

PNR M0832244933

C-103 Received 11-10-2008  
DHC No. Assigned 11-14-2008

Order Number		API Number	Operator		County	
HOB-0281		30-025-39090	Apache Corporation		Lea	
Order Date		Well Name		Number	Location	
		Magnolia		002	D UL	II Sec
					205 T (+Dir)	38E R (+Dir)
Pool			Oil %	Gas %		
Pool 1	33230	House BLinebry	25%	33%		
Pool 2	78760	House Tubb	8%	18%		
Pool 3	33250	House Drinkard	67%	49%		
Pool 4						
Comments:						

Posted to  
R BDM  
11-17-2008

6

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-39090

HOB-0281

OPERATOR: Apache Corporation

PROPERTY NAME: Magnolia

WNULSTR: 2-D, 11-20-38

SECTION I:

ALLOWABLE AMOUNT

33230 POOL NO. 1 House Blinebry 142 284 MCF 2000

78960 POOL NO. 2 House Tubb 142 284 MCF 2000

33250 POOL NO. 3 House Drinkard 142 284 MCF 2000

POOL NO. 4 \_\_\_\_\_ MCF

POOL TOTALS 426 852

SECTION II:

POOL NO. 1 House Blinebry Oil Gas  
25% 33%

POOL NO. 2 House Tubb 8% 18%

POOL NO. 3 House Drinkard 67%  $67\% \times 426 = 285.42$  49%

POOL NO. 4 \_\_\_\_\_

OIL

GAS

SECTION III:

$142 \div 67\% = 211.941 (212)$  \_\_\_\_\_

SECTION IV:

$212 \times 25\% = 53.0 (53)$

$212 \times 8\% = 16.96 (17)$

$212 \times 67\% = 142.04 (142)$

Submit 3 Copies To Appropriate District  
Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., Aztec, NM 87410  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
20 S. St. Francis Dr., Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
June 19, 2008

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO.	30-025-39090 ✓
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
6. State Oil & Gas Lease No.	NA
7. Lease Name or Unit Agreement Name	Magnolia ✓
8. Well Number	002 ✓
9. OGRID Number	00873 ✓
10. Pool name or Wildcat	House: Bli, House: Tu, House; Dri ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3584' GR

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☒

2. Name of Operator Apache Corporation (873) ✓

3. Address of Operator 6120 S Yale Ave, Suite 1500  
Tulsa, OK 74136-4224

4. Well Location

Unit Letter D : 330 feet from the North line and 880 feet from the West line  
Section 11 Township 20S Range 38E NMPM County Lea ✓

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐  
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐  
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: Request DHC: Blinebry/Tubb/Drinkard ☒

OTHER: ☐

3. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Pursuant to Division Order R-11363:

Pool Names:	House; Blinebry	33230	Proposed Perforations:	Blinebry	6048' - 6460'
	House; Tubb	78760		Tubb	6616' - 6840'
	House; Drinkard	33250		Drinkard	7011' - 7091'

The allocation method will be as follows based on offset production (See application for exception to Rule 303-C).

	OIL	GAS	WATER
Blinebry	25%	33%	36%
Tubb	8%	18%	15%
Drinkard	67%	49%	49%

Downhole commingling will not reduce the value of these pools.

Ownership is the same for each of these pools.

DHC Order No:

HOB-0281

Spud Date: 10/22/2008

Rig Release Date: 11/01/2008

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sophie Mackay

TITLE Engineering Tech

DATE 11/05/2008

Type or print name Sophie Mackay

E-mail address: sophie.mackay@apachecorp.com PHONE: (918)491-4864

State Use Only

APPROVED BY: [Signature]

TITLE PETROLEUM ENGINEER

DATE

NOV 17 2008

Conditions of Approval (if any):

