

DATE IN <u>5.2.11</u>	SUSPENSE	ENGINEER <u>DB</u>	LOGGED IN <u>5.2.11</u>	TYPE <u>NSL</u>	PTGW APP NO <u>1112247718</u>
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Apache

NB Tuxen State #93

ADMINISTRATIVE APPLICATION CHECKLIST

30-05-38593

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]

6369

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

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

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

[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.

David Catanach
Print or Type Name

Signature

Date

David Catanach
5/2/11

Agent for Apache Corporation
Title

drcatanach@netscape.com
E-Mail Address

May 2, 2011

Hand Delivered

New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, New Mexico 87505

Attention: Ms. Jami Bailey, CPG
Division Director

Re: Application for Unorthodox Well Location
N B Tween State No. 23 ✓
API No. (30-015-38593) ✓
1635' FNL & 2330' FEL (Unit G)
Section 25, T-17 South, R-28 East, NMPM,
Eddy County, New Mexico

Dear Ms. Bailey:

Pursuant to Division Rule 19.15.15.13, Apache Corporation ("Apache") respectfully requests administrative approval of an unorthodox oil well location for its proposed N B Tween State No. 23. This well will be drilled as a development oil well in the Artesia Glorieta-Yeso Pool (96830).

The proposed N B Tween State No. 23 will be dedicated to an existing standard 40-acre oil spacing and proration unit in the Artesia Glorieta-Yeso Pool comprising the SW/4 NE/4 of Section 25. This unit is currently dedicated to the existing Apache N B Tween State No. 3 (API No. 30-015-35916) located 2160 feet from the North line and 2240 feet from the East line, and the N B Tween State No. 8 (API No. 30-015-36796) located 1850 feet from the North line and 1650 feet from the East line.

The Artesia Glorieta-Yeso Pool is currently governed by Division Rule 19.19.15.9 which requires standard 40-acre oil spacing and proration units with wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

The attached vicinity map shows that the proposed unorthodox oil well location is necessary in order to avoid existing pipelines to the south and east of the proposed location.

The affected offset acreage includes the NW/4 NE/4 and the E/2 NW/4 of Section 25, Township 17 South, Range 28 East. All three of these affected offset tracts are existing 40-acre spacing units in the Artesia Glorieta-Yeso Pool, and all three are operated by Apache. Please note that the working interest ownership between the SW/4

NE/4 of Section 25 and the three affected offset 40-acre tracts is common. Consequently, notice of this application is not required to any party.

Attached is a Form C-102, vicinity map, and a map showing the affected offset acreage.

In summary, approval of the application will provide Apache Corporation the opportunity to recover additional oil and gas reserves from the Artesia Glorieta-Yeso Pool underlying the SW/4 NE/4 of Section 25 that may otherwise not be recovered by the existing producing wells, thereby preventing waste, and will not violate correlative rights.

Please note that according to its drilling schedule, it is necessary for Apache to commence drilling operations on it's proposed N B Tween State No. 23. Consequently, Apache respectfully requests, to the extent possible, expedited approval of this application.

If you should have any questions, please call me at (505) 690-9453.

Sincerely,



David Catanach, Agent
Apache Corporation
6120 S. Yale, Suite 1500
Tulsa, Oklahoma 74136

Xc: OCD-Artesia

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-38593		Pool Code 96830	Pool Name <i>under</i> Artesia Glorieta-Yeso Pool
Property Code 308723	Property Name N B Tween State		Well Number 023
OGRID No. 873	Operator Name Apache Corporation		Elevation 3689'

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	25	17 South	28 East		1635'	North	2330'	East	Eddy

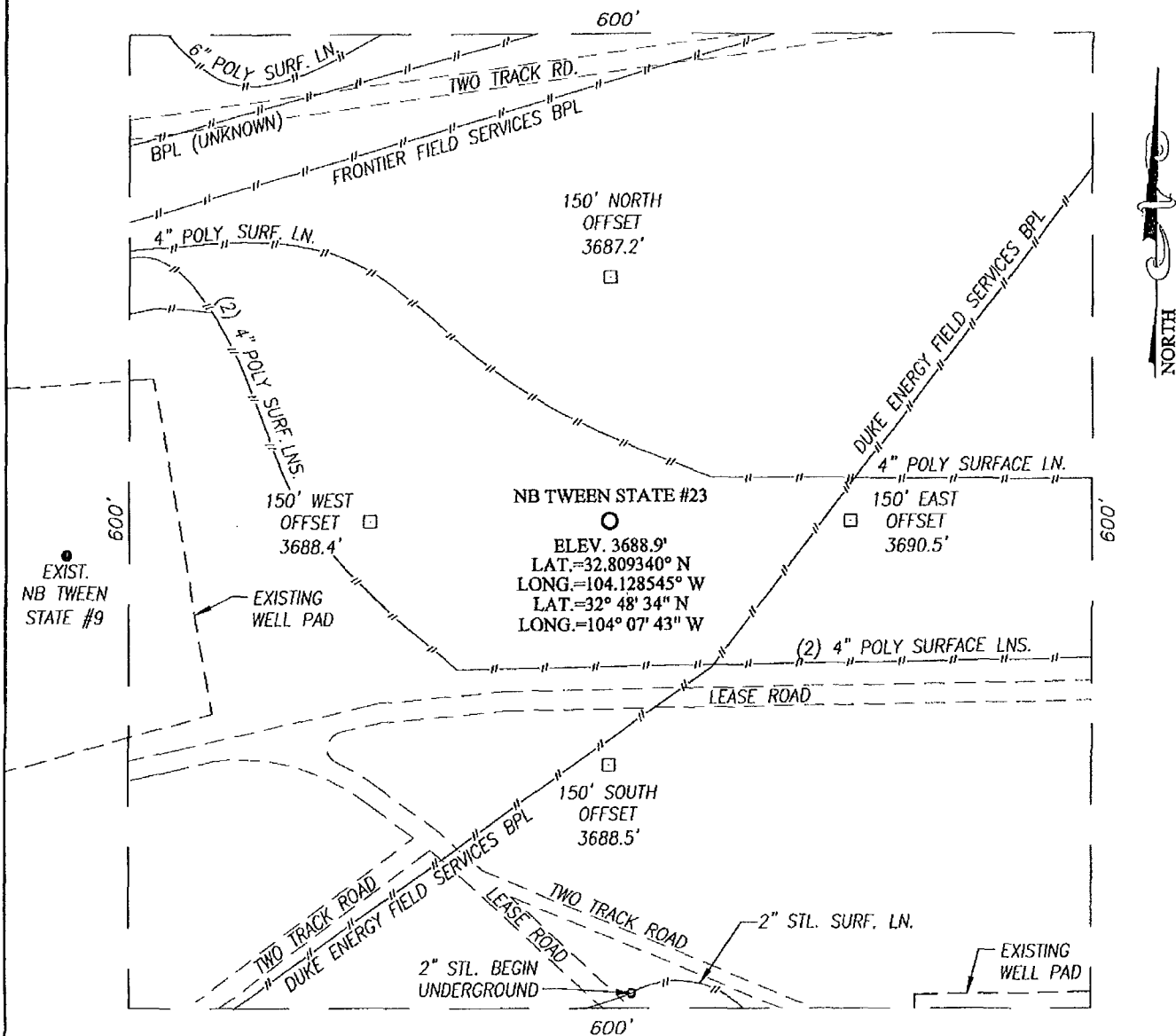
Bottom Hole Location If Different From Surface

UL 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		Consolidate Code		Order No.			

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

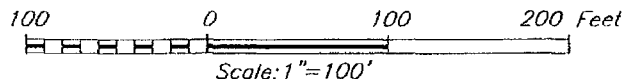
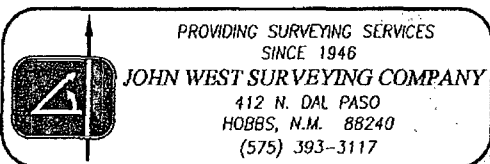
	<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottomhole location or has a right to drill this well at this 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 heretofor entered by the Division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>	
	<p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>	

SECTION 25, TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82
(LOVINGTON HWY.) AND CO. RD. #209 (TURKEY
TRACK RD.), GO EAST ON U.S. HWY. #82 APPROX.
1.1 MILES. TURN LEFT AND GO NORTH APPROX. 0.3
MILES. TURN RIGHT AND GO EAST APPROX. 0.1
MILE. THIS LOCATION STAKE IS APPROX. 110 FEET
NORTH OF LEASE ROAD.



