

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



June 24, 2016

Apache Corporation  
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION

**Administrative Order NSL-7428**

**Apache Corporation**  
OGRID 873  
**Tony Federal Well No. 65D**  
**API No. 30-015-43506**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	150` FNL & 2510` FWL	B	19	17S	31E	Eddy
Top perforation	202.3` FNL & 2400.3` FEL	B	19	17S	31E	Eddy
Bottom perforation (Terminus)	330` FNL & 2110` FEL	B	19	17S	31E	Eddy

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Unit B of Section 9	40	Cedar Lake; Glorieta - Yeso	96831

Reference is made to your application received on June 14, 2016.

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, 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 to optimize reservoir drainage and balance environmental concerns due to pad overlapping a producing oil well pad within a sand dune lizard habitat.

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 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved in order to prevent waste and protect correlative rights.

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