DISTRICT IN  
1000 Rio Brazos Rd., Aztec, NM 87410

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

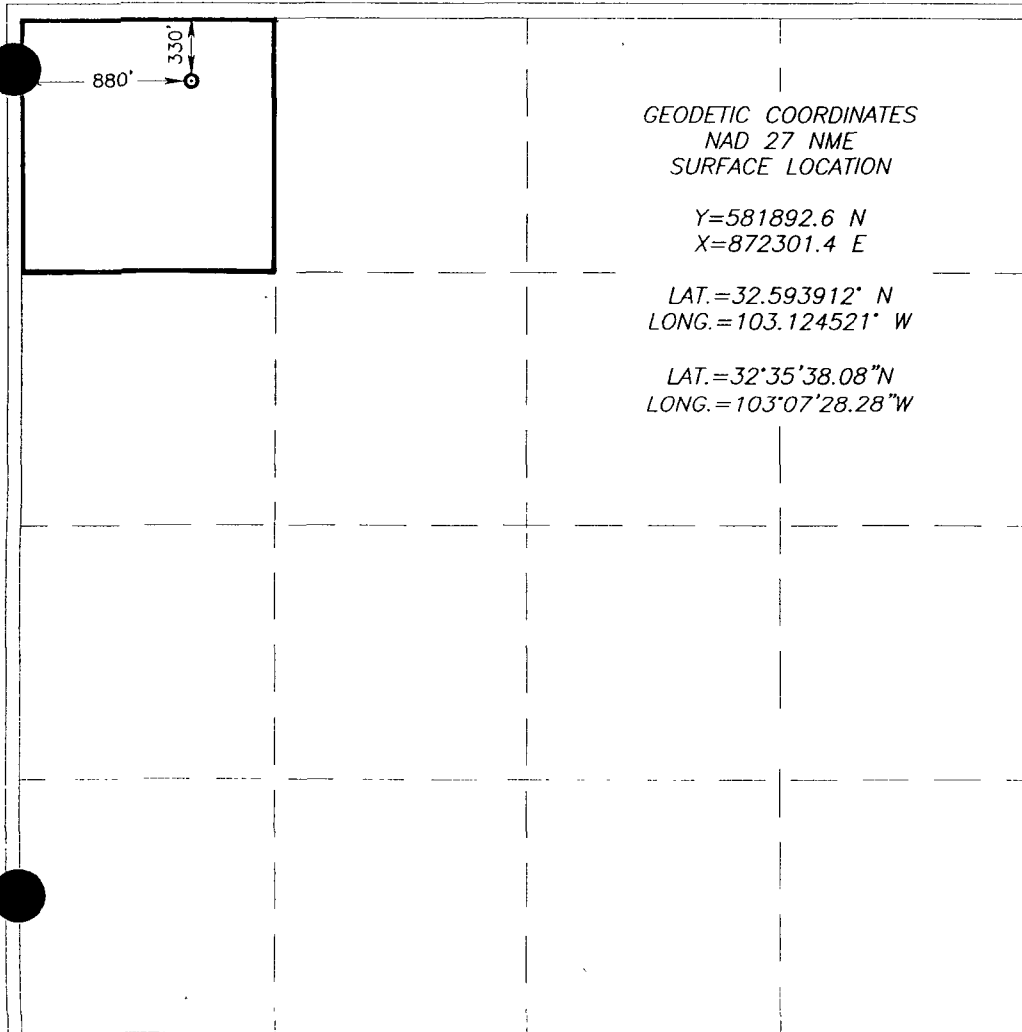
**DISTRICT IV**  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-025-39090	33230	House; Blinebry
Property Code	Property Name	Well Number
36908	MAGNOLIA	2
OGRID No.	Operator Name	Elevation
873	APACHE CORPORATION	3584'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	20-S	38-E		330	NORTH	880	WEST	LEA

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code		Order No.					
40									



*I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.*

Signature S. Mackay Date 11/5/08  
Printed Name S Mackay

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.

Date Surveyed \_\_\_\_\_ DSS \_\_\_\_\_  
Signature & Seal of \_\_\_\_\_  
Professional Surveyor \_\_\_\_\_

Gary B. Eulson 8/6/08  
08-11-191

Certificate No. GARY EIDSON 12641  
RONALD J. EIDSON 3239

DISTRICT I  
1625 N. FRENCH DR., ALBUQUERQUE, NM 87145  
NOV 10 2008

DISTRICT II  
1 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised October 12, 2005  
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DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-025-39090	78760	House; Tubb
Property Code	Property Name	Well Number
36908	MAGNOLIA	2
OGRID No.	Operator Name	Elevation
873	APACHE CORPORATION	3584'

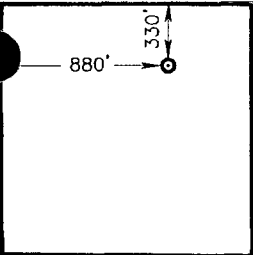
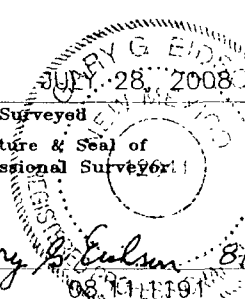
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	20-S	38-E		330	NORTH	880	WEST	LEA

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
40									

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

	<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION</p> <p>Y=581892.6 N X=872301.4 E</p> <p>LAT.=32.593912° N LONG.=103.124521° W</p> <p>LAT.=32°35'38.08"N LONG.=103°07'28.28"W</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><u>S. Mackay</u> 11/5/08 Signature Date</p> <p><u>S. Mackay</u> Printed Name</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p></p> <p>Date Surveyed: 11/5/08 DSS Signature &amp; Seal of Professional Surveyor: <u>Gary G. Eidson</u> 8/6/08</p> <p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>

