

**State of New Mexico**  
**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**

|                                                                                               |  |                               |
|-----------------------------------------------------------------------------------------------|--|-------------------------------|
| 1. Operator Name and Address<br>APACHE CORP<br>303 Veterans Airpark Lane<br>Midland, TX 79705 |  | 2. OGRID Number<br>873        |
| 4. Property Code<br>36908                                                                     |  | 3. API Number<br>30-025-39969 |
| 5. Property Name<br>MAGNOLIA                                                                  |  | 6. Well No.<br>004            |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D        | 11      | 20S      | 38E   | D       | 990       | N        | 330       | W        | LEA    |

**8. Pool Information**

|                |       |
|----------------|-------|
| HOUSE;BLINEBRY | 33230 |
| HOUSE;TUBB     | 78760 |
| HOUSE;DRINKARD | 33250 |

**Additional Well Information**

|                                                                                                                                                                                                                                                                                                                                                  |                            |                                        |                           |                                    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------|---------------------------|------------------------------------|
| 9. Work Type<br>New Well                                                                                                                                                                                                                                                                                                                         | 10. Well Type<br>OIL       | 11. Cable/Rotary                       | 12. Lease Type<br>Private | 13. Ground Level Elevation<br>3585 |
| 14. Multiple<br>Y                                                                                                                                                                                                                                                                                                                                | 15. Proposed Depth<br>7300 | 16. Formation<br>Drinkard              | 17. Contractor            | 18. Spud Date                      |
| Depth to Ground water                                                                                                                                                                                                                                                                                                                            |                            | Distance from nearest fresh water well |                           | Distance to nearest surface water  |
| Pit: Liner: Synthetic <input type="checkbox"/> mls thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method:<br>Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                            |                                        |                           |                                    |

**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               | 1200          | 600             |               |
| Prod | 7.875     | 5.5         | 17               | 7300          | 900             |               |

**Casing/Cement Program: Additional Comments**

|  |
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|  |
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**Proposed Blowout Prevention Program**

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000             | 2000          |              |

|                                                                                                                                                                                                                                                                                                                                                          |                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br>I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | <b>OIL CONSERVATION DIVISION</b>                         |
| Printed Name: Electronically filed by Bobby Smith                                                                                                                                                                                                                                                                                                        | Approved By: Paul Kautz                                  |
| Title:                                                                                                                                                                                                                                                                                                                                                   | Title: Geologist                                         |
| Email Address: bobby.smith@apachecorp.com                                                                                                                                                                                                                                                                                                                | Approved Date: 12/1/2010      Expiration Date: 12/1/2012 |
| Date: 11/23/2010      Phone: 432-818-1020                                                                                                                                                                                                                                                                                                                | 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

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Form C-102  
 Permit 123529

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                 |                                 |
|-------------------------------|---------------------------------|---------------------------------|
| 1. API Number<br>30-025-39969 | 2. Pool Code<br>33230           | 3. Pool Name<br>HOUSE, BLINEBRY |
| 4. Property Code<br>36908     | 5. Property Name<br>MAGNOLIA    | 6. Well No.<br>004              |
| 7. OGRID No.<br>873           | 8. Operator Name<br>APACHE CORP | 9. Elevation<br>3585            |

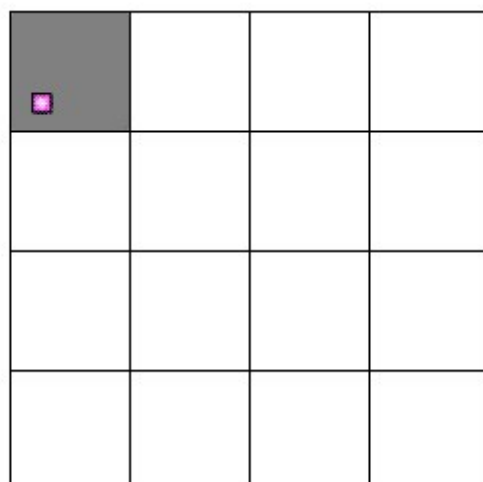
**10. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D        | 11      | 20S      | 38E   |         | 990       | N        | 330       | W        | LEA    |

**11. Bottom Hole Location If Different From Surface**

| UL - Lot                     | Section             | Township               | Range         | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|------------------------------|---------------------|------------------------|---------------|---------|-----------|----------|-----------|----------|--------|
| 12. Dedicated Acres<br>40.00 | 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: Bobby Smith

Title:

Date: 11/23/2010

**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: 11/9/2010

Certificate Number: 3239

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                 |                            |
|-------------------------------|---------------------------------|----------------------------|
| 1. API Number<br>30-025-39969 | 2. Pool Code<br>78760           | 3. Pool Name<br>HOUSE;TUBB |
| 4. Property Code<br>36908     | 5. Property Name<br>MAGNOLIA    | 6. Well No.<br>004         |
| 7. OGRID No.<br>873           | 8. Operator Name<br>APACHE CORP | 9. Elevation<br>3585       |

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| 4. Property Code<br>36908     | 5. Property Name<br>MAGNOLIA    | 6. Well No.<br>004             |
| 7. OGRID No.<br>873           | 8. Operator Name<br>APACHE CORP | 9. Elevation<br>3585           |

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Date of Survey: 11/9/2010

Certificate Number: 3239

## Permit Comments

**Operator:** APACHE CORP , 873

**Well:** MAGNOLIA #004

**API:** 30-025-39969

| Created By | Comment                                                                   | Comment Date |
|------------|---------------------------------------------------------------------------|--------------|
| pkautz     | Land P/P                                                                  | 11/23/2010   |
| DMULL      | OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-02886. | 12/1/2010    |

# Permit Conditions of Approval

**Operator:** APACHE CORP , 873

**Well:** MAGNOLIA #004

**API:** 30-025-39969

| OCD Reviewer | Condition                                                                             |
|--------------|---------------------------------------------------------------------------------------|
| pkautz       | For multiple completion will require DHC approval in accordance with Rule 19.15.12.11 |