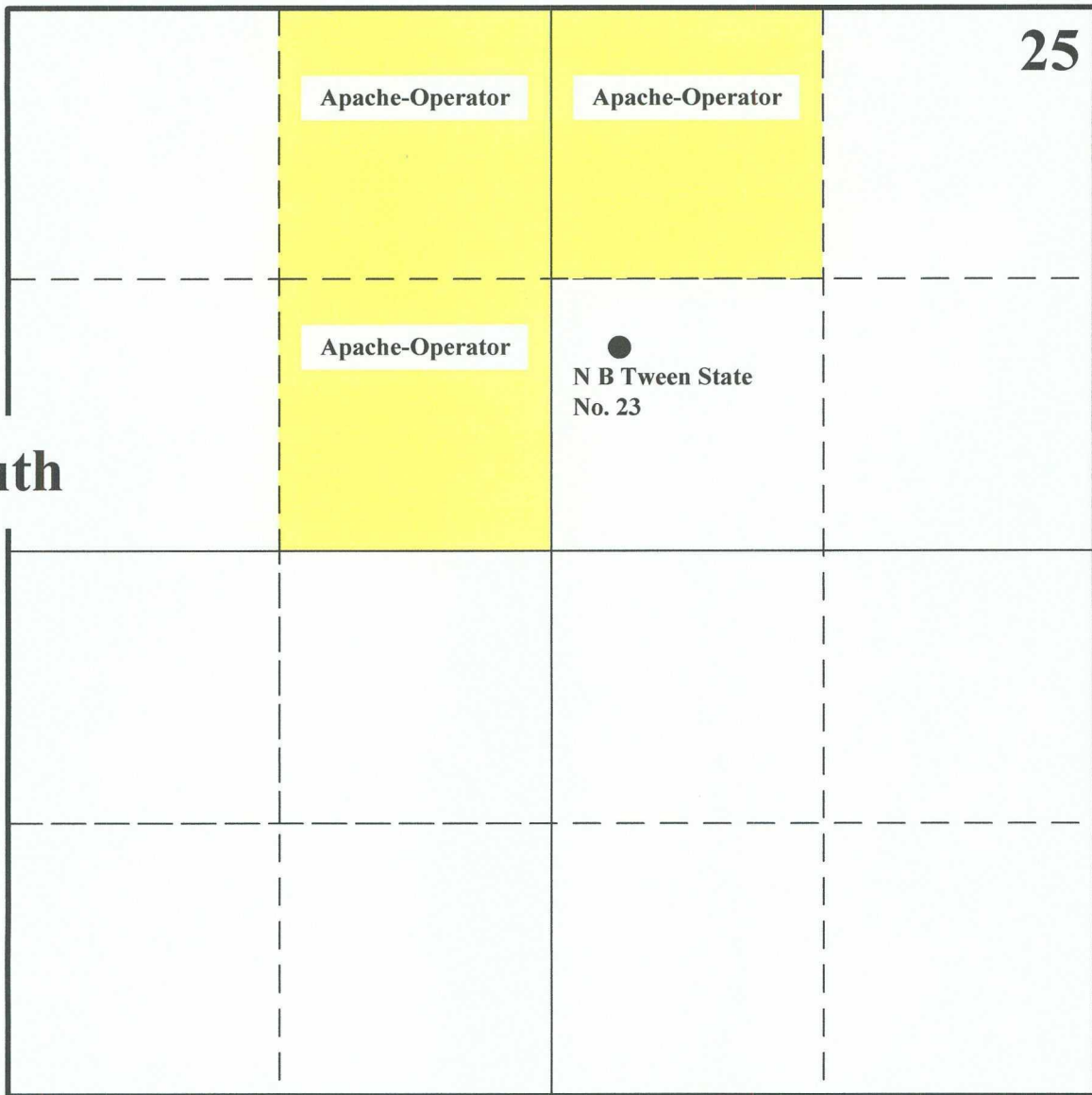
APACHE CORPORATION

NB TWEEN STATE #23 WELL
LOCATED 1635 FEET FROM THE NORTH LINE
AND 2330 FEET FROM THE EAST LINE OF SECTION 25,
TOWNSHIP 17 SOUTH, RANGE 28 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 2/15/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0343	Dr By: DSS
Date: 3/3/11	11110343
	Scale: 1"=100'

28 East

17 South



Affected Offset Acreage

Apache Corporation
Application for Non-Standard Well Location
N B Tween State No. 23 (API No. 30-015-38593)

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Tuesday, May 03, 2011 11:35 AM
To: 'drcatanach@netscape.com'
Subject: Apache - NB Tween St #23
Attachments: Apache NB Tween St #23.doc

Dear David

Due to my legendary propensity to make stupid mistakes I am requesting you to review the attached draught for such before I submit it to HRH.

Thanks

David