# RECEIVED

DISTRICT I  
1625 N. FRENCH DR., HOBBBS, NM 88240

NOV 10 2008

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
1 W. GRAND  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

## HOBBBS OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

### WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39090		Pool Code 33250	Pool Name House; Drinkard	
Property Code 36908	Property Name MAGNOLIA			Well Number 2
OGRID No. 873	Operator Name APACHE CORPORATION			Elevation 3584'

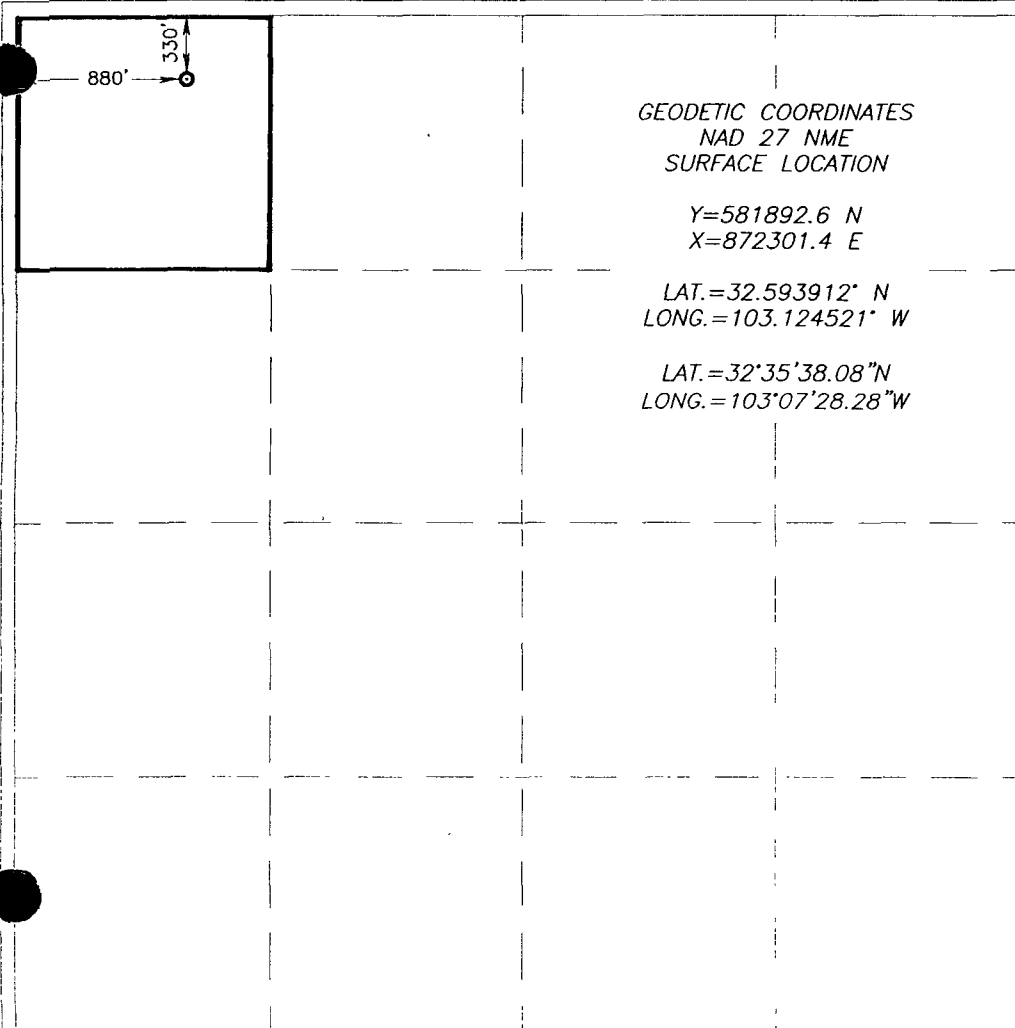
#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	20-S	38-E		330	NORTH	880	WEST	LEA

#### 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
Dedicated Acres 40		Joint or Infill	Consolidation Code	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 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*S. Mackay* 11/5/08  
Signature Date  
S Mackay  
Printed Name

#### 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.

*GARY G. EIDSON*  
Date Surveyed Signature & Seal of Professional Surveyor  
DSS  
*Gary G. Eidson* 8/6/08  
Certificate No. GARY EIDSON 12841  
RONALD J. EIDSON 3239