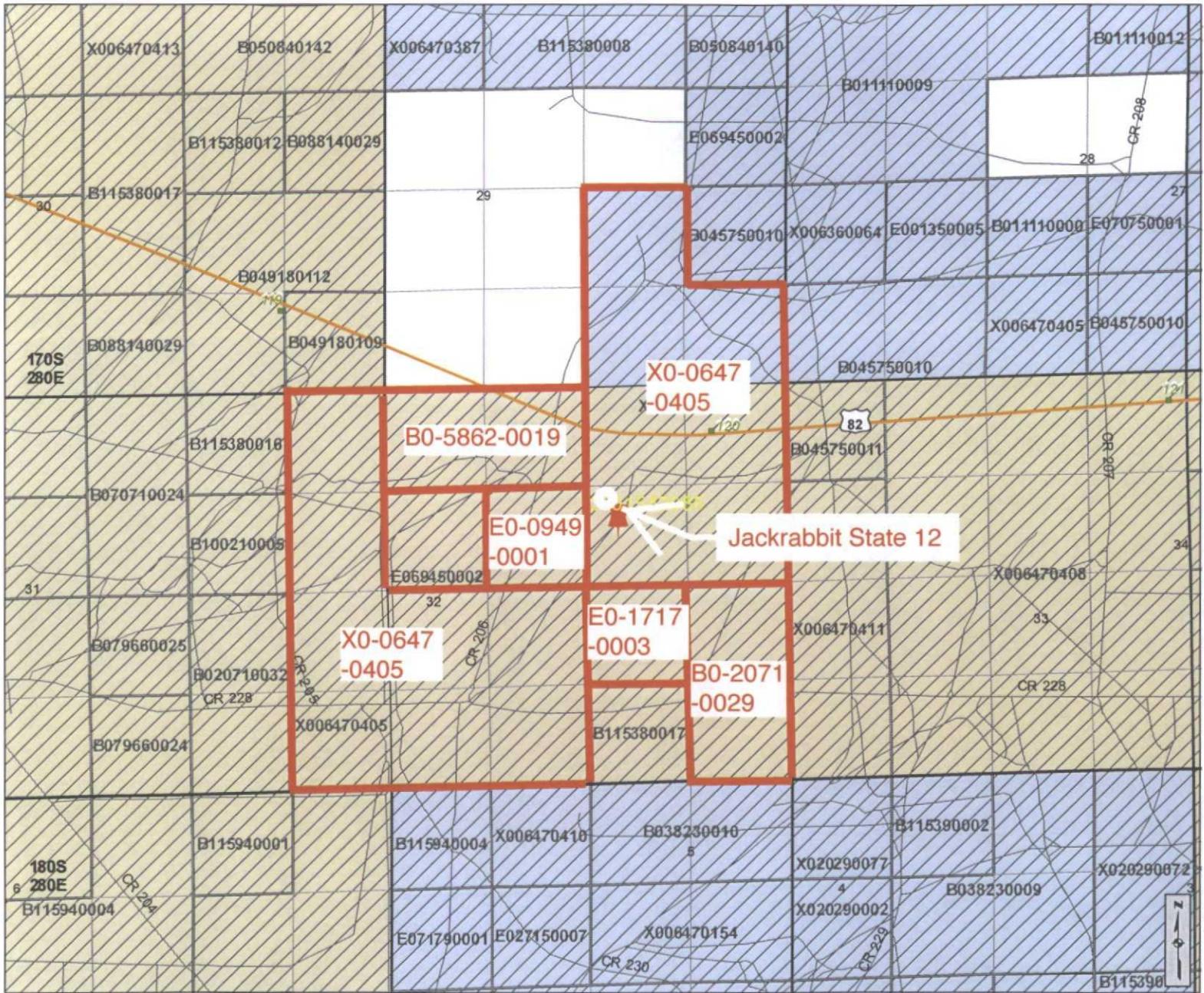
SURFACE LOCATION

Lot - N 32°47'36.18"
Long - W 104°11'50.02"
NNSPCE- N 582594.7
E 583180.5
(NAD-83)

Lot - N 32°47'37.17"
Long - W 104°11'48.18"
NNSPCE- N 582531.7
E 541981.3
(NAD-27)

SCALE 1"=2000'

EXHIBIT B



Cartographic Features

- County Boundaries
- County Seats
- City, Town or Village
- SLO District Offices
- SLO District Boundary
- Hwy Mileposts
- Interstate
- 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
- Gas
- Injection
- Miscellaneous
- Oil
- Salt Water Disposal
- Water
- DA or PA

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

0 0.050.1 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.

