

Surface Use Plan

(Additional data for form 3160-3)

30-015-39611

Apache Corporation

Lee Federal #41

SHL: 1700' FNL & 460' FWL UL: E SEC: 20 T17S R31E

Eddy County, NM

Lease #: NMLC - 0029395B

1. EXISTING ROADS-

From the intersection of State Hwy #529 & State Hwy #83, go approx. 1.4 miles West on Hwy #83, turn Right & go Northeast approx. 0.25 miles, turn Left & go Northwest approx. 300', turn Right & go North approx. 300', turn Left & go West approx. 200', the location stake is approx 80' South. All roads will be maintained in a condition equal to or better than current conditions.

2. PLANNED ACCESS ROAD — No new lease/access road is planned to be constructed. The existing lease roads will be used to the extent possible. If a lease/access road needs to be constructed, all lease roads will be graded in compliance with BLM standards. All new & reconstructed roads will have a width & "crown design" (i.e. The max width of the driving surface will be 14'. The road will be crowned & ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled & compacted caliche.)

3. LOCATION OF EXISTING WELLS - Water wells, Disposal wells, Injection wells, Drilling wells, Producing Wells, Abandoned wells: *SEE EXHIBIT 1.*

4. LOCATION OF EXISTING OR PROPOSED FACILITIES - In the event this well is productive we will install a new flowline, approx. 1400' in length, to the existing Lee Federal Battery at the Lee Federal #2. *SEE EXHIBIT 2.*

5. LOCATION AND TYPE OF WATER SUPPLY - All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.

6. SOURCE OF CONSTRUCTION MATERIALS - Construction material (caliche) required for the access road and well site pad will be obtained on location, if available, or from an approved pit. No surface materials will be disturbed except those necessary for actual grading and construction of the drill site and access road.

7. METHODS FOR HANDLING WASTE DISPOSAL -

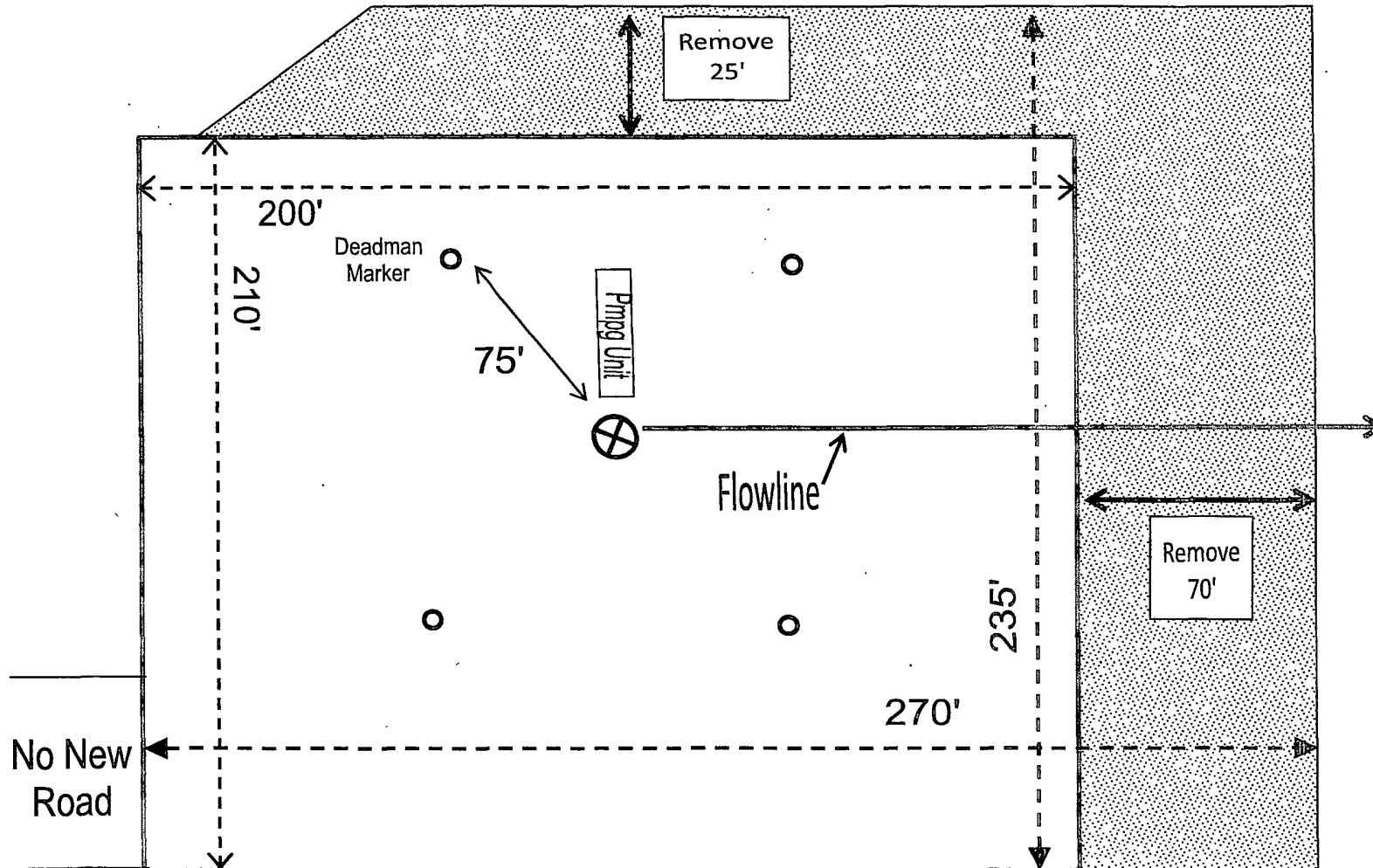
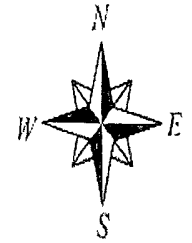
Closed Loop System. Waste Material will be stored then hauled to a state approved disposal facility. Drilling fluids will be contained in steel pits, fluids will be cleaned & reused. Water produced during testing will be contained in steel pits and disposal at a state approved facility. Any oil or condensate will be stored in test tanks until sold & hauled from site.

- Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site. Salts remaining after completion will be picked up by supplier including broken sacks.
- Any other waste generated by the drilling, completion, testing of this well will be through a closed loop system.
- A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well, and cleaned out periodically.

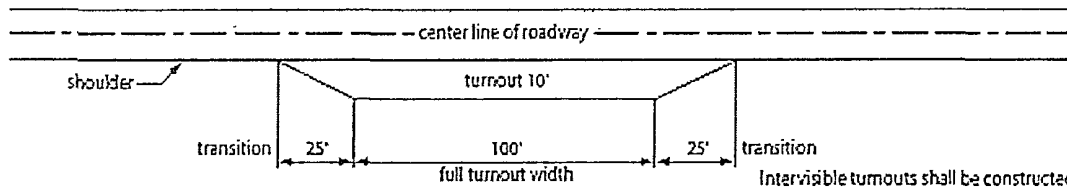
INTERIM RECLAMATION LAYOUT

LEE FEDERAL #41

Exhibit #4

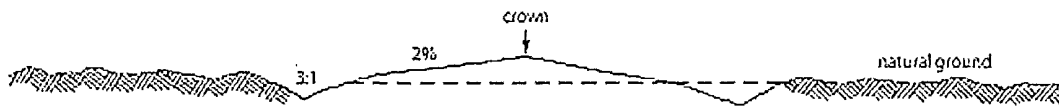


Cross Sections and Plans for Typical Road Sections

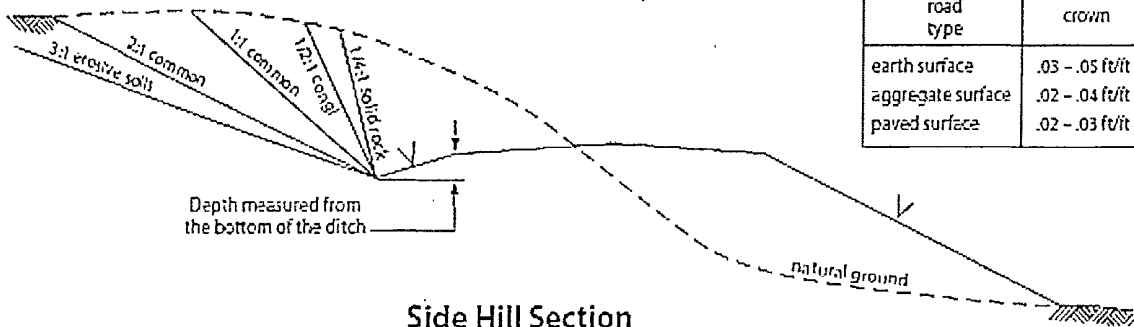


Typical Turnout Plan

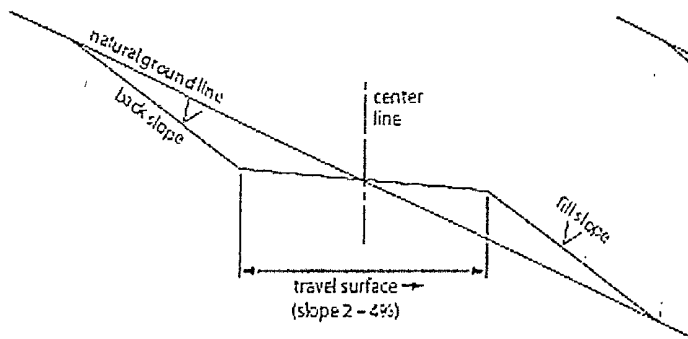
Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.



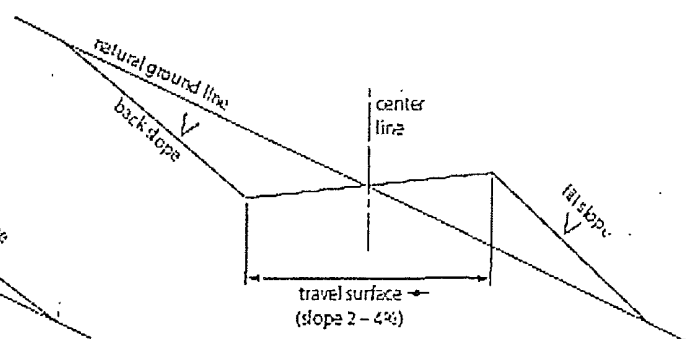
Level Ground Section



Side Hill Section



Typical Outslope Section



Typical Inslope Section

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: APACHE CORPORATION
Street or Box: 303 VETERANS AIRPARK LANE, STE. 3000
City, State: Midland, TX
Zip Code: 79705

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No: NMLC-0029395B LEE FEDERAL #041

Legal Description of Land: 1700' FNL & 400' FWL

UL: E Section: 20 Township: 17S Range: 31E

County: EDDY State: NM

Bond Coverage: \$150,000

Statewide Oil and Gas Surety Bond, APACHE CORPORATION.

BLM Bond File No.: BLM-CO-1463 NATIONWIDE

Signature:  Printed Name: BOBBY L. SMITH

Title: DRILLING MANAGER, PERMIAN REGION

Date: 1/28/2011

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

OPERATOR CERTIFICATION

I HEARBY CERTIFY THAT I, OR SOMEONE UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE DRILL SITE AND ACCESS ROUTE PROPOSED HEREIN; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH CURRENTLY EXIST; THAT I HAVE FULL KNOWLEDGE OF STATE AND FEDERAL laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 28 day of JANUARY, 2011

