

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



February 1, 2016

Apache Corporation
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7376
Administrative Application Reference No. pMAM1601135515

Apache Corporation
OGRID 873
Tony Federal # 53 D
API No. 30-015-43564

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	286` FSL & 1433` FWL	N	18	17S	31E	Eddy
Penetration Point	301.4` FSL & 1508.7` FWL	N	18	17S	31E	Eddy
Final perforation	330` FSL & 1650` FWL	N	18	17S	31E	Eddy
Terminus	330` FSL & 1650` FWL	N	18	17S	31E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Unit N of Section 18	40	Cedar Lake Glorieta-Yeso	96831

Reference is made to your application received on January 11, 2016.

You have requested to drill this directional 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, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location due to the desire to optimize reservoir drainage and balance environmental and well bore collision concerns.

It is also understood that there is common ownership and partner approval of the working interest in the lease which comprises the proposed 40 acre spacing unit and the adjacent dedications. Therefore no notice is required.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (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.



DAVID R. CATANACH
Director

DRC/lrl

cc: New Mexico Oil Conservation Division – Artesia District Office
Bureau of Land Management – Carlsbad Field Office