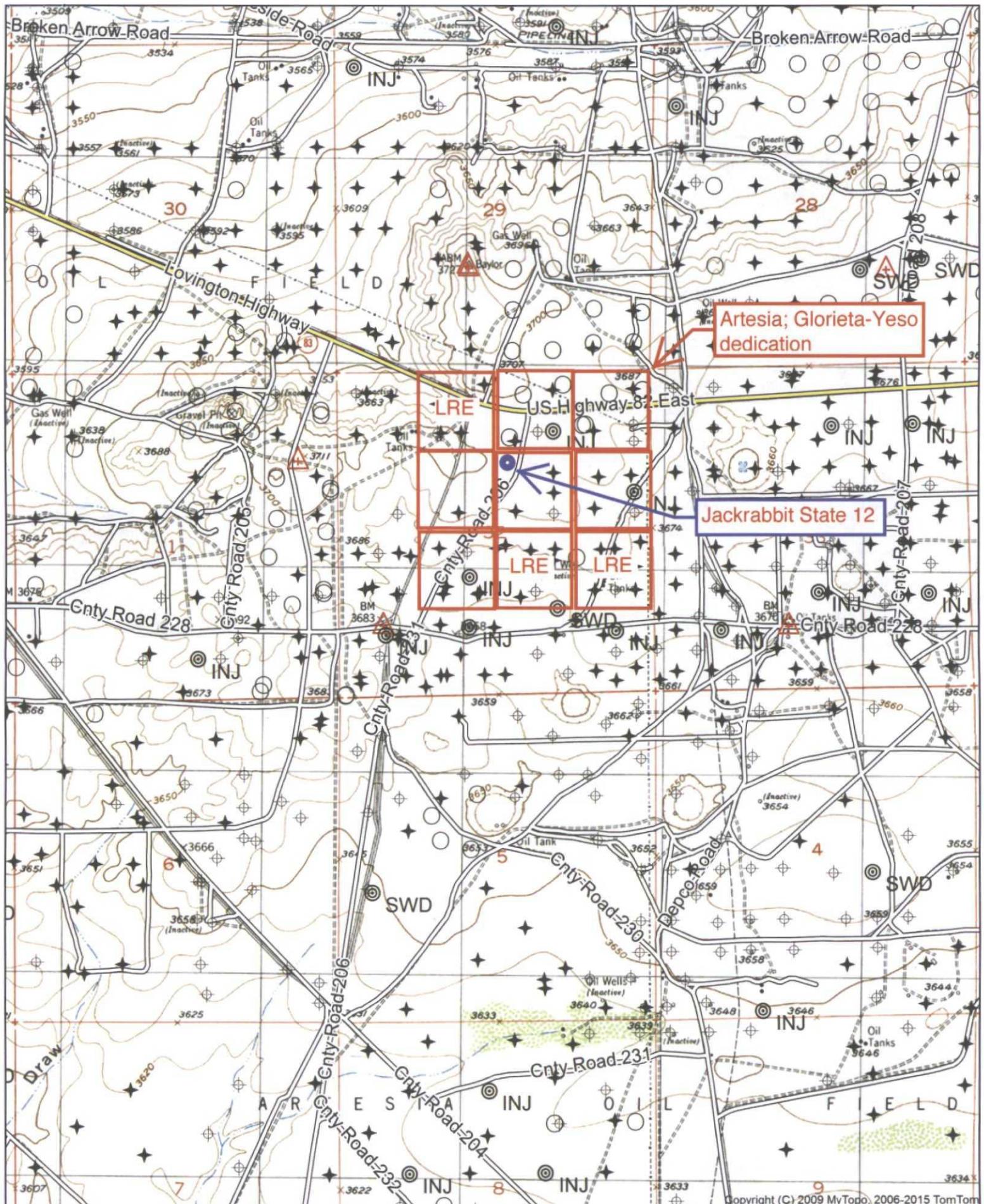
Land Office Geographic Information Center
logic@slo.state.nm.us

Created On: 6/14/2015 5:47:07 AM

EXHIBIT C



www.nmstatelands.org



Quad: RED LAKE
 Scale: 1 inch = 2,000 ft.

EXHIBIT D

June 14, 2015

Bobby Reynolds
 LRE Operating
 1111 Bagby St., Suite 4600
 Houston, TX 77002

Dear Bobby,

As required by New Mexico Oil Conservation Division Rules, I am notifying you of the following nonstandard location (NSL) for a well. This letter is a notice only. No action is needed unless you have questions or objections.

Apache Corporation is applying for NSL approval for its Jackrabbit State 12 oil well. Minimum state distance for such an oil well is 330' from a quarter-quarter line. The well is 132' further west than is standard and 180' further north than is standard (see attached application). Thus, it is a nonstandard location. The NSL is due to land uses (well and other infrastructure).

Well Name: Jackrabbit State 12 **ID:** 5,300'
Proposed NSL Zone: Artesia; Glorieta-Yeso (O)
NSL Acreage Dedication: 40 acres (SWNE Section 32, T. 17 S., R. 28 E., Eddy County, NM) on NMSLO lease XU-0647-0405
Location: ≈12 air mile west of Loco Hills, NM at 1470 FNL & 2405 FEL 32-17s-28e
Applicant Name: Apache Corporation (432) 818-1168
Applicant's Address: 303 Veterans Airpark Lane, Suite 300, Midland TX 79705

Submittal Information: Application for a nonstandard location will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, then it must be filed in writing within 20 days from the date the NMOCD receives the application. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood

Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 Domestic Mail Only

For delivery information, visit our website at www.usps.com

Certified Mail Fee \$ 3.75

Extra Services & Fees (check box, add fees as appropriate)

Return Receipt (hardcopy) \$ 2.80

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$ 7.15ps

Total Postage and Fees \$ 6.96

Sent To LRE

Street and Apt. No., or PO Box No. Houston

City, State, ZIP+4® Houston

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Back

EXHIBIT E

June 14, 2015

NM State Land Office
 P. O. Box 1148
 Santa Fe NM 87504

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