



SUBMITTER 4/25/12	ENGINEER WVJ	LOGGED IN 4.10.12	TYPE SWD	APP NO. 120150713
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NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

ABOVE THIS LINE FOR DIVISION USE ONLY

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication
 NSL NSP SD

Apache Corporation's
 Apache State SWD #3
 30-015-38978
 Devonian & Ellenburger

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement
 DHC CTB PLC PC OLS OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- [D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or _ Does Not Apply

- [A] Working, Royalty or Overriding Royalty Interest Owners
- [B] Offset Operators, Leaseholders or Surface Owner
- [C] Application is One Which Requires Published Legal Notice
- [D] Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] Waivers are Attached

RECEIVED
 2012 APR 10 AM 10:39
 12440-14000
 24000PSZ

[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

Title

Date

BRIAN WOOD
 (505) 466-8120
 FAX 466-9682

CONSULTANT

4-9-12

e-mail Address

brian@permitswest.com

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: _____ Secondary Recovery _____ Pressure Maintenance XXX Disposal _____ Storage
Application qualifies for administrative approval? _____ Yes _____ No
- II. OPERATOR: APACHE CORPORATION
ADDRESS: 303 VETERANS AIR PARK LANE, SUITE 3000, MIDLAND, TX 79705
CONTACT PARTY: BRIAN WOOD (PERMITS WEST, INC.) PHONE: 505 466-8120
- III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? _____ Yes XXX No
If yes, give the Division order number authorizing the project: _____
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
- APACHE STATE SWD #3**
30-015-38978
Devonian & Ellenburger
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- *XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: BRIAN WOOD TITLE: CONSULTANT
SIGNATURE:  DATE: APRIL 7, 2012
E-MAIL ADDRESS: brian@permitswest.com
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: _____

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 South St. Francis Dr., Santa Fe, New Mexico 87505, within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

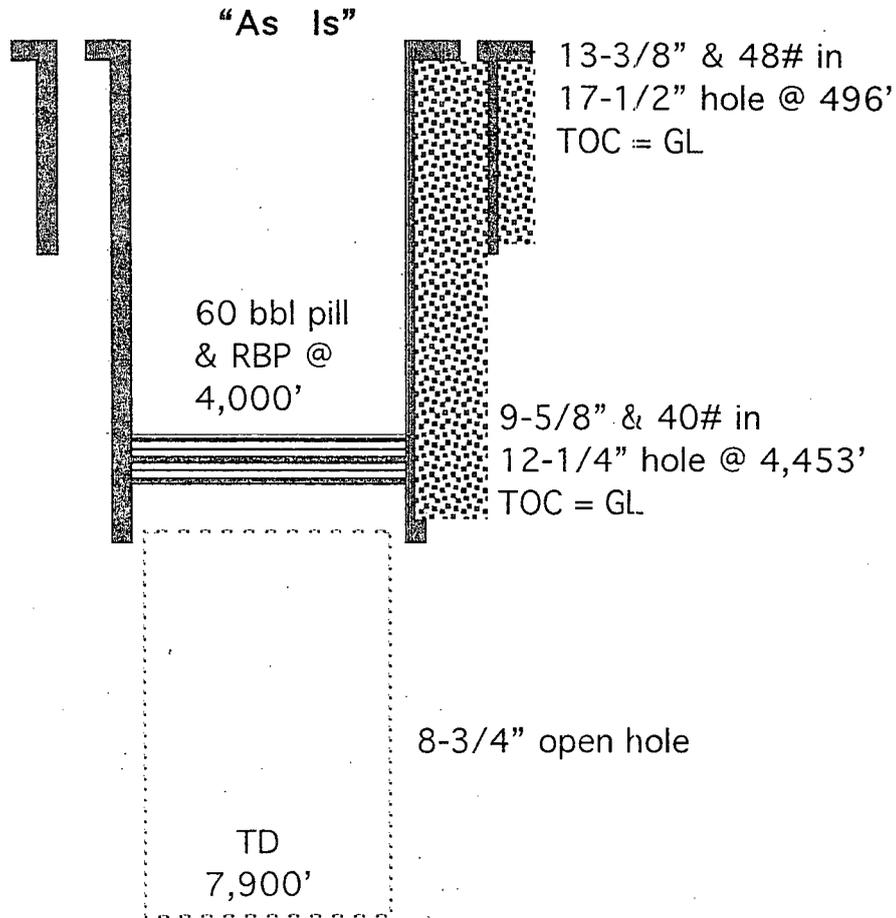
INJECTION WELL DATA SHEET

OPERATOR: APACHE CORPORATION

WELL NAME & NUMBER: APACHE STATE SWD #3

WELL LOCATION: 2300 FNL & 725 FWL E 30 17 S 31 E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC



(not to scale)

WELL CONSTRUCTION DATA

Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"
 Cemented with: 922 sx. or 1,325 ft³
 Top of Cement: SURFACE Method Determined: VISUAL

Intermediate Casing

Hole Size: 12-1/4" Casing Size: 9-5/8"
 Cemented with: 1,675 sx. or 3,635 ft³
 Top of Cement: SURFACE Method Determined: VISUAL

Production Casing

Hole Size: 8-3/4" Casing Size: 7"
 Cemented with: 1,350 sx. or 2,087 ft³
 Top of Cement: 3,000' Method Determined: CBL
 Total Depth: 13,500'

Injection Interval

12,440' feet to 14,000'

(Perforated or Open Hole; indicate which)
 perforated 12400-13500 & open 13500-14000

INJECTION WELL DATA SHEET

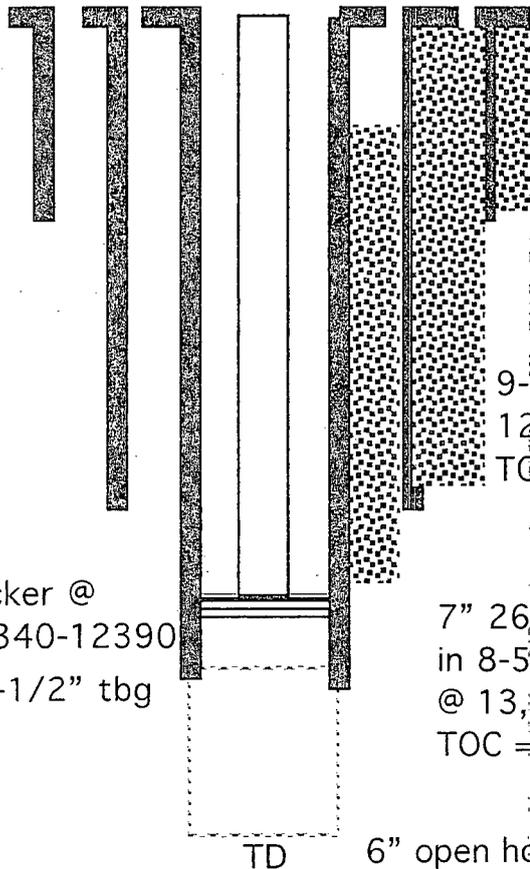
OPERATOR: APACHE CORPORATION

WELL NAME & NUMBER: APACHE STATE SWD #3

WELL LOCATION: 2300 FNL & 725 FWL E 30 17 S 31 E
 FOOTAGE LOCATION UNIT LETTER SECTION TOWNSHIP RANGE

WELLBORE SCHEMATIC

"Proposed"



13-3/8" & 48# in
 17-1/2" hole @ 496'
 TOC = GL

9-5/8" & 40# in
 12-1/4" hole @ 4,453'
 TOC = GL

7" 26# & 29#
 in 8-5/8" hole
 @ 13,500'
 TOC = 3,000'

TD 14,050'
 6" open hole
 (not to scale)

packer @
 12340-12390
 4-1/2" tbg

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Surface Casing

Hole Size: 17-1/2" Casing Size: 13-3/8"
 Cemented with: 922 sx. or 1,325 ft³
 Top of Cement: SURFACE Method Determined: VISUAL

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Injection Interval

12,440' feet to 14,000'

(Perforated or Open Hole; indicate which)
 perforated 12400-13500 & open 13500-14000

INJECTION WELL DATA SHEETTubing Size: 4-1/2" Lining Material: DUAL LINE FIBERGLASSType of Packer: ARROW AS-1XPacker Setting Depth: 12,340' - 12,390'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is this a new well drilled for injection? (DISPOSAL)
- XXX
- Yes _____ No

If no, for what purpose was the well originally drilled? _____

2. Name of the Injection Formation:
- DEVONIAN & ELLENBURGER

3. Name of Field or Pool (if applicable):
- SWD; DEVONIAN (96101) and SWD; ELLENBURGER (96103)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. _____

NO

5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injection zone in this area: _____

OVER: MISSISSIPPIAN (11,441'), MORROW (11,196'), ATOKA, (10,783'), STRAWN (10,516'),CISCO (9,007'), WOLFCAMP (8,271'), BONE SPRING (7,600'), ABO (6,950'),YESO (5,300') SAN ANDRES (3,206'), QUEEN (2,462'), & SEVEN RIVERS (1,593')UNDER: NONE

APACHE CORPORATION
APACHE STATE SWD 3
2300' FNL & 725' FWL SEC. 30, T. 17 S., R. 31 E.
EDDY COUNTY, NEW MEXICO

PAGE 1

30-015-38978

I. Purpose is to deepen a salt water disposal well. The well was originally drilled to 7,900' and designed to dispose into the Wolfcamp (SWD-1277) at $\geq 8,168'$. Geologic issues (pressure, H₂S) at the Apache State SWD #1 led Apache to suspend drilling of the Apache State SWD 3 before the Wolfcamp was reached. The Apache State SWD 3 was plugged back to 4,000' and shut-in.

The plan now is to drill to 14,050' and dispose only into the SWD; Devonian (NMOCD pool code number 96101) and SWD; Ellenburger (code 96103) from 12,440' to 14,050'.

II. Operator: Apache Corporation (OGRID #873)
Operator phone number: (432) 818-1167
Operator address: 303 Veterans AirPark Lane, Suite 3000
Midland, TX 79705
Contact for Application: Brian Wood (Permits West, Inc.)
Phone: (505) 466-8120

III. A. (1) Lease: New Mexico State Land Office lease BO-3627-0046
Lease Size: 65.73 acres (see Exhibit A for C-102 and map)
Closest Lease Line: 340'
Lease Area: Lots 1 & 2 (\approx W2NW4) Section 30, T. 17 S., R. 31 E.

A. (2) Surface casing (13-3/8", 48#, S T & C, H-40) was set at 496' in a 17-1/2" hole with 6 centralizers. Six barrels of cement were circulated to the surface.
Lead cement was 400 sacks (624 cubic feet) Class C with 10% W-60 + 1% CaCl₂ + 5 pounds per sack gilsonite + 0.25% R-38 mixed at 14.4 pounds per gallon and 1.56 cubic feet per sack.
Tail cement was 343 sacks (463 cubic feet) Class C with 2% CaCl₂ + 0.25% R-38 mixed at 14.8 pounds per gallon and 1.35 cubic feet per sack.
Cement did not circulate to the surface. A temperature survey found the TOC at 160'. Topped out with 179 sacks (238 cubic feet)

Class C with 0.25% R-38 mixed at 14.8 pounds per gallon and 1.33 cubic feet per sack. Circulated 6 barrels (25 sacks) of cement to the surface.

Intermediate casing (9-5/8", 40#, L T & C, J-55) was set at 4,453' in a 12-1/4" hole with 4 centralizers. Circulated 237 sacks to the surface. Cemented with 1,275 sacks (3,123 cubic feet) Class C with 5% salt mixed at 11.8 pounds per gallon and 2.45 cubic feet per sack. Followed with 400 sacks (512 cubic feet) Class C with 3% salt mixed at 14.2 pounds per gallon and 1.28 cubic feet per sack. Circulated 103 barrels (237 sacks) of cement to the surface.

Drilled open hole to 7,900' and then reconsidered Apache State SWD 3 goals based on disappointing results at Apache State SWD #1. An Arrow retrievable bridge plug with a 60 barrel high viscosity pill was set at 4,000' in the Apache State SWD 3 on October 22, 2011.

Apache will drill an 8-5/8" hole to \approx 13,500' (long string casing point). Seven inch casing will consist of:

GL to 1,600': 26# L-80 buttress
1,600' to 13,100': 26# HCL-80 L T & C
13,100' to 13,500': 29# HCL-80 L T & C

Long string will be cemented in 2 stages to \approx 3,000' with a DV tool set at \approx 8,000'. Calculated excess: >40%. Additives are Baker Hughes or their equivalents.

First stage will consist of 825 sacks (1,039 cubic feet) Class H 50:50 poz with 2% bentonite + 0.2% R-3 + 0.2% CD-32 + 0.5% FL-52. Weight = 14.2 ppg. Yield = 1.26 cubic feet per sack.

Second stage lead will consist of 325 sacks (796 cubic feet) Class H 50:50 poz with 10% bentonite + 5% salt + 0.2% R-3 + 0.3% FL-52A. Weight = 11.8 ppg. Yield = 2.45 cubic feet per sack.

Second stage tail will consist of 200 sacks (252 cubic feet) Class H 50:50 poz with 2% bentonite + 0.2% R-3 + 0.2% CD-32 + 0.5% FL-52. Weight = 14.2 ppg. Yield = 1.26 cubic feet per sack.

Mechanical integrity of the casing will be assured by hydraulically pressure testing to \approx 500 psi for 30 minutes.

Will drill 6" open hole to TD (14,050').

- A. (3) Tubing will be 4-1/2" dual line fiberglass. Setting depth will be \approx 12,390'. (Disposal interval will be 12,440' to 14,000'.)
- A. (4) An Arrow AS-1X packer will be set between 12,340' and 12,390' (50' to 100' above the highest proposed perforation of 12,440').
- B. (1) Disposal zones will be the Devonian and Ellenburger dolomites, which are in the SWD; Devonian (96101) and SWD; Ellenburger (96103) pools. Estimated fracture gradient is \approx 0.63 psi per foot.
- B. (2) Disposal interval will be 12,440' to 14,000'. The interval between 12,440' and 13,500' will be cased. The remainder of the well will be open hole.
- B. (3) The well was spudded September 19, 2011 as a Wolfcamp Cisco disposal well. The well was drilled to 7,900' (before the Wolfcamp was reached) and a bridge plug was installed on October 21, 2011.
- B. (4) The well will be perforated from 12,440' to 14,000' with 2 shots per foot. Shot diameter = 0.40".
- B. (5) Potential oil or gas zones above or below the Devonian and Ellenburger are:

- Seven Rivers (1.78 miles ESE in 29-17s-30e; Loco Hills; Seven Rivers Pool)
- Queen (3 miles southeast in 15-18-30e; Leo; Queen et al Pool)
- San Andres (3 miles NW in 12-17s-29e; Square Lake; San Andres et al Pool)
- Yeso (1.53 miles east in 29-17s-30e; Loco Hills; Glorieta-Yeso Pool)
- Abo (0.45 mile west in 25-17s-29e; Bear Grass Draw; Abo Pool)
- Bone Spring (1.7 miles south in 6-18s-31e; Shugart; Bone Spring, North Pool)
- Wolfcamp (0.97 mile west in 25-17s-29e; WC Loco Hills, Wolfcamp, NE Pool)
- Cisco (4 miles east in 25-17s-30e; Cedar Lake; Cisco Pool)
- Strawn (0.65 mile southwest in 25-17s-30e; Cedar Lake, Strawn, North Pool)
- Atoka (0.47 mile south in 30-17s-30e; Wildcat Sand Tank; Atoka Pool)
- Morrow (0.47 mile south in 30-17s-30e; Sand Tank; Morrow Pool)

- Mississippian (3 miles ESE in 34-17s-30e; Walters Lake; Mississippian Pool)
- Devonian (5 miles ESE in 1-18s-30e; WC Devonian)
- Silurian (no production within 25 miles)
- Montoya (no production within 25 miles)
- Ellenburger (9 miles southeast in 27-18s-31e; Shugart; Ordovician Pool)
- Cambrian (no production within 25 miles)

IV. This is not an expansion of an existing injection project. It is disposal only.

V. Exhibit B shows all 19 existing wells (10 P & A wells + 6 oil wells + 1 gas well + 1 water injection well + 1 drilling) within a half mile radius. Exhibit C shows all 466 existing wells (269 oil or gas wells + 122 P & A wells + 71 injection or disposal wells + 3 plugged dry monitoring wells + 1 dry windmill) within a two mile radius.

Exhibits D and E shows all leases and lessors (all BLM or State) within a one half mile radius and two mile radius. Details on the leases within a half mile radius are:

<u>Area</u>	<u>Lessor</u>	<u>Lease Number</u>	<u>Lessee</u>
Lots 1 & 2 30-17s-31e	NMSLO	BO-3627-0046	ConocoPhillips & Chisos
Lots 3 & 4 19-17s-31e	NMSLO	BO-3627-0040	Chase Oil
E2NW4 30-17s-31e	BLM	NMLC-065015	Jack Plemons

APACHE CORPORATION
 APACHE STATE SWD 3
 2300' FNL & 725' FWL SEC. 30, T. 17 S., R. 31 E.
 EDDY COUNTY, NEW MEXICO

30-015-38978

<u>Area</u>	<u>Lessor</u>	<u>Lease Number</u>	<u>Lessee</u>
NE4 30-17s-31e	BLM	NMLC-065014	Apache
S2 30-17s-31e	BLM	NMLC-029395B	Apache
E2SW4, SWSE, E2SE4 19-17s-31e	BLM	NMLC-031844	Apache
SWSE & E2SE4 25-17s-30e	BLM	NMLC-061670	ConocoPhillips et al
N2 & NWSE 25-17s-30e	BLM	NMNM-002747	EOG et al
SWNW & S2 24-17s-30e	BLM	NMNM-002747	EOG et al

VI. No wells within a half mile penetrated the Devonian (top = 12,435') or Ellenburger. The 19 wells (regardless of depth) which are within a half mile are:

<u>OPERATOR</u>	<u>WELL</u>	<u>API #</u> 30-015-	<u>LOCATION</u>	<u>ZONE(S)</u>	<u>STATUS</u>	<u>TD</u>	<u>DISTANCE</u>
Mack	Cedar Lake 1	05460	1980 FN & 515 FW 30-17s-31e	Gray-Jack	P & A	3336	552'
Linn	Turner B 107	28895	2190 FS & 330 FW 30-17s-31e	Gray-Jack	Oil	4050	913'
Plemons	Friess Federal 4	05465	1650 FN & 1650 FW 30-17s-31e	Gray-Jack	P & A	3342	1044'
Linn	Turner B 108	28984	2190 FS & 1700 FW 30-17s-31e	Gray-Jack	Oil	3870	1081'
Plemons	Friess Federal 2	05466	1980 FN & 1980 FW 30-17s-31e	Gray-Jack	P & A	2100	1155'
ARCO	Turner B 57	05474	1980 FS & 1755 FW 30-17s-31e	Gray-Jack	P & A	3496	1268'
Alamo	Cedar Lake 4	39722	990 FN & 330 FW 30-17s-31e	Gray-Jack	Oil	4452	1368'
Mack	Cedar Lake 2	05464	660 FN & 515 FW 30-17s-31e	Gray-Jack	P & A	2044	1748'
Plemons	Friess Federal 1	05463	660 FN & 1980 FW 30-17s-31e	Gray-Jack	P & A	3202	2027'
Alamo	Cedar Lake 3Y	05477	330 FN & 731 FW 30-17s-31e	Gray-Jack	Oil	3423	2045'

APACHE CORPORATION
 APACHE STATE SWD 3
 2300' FNL & 725' FWL SEC. 30, T. 17 S., R. 31 E.
 EDDY COUNTY, NEW MEXICO

30-015-38978

<u>OPERATOR</u>	<u>WELL</u>	<u>API #</u> <u>30-015-</u>	<u>LOCATION</u>	<u>ZONE(S)</u>	<u>STATUS</u>	<u>TD</u>	<u>DISTANCE</u>
Plemons	Friess Federal 5	23934	330 FN & 1411 FW 30-17s-31e	Gray-Jack	P & A	2570	2102'
Devon	Max Friess 3	05470	1965 FN & 1995 FE 30-17s-31e	Gray-Jack	P & A	3451	2179'
Linn	Turner B 113	29573	1120 FS & 2230 FW 30-17s-31e	Gray-Jack	Oil	3835	2237'
Linn	Turner B 113	29573	1120 FS & 2230 FW 30-17s-31e	Gray-Jack	Oil	3835	2237'
ARCO	Turner B 77	05476	660 FS & 660 FW 30-17s-31e	Atoka & Cisco	P & A	11475	2263'
Oxy	Oxy Bodacious 1	33849	810 FS & 1860 FW 30-17s-31e	Morrow	Gas	11749	2316'
Plemons	Friess 3	05467	336 FN & 2970 FE 30-17s-31e	Gray-Jack	P & A	2033	2340'
Linn	Turner B 56	05473	1980 FS & 1980 FE 30-17s-31e	Gray-Jack	WIW	3527	2350'
Linn	Turner B 109	29571	480 FS & 330 FW 30-17s-31e	Gray-Jack	Oil	3870	2497'
Burnett	Jackson B 35	27750	100 FN & 460 FE 25-17-30e	Gray-Jack	