

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
August 1, 2011
Permit 256466

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

| | | |
|--|--|-------------------------------|
| 1. Operator Name and Address APACHE CORPORATION 303 Veterans Airpark Ln Midland, TX 79705 | | 2. OGRID Number 873 |
| 4. Property Code 322494 | | 3. API Number 30-015-45279 |
| 5. Property Name PALMILLO 21 STATE COM | | 6. Well No. 227H |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot E | Section 21 | Township 19S | Range 28E | Lot Idn E | Feet From 1715 | N/S Line N | Feet From 370 | E/W Line W | County Eddy |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|----------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-----------------|---------------|----------------|
| UL - Lot H | Section 21 | Township 19S | Range 28E | Lot Idn H | Feet From 1887 | N/S Line N | Feet From 50 | E/W Line E | County Eddy |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-----------------|---------------|----------------|

9. Pool Information

| | |
|-------------------------------|-------|
| WINCHESTER; BONE SPRING, WEST | 97569 |
|-------------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3480 |
| 16. Multiple N | 17. Proposed Depth 12240 | 18. Formation 2nd Bone Spring Sand | 19. Contractor | 20. Spud Date 11/24/2018 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 325 | 235 | 0 |
| Int1 | 12.25 | 9.625 | 36 | 3000 | 625 | 0 |
| Prod | 8.5 | 5.5 | 17 | 12240 | 863 | 7615 |
| Prod | 8.75 | 5.5 | 17 | 7615 | 600 | 2500 |

Casing/Cement Program: Additional Comments

| |
|--|
| Apache respectfully request to use a spudder rig in order to reduce cost and improve efficiency. Please see attachment for spudder rig operations. |
|--|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular | 3000 | 1500 | |
| Double Ram | 3000 | 3000 | |

| | |
|---|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Sorina Flores | Approved By: Raymond Podany |
| Title: Supv of Drilling Services | Title: Geologist |
| Email Address: sorina.flores@apachecorp.com | Approved Date: 10/1/2018 Expiration Date: 10/1/2020 |
| Date: 9/27/2018 Phone: 432-818-1167 | Conditions of Approval Attached |

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|------------------------------------|---|---|
| ¹ API Number 30-015- | ² Pool Code 97569 | ³ Pool Name WINCHESTER ; BONES PRING, W |
| ⁴ Property Code | ⁵ Property Name PALMILLO 21 STATE COM | ⁶ Well Number 227H |
| ⁷ OGRID NO. 873 | ⁸ Operator Name APACHE CORPORATION | ⁹ Elevation 3480' |

¹⁰ Surface Location

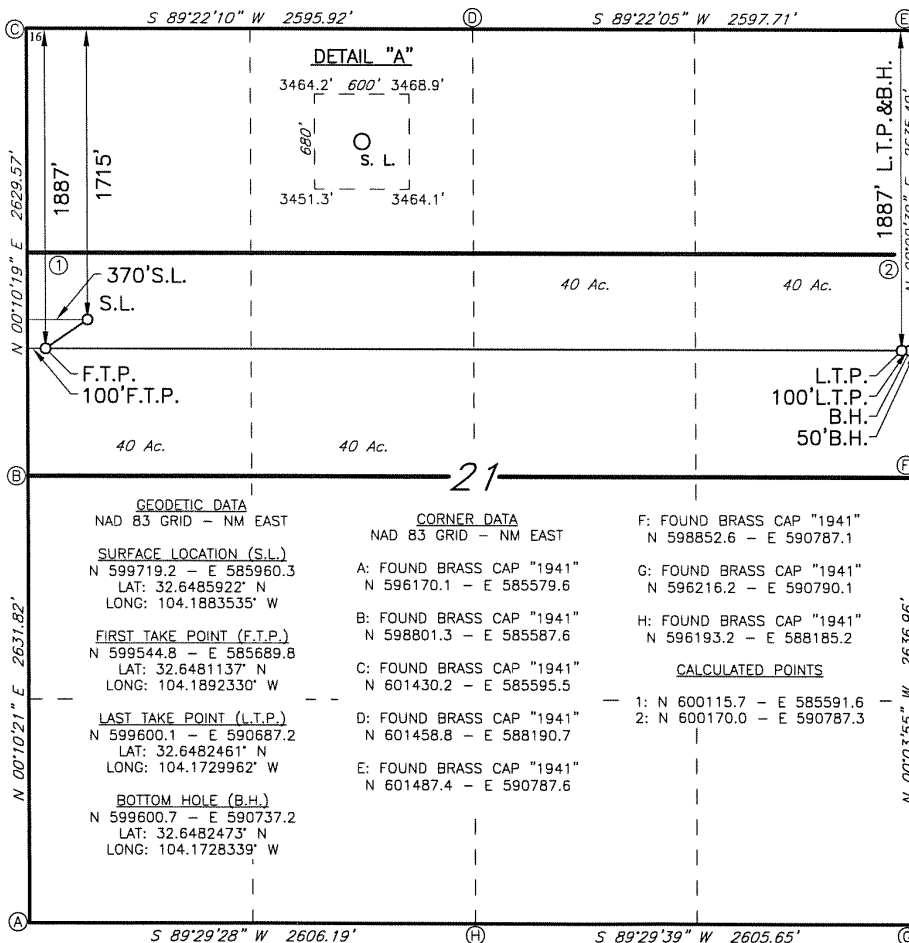
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 21 | 19S | 28E | | 1715 | NORTH | 370 | WEST | EDDY |

¹¹ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| H | 21 | 19S | 28E | | 1887 | NORTH | 50 | EAST | EDDY |

| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|-------------------------------|-------------------------------|----------------------------------|-------------------------|
| 160 | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



¹⁷ 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 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.

Sorina L Flores 9/26/2018

Signature Date

SORINA L. FLORES

Printed Name

sorina.flores@apachecorp.com

E-mail Address

¹⁸ 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.

8-21-18

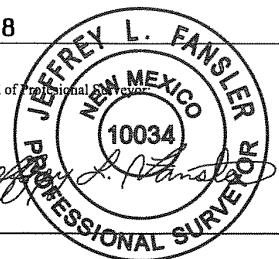
Date of Survey

Signature and Seal of Professional Surveyor

10034
Certificate Number

9-24-18 DRILL PLAN

Job No.: LS1808998DP



District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Comments

Permit 256466

PERMIT COMMENTS

| | | |
|--|--|--------------------------------------|
| Operator Name and Address: APACHE CORPORATION [873] 303 Veterans Airpark Ln Midland, TX 79705 | | API Number: 30-015-45279 |
| | | Well: PALMILLO 21 STATE COM #227H |

| | | |
|------------|---------|--------------|
| Created By | Comment | Comment Date |
|------------|---------|--------------|

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 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
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form APD Conditions

Permit 256466

PERMIT CONDITIONS OF APPROVAL

| | | |
|--|---|--------------------------------------|
| Operator Name and Address: APACHE CORPORATION [873] 303 Veterans Airpark Ln Midland, TX 79705 | | API Number: 30-015-45279 |
| | | Well: PALMILLO 21 STATE COM #227H |
| OCD Reviewer | Condition | |
| rpodany | Will require a directional survey with the C-104 | |
| rpodany | Cement is required to circulate on both surface and intermediate1 strings of casing | |