Well: LEE FEDERAL #41

Operator Name: APACHE CORPORATION

Signature:  Printed Name: BOB LANGE

Title: Drilling Engineer Date: 1/28/2011

Email (optional): bob.lange@apachecorp.com

Street or Box: 303 Veterans Airpark Ln., Ste. 3000

City, State, Zip Code: Midland, TX 79705

Telephone: 432-818-1114

Field Representative (if not above signatory): _____

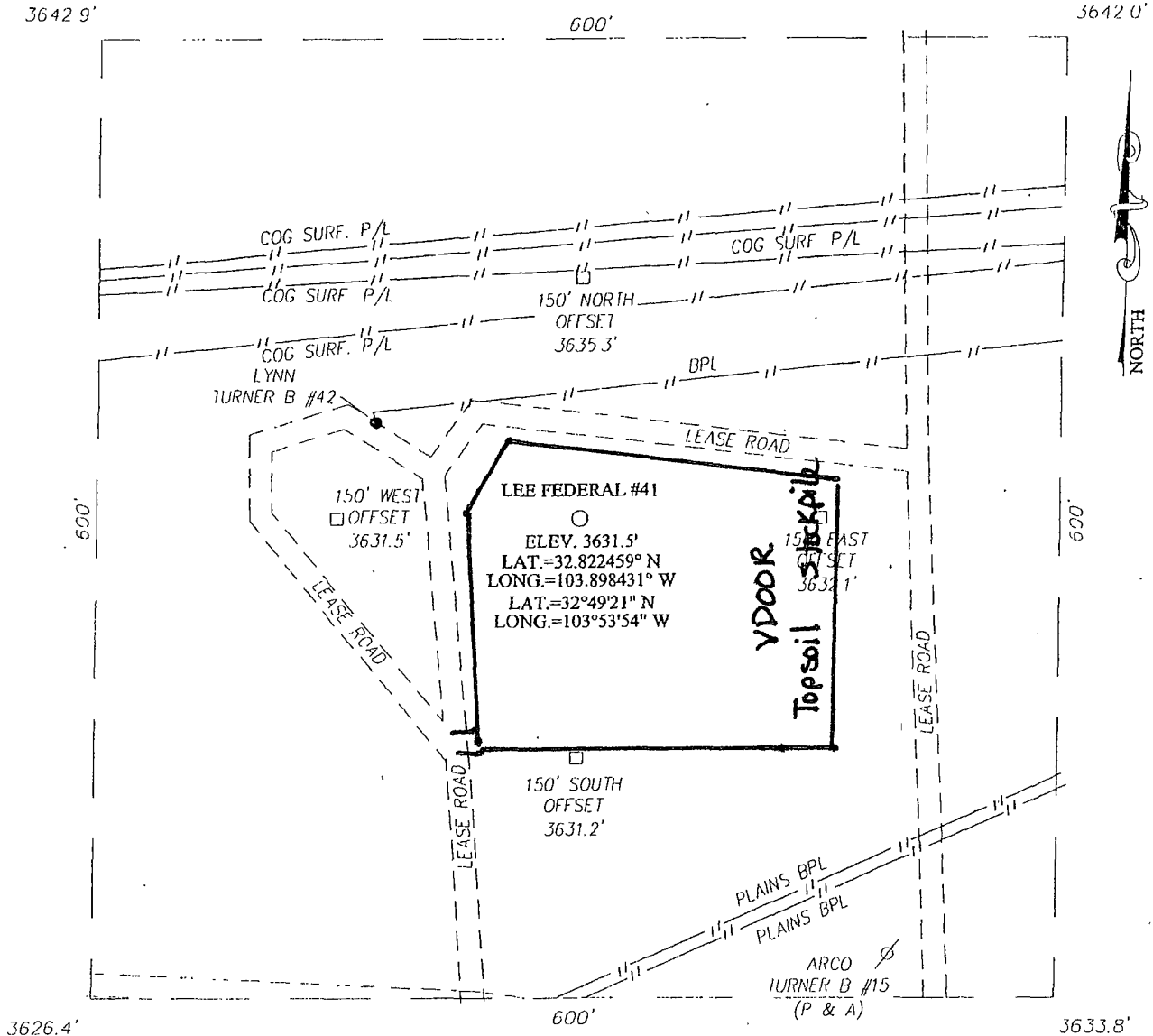
Address (if different from above): _____

Telephone (if different from above): _____

Email (optional): _____

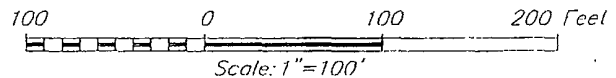
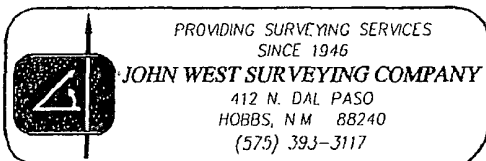
Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

SECTION 20, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST HWY #529 AND ST HWY. #83, GO APPROX 1.4 MILES WEST ON HWY #83. TURN RIGHT AND GO NORTHEAST APPROX 0.25 MILES TURN LEFT AND GO NORTHWEST APPROX 300 FEET TURN RIGHT AND GO NORTH APPROX 300 FEET TURN LEFT AND GO WEST APPROX 200 FEET THE LOCATION STAKE IS APPROX. 80 FEET SOUTH

