State of New Mexico

Form C-101 Permit 117092

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

	Name and Address CHE CORP	2. OGRID Number 873		
	NS AIRPARK LANE ND , TX 79705	3. API Number 30-025-39828		
4. Property Code 23103	5. Property Name ARGO	6. Well No. 014		

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	15	218	37E	K	2190	S	2130	W	LEA

8. Pool Information

PENROSE SKELLY:GRAYBURG	50350
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Additional Well Information

9. Work Type 10. Well Type New Well OIL				11. Cable/Rotary		13. Ground Level Elevation 3432	
14. Multiple 15. Proposed Dept		osed Depth	16. Formation Grayburg		17. Contractor	18. Spud Date	
Depth to Ground	water		Dis	tance from nearest	fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic Closed Loop Syste	m 🗙	mils thick	Clay	Pit Volume:		lling Method: sh Water Brine	Diesel/Oil-based Gas/Air

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1300	650	0
Prod	7.875	5.5	17	4400	650	0

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

Γ	Type	Working Pressure	Test Pressure	Manufacturer
Т	DoubleRam	2000	2000	

I hereby certify that the information giv of my knowledge and belief. I further certify that the drilling pit	en above is true and complete to the best will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general pe OCD-approved plan .		Approved By: Paul Kautz				
Printed Name: Electronically file	ed by Lana Williams	Title: Geologist				
Title: Engineering Tech		Approved Date: 7/13/2010	Expiration Date: 7/13/2012			
Email Address: lana.williams@a	pachecorp.com		** 2			
Date: 7/12/2010	Phone: 918-491-4900	Conditions of Approval Attached				

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico

Form C-102 Permit 117092

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39828	2. Pool Code 50350	3. Pool Name PENROSE SKELLY; GRAYBURG
4. Property Code 23103	5. Property ARG	Name 6. Wett No.
7. OGRID No. 873	8. Operator APACHE	

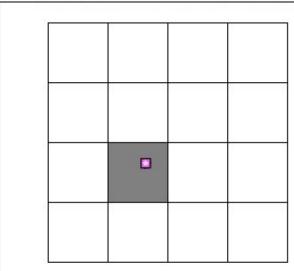
10. Surface Location

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	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	K	15	218	37E	K	2190	S	2130	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
V. 100 100 100 100 100 100 100 100 100 10	cated Acres	13.	Joint or Infill		14	. Consolidation (Code			15. 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



OPERATOR CERTIFICATION

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 bottom hole location(s) 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 heretofore entered by the division.

E-Signed By: Lana Williams Title: Engineering Tech Date: 7/12/2010

SURVEYOR CERTIFICATION

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.

Surveyed By: Ronald Eidson Date of Survey: 6/28/2010 Certificate Number: 3239

Permit Comments

Operator: APACHE CORP, 873

Well: ARGO #014 API: 30-025-39828

Created By	Comment	Comment Date
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-02205.	7/13/2010

Permit Conditions of Approval

Operator: APACHE CORP , 873 Well: ARGO #014 API: 30-025-39828

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string