

District I

1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-8181 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 184387

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

| | | |
|---|---|-------------------------------|
| 1. Operator Name and Address APACHE CORP 303 Veterans Airpark Lane Midland, TX 79705 | | 2. OGRID Number 873 |
| | | 3. API Number 30-025-41778 |
| 4. Property Code 306616 | 5. Property Name MCDONALD STATE AC 2 | 6. Well No. 036 |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|---------------|
| UL - Lot F | Section 13 | Township 22S | Range 36E | Lot Idn | Feet From 1650 | N/S Line N | Feet From 2260 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|---------------|
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|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|-------------------|---------------|---------------|

9. Pool Information

| | |
|----------------------------|-------|
| BLINEBRY OIL AND GAS (OIL) | 6660 |
| TUBB OIL AND GAS (OIL) | 60240 |
| DRINKARD | 19190 |

Additional Well Information

| | | | | |
|---------------------------|----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3486 |
| 16. Multiple Y | 17. Proposed Depth 7600 | 18. Formation Drinkard | 19. Contractor | 20. Spud Date |
| 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 | 11 | 8.625 | 24 | 1203 | 420 | 0 |
| Prod | 7.875 | 5.5 | 17 | 7600 | 1040 | 0 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

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

| | | |
|--|----------------------------------|---------------------------------|
| 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. | OIL CONSERVATION DIVISION | |
| Signature: | | |
| Printed Name: Electronically filed by Bobby Smith | Approved By: Paul Kautz | |
| Title: | Title: Geologist | |
| Email Address: bobby.smith@apachecorp.com | Approved Date: 4/16/2014 | Expiration Date: 4/16/2016 |
| Date: 4/16/2014 | Phone: 432-818-1020 | Conditions of Approval Attached |

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---------------|---------------------------------------|-----------|--------------------|
| API Number | | Pool Code | Pool Name |
| Property Code | Property Name McDONALD STATE A/C 2 | | Well Number 36 |
| OGRID No. | Operator Name APACHE CORPORATION | | Elevation 3486' |

Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
| UL or lot No. F | Section 13 | Township 22-S | Range 36-E | Lot Idn | Feet from the 1650 | North/South line NORTH | Feet from the 2260 | East/West line WEST | County 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. | | | |

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>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><i>Michelle Cooper</i> 4-9-14 Signature Date</p> <p><i>Michelle Cooper</i> Printed Name</p> <p><i>michelle.cooper@apachecorp.com</i> E-mail Address</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>MARCH 18, 2014</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor: </p> <p>Certificate Number: 3239 Ronald J. Eidson 3239</p> <p>DSS JWSC W.O.: 14.11.0284</p> |

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | |
|---------------|---------------------------------------|-----------|--------------------|
| API Number | | Pool Code | Pool Name |
| Property Code | Property Name McDONALD STATE A/C 2 | | Well Number 36 |
| OGRID No. | Operator Name APACHE CORPORATION | | Elevation 3486' |

Surface Location

| | | | | | | | | | |
|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|
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|--------------------|---------------|------------------|---------------|---------|-----------------------|---------------------------|-----------------------|------------------------|---------------|

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. | | | |

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| Property Code | Property Name McDONALD STATE A/C 2 | | Well Number 36 |
| OGRID No. | Operator Name APACHE CORPORATION | | Elevation 3486' |