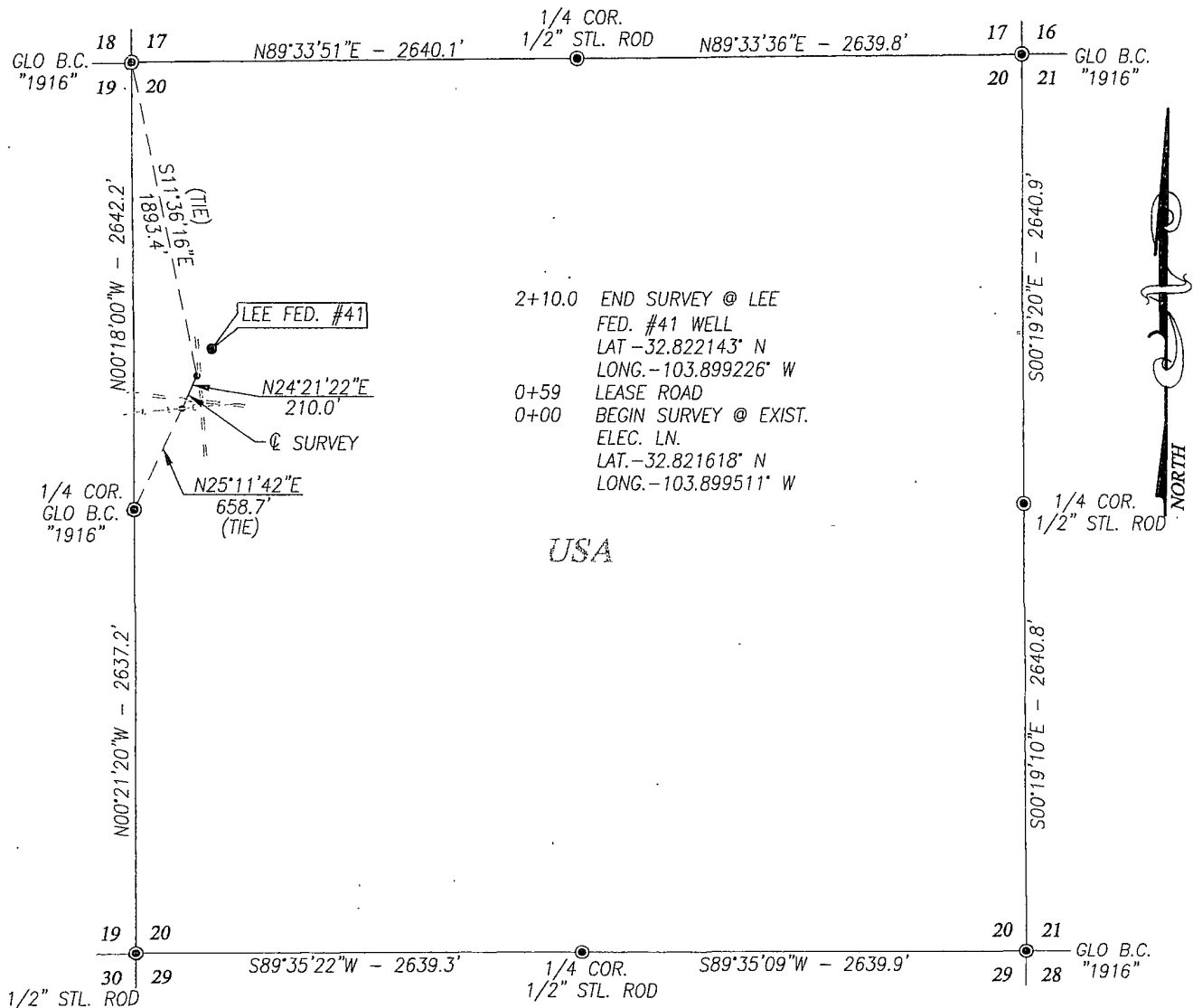


APACHE CORPORATION

LEE FEDERAL #41 WELL
LOCATED 1700 FEET FROM THE NORTH LINE
AND 460 FEET FROM THE WEST LINE OF SECTION 20,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

Survey Date: 12/23/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1834	Dr. By. LA
Date: 1/4/11	10111834
	Scale: 1\"=100'

SECTION 20, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.
 EDDY COUNTY NEW MEXICO



DESCRIPTION

A STRIP OF LAND 50.0 FEET WIDE AND 210.0 FEET OR 0.040 MILES IN LENGTH CROSSING USA LAND IN SECTION 20, TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO AND BEING 25.0 FEET LEFT AND 25.0 FEET RIGHT OF THE ABOVE PLATTED CENTERLINE SURVEY.

NOTE

1. BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.
2. LATITUDE AND LONGITUDE VALUES SHOWN HEREON ARE RELATIVE TO THE NORTH AMERICAN DATUM 1983 (NAD83)

LEGEND

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