API NUMBER 30-045-11202

OPERATOR NAME APA DEVELOPMENT CORP **WELL NUMBER** 11

PROPERTY NAME NAVAJO M

SECTION 34 **TOWNSHIP 32N** **RANGE** 17W

FOOTAGE 1720 FNL 1750 FEL UL "G"

Sur Csg OD 12 1/4" HOLE	7 5/8	XX	XX	XX	XX
SUR CSG TD	34	XX	XX	XX	XX
SUR CSG WT	17.7	XX	XX	XX	XX
TOP OF CMT 28'	0	XX	XX	XX	XX
ACTUAL		XX	XX	XX	XX
CACULATED	12SX	XX	XX	XX	XX
PROD CSG OD 6 1/4	4 1/2	XX	XX	XX	XX
PROD CSG TD	1742	XX	XX	XX	XX
PROD CSG WT	9.5	XX	XX	XX	XX
TOP OF CMT		XX	XX	XX	XX
ACTUAL	EST		XX	XX	
CACULATED	100SX		XX	XX	
PERF TOP	1707		XX	XX	
PERF BOTTOM	1715		XX	XX	
PACKER			XX	XX	
TYPE OF PLUG			XX	XX	
CIBP & CMT			XX	XX	
CMT			XX	XX	
			XX	XX	

PROPOSED PLUGGING OPERATION

Close pits according to guidelines: Clean and level location

Form O & G CBB
Adopted 6-1-86

BLANKET CASH PLUGGING BOND

KNOW ALL MEN BY THESE PRESENTS THAT________________________________ ________________(an individual), (a partnership), (a corporation organized in the State of________________, with its principal office in the city of ______________________________, State of__________________________ and authorized to do business in the State of New Mexico) is held and firmly bound to the Oil Conservation Division of the State of New Mexico (or its successor agency) in the sum of **Fifty Thousand Dollars ($50,000)**, lawful money of the United States.

The conditions of this obligation are such that:

The above applicant/operator desires to drill or purchase wells to prospect for and produce oil, gas, or carbon dioxide resources on land owned by private individuals or the State of New Mexico;

The applicant has deposited on behalf of the Division **Fifty Thousand Dollars ($50,000)**, being the principal sum intended to be secured, in the manner indicated on the attachment to this bond. Applicant pledges this sum as a guarantee that it, its executors, assigns, heirs or administrators shall plug the wells owned or operated by him if dry, or when abandoned, in accordance with the rules and orders of the Oil Conservation Division of the State of New Mexico in such a way as to confine the oil, gas, and water in the strata in which they are found, and to prevent same from escaping to other strata. If the applicant does not so properly plug and abandon said wells upon order of the Division, the total sum of the bond shall be forfeited to the Division, and such amount as is necessary may be used to properly plug said wells. If the principal sum of this bond is less than the actual cost incurred by the Division in plugging said wells, the applicant, its successors, assigns, heirs, or administrators shall be liable under the provisions of Section 70-2-38 NMSA 1978 of the Oil and Gas Act, and the Division may take action to recover any amounts expended over and above the principal sum of the bond.

NOW THEREFORE, if the above applicant or its successors, assigns, heirs, or administrators or any of them shall plug the wells owned or operated by it when dry or abandoned, in accordance with the rules, regulations, and orders of the Division, in such a manner as to confine the oil, gas, and water in the strata in which they naturally occur, and to prevent them from escaping into other strata, and further to clean up the surface location of said wells, NOW THEREFORE, this obligation shall be null and void and the principal sum shall be paid to the applicant, or its successors, heirs, or administrators.

PROVIDED HOWEVER, that upon thirty days notice from the Division to the applicant of intention to cancel this bond, the obligation shall terminate as to property or wells acquired, drilled, or spudded after said thirty day period.

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Operator