Surface Location

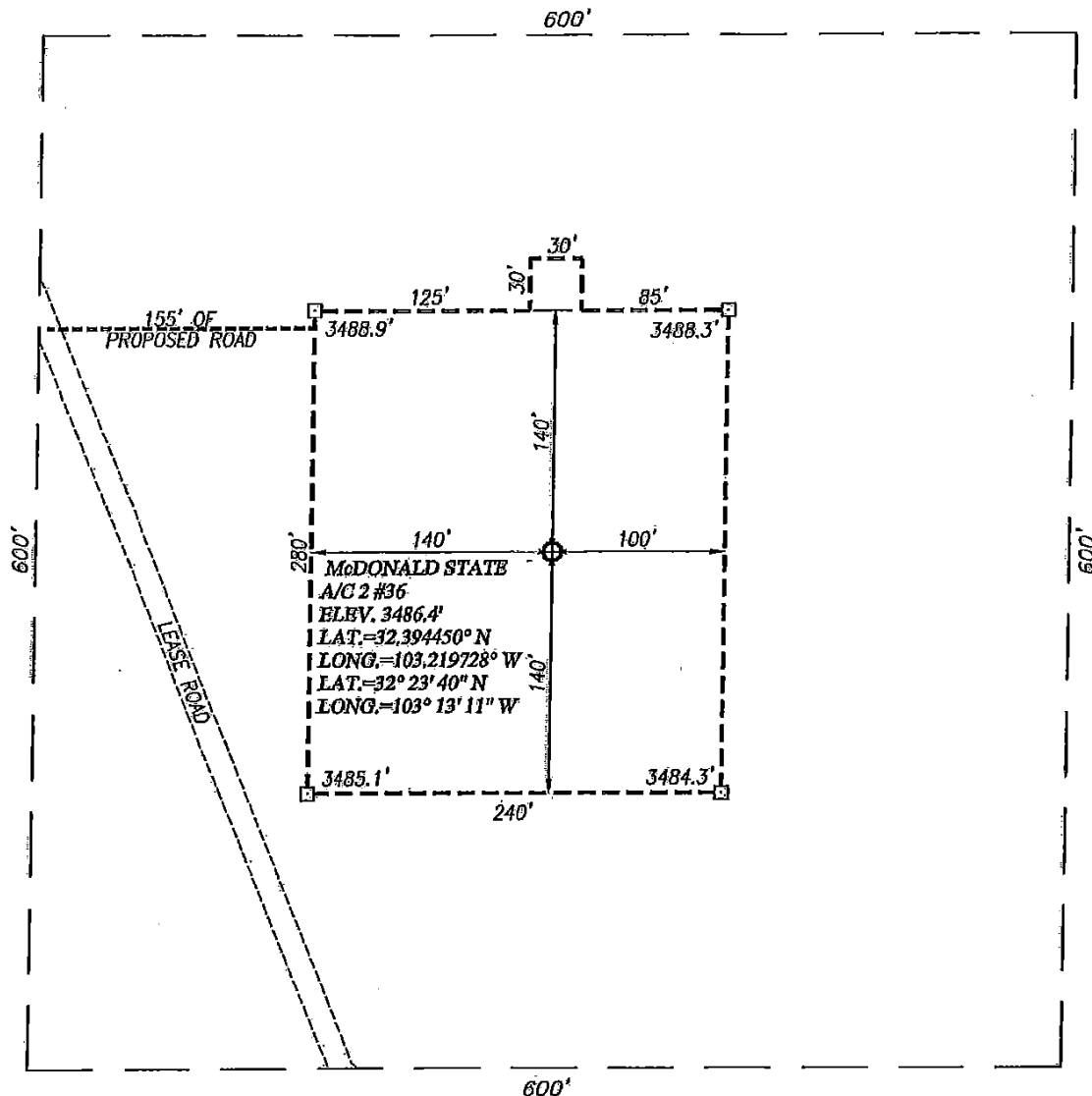
| | | | | | | | | | |
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|-----------------|---------|-----------------|-------|--------------------|---------------|------------------|---------------|----------------|--------|
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| | <p>SURVEYOR CERTIFICATION</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>MARCH 18, 2014</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> 4/08/2014 Certificate Number 12641 Ronald J. Eidson 3239</p> <p>DSS JWSC W.O.: 14.11.0284</p> |



NOTE:
1) SEE "LOCATION VERIFICATION MAP"
FOR PROPOSED ROAD LOCATION.

DIRECTIONS TO McDonald STATE A/C 2 #36:

FROM THE INTERSECTION OF ST. HWY. #207 AND CO. RD. #E21 (DELAWARE BASIN ROAD), GO WEST ON DELAWARE BASIN ROAD APPROX. 3.8 MILES. TURN LEFT AND GO SOUTHEAST APPROX. 0.3 MILES. TURN LEFT AND FOLLOW PROPOSED ROAD SURVEY STAKES EAST APPROX. 155 FEET TO THIS LOCATION.

100 0 100 200 Feet

Scale: 1"=100'

APACHE CORPORATION

McDONALD STATE A/C 2 #36 WELL
LOCATED 1650 FEET FROM THE NORTH LINE
AND 2260 FEET FROM THE WEST LINE OF SECTION 13,
TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



PROVIDING SURVEYING SERVICES
SINCE 1946

JOHN WEST SURVEYING COMPANY

412 N. DAL PASO HOBBS, N.M. 88240
(575) 393-3117 www.jwsc.biz
TBPLS# 10021000

Survey Date: 3/18/14

CAD Date: 4/1/14

Drawn By: DSS

W.O. No.: 14110284

Rev. :

Rel. W.O.:

Sheet 1 of 1

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Form APD Comments

Permit 184387

PERMIT COMMENTS

| | | |
|---|--|-----------------------------------|
| Operator Name and Address: APACHE CORP [873] 303 Veterans Airpark Lane Midland, TX 79705 | | API Number: 30-025-41778 |
| | | Well: MCDONALD STATE AC 2 #036 |

| Created By | Comment | Comment Date |
|------------|---------|--------------|
| DMULL | | 4/11/2014 |
| pkautz | | 4/16/2014 |

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Form APD Conditions

Permit 184387

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

PERMIT CONDITIONS OF APPROVAL

| | |
|---|-----------------------------------|
| Operator Name and Address: APACHE CORP [873] 303 Veterans Airpark Lane Midland, TX 79705 | API Number: 30-025-41778 |
| | Well: MCDONALD STATE AC 2 #036 |

| OCD Reviewer | Condition |
|-----------------|--|
| DMULL | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| DMULL | 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 |
| pkautz | SURFACE & PRODUCTION CASING - Cement must circulate to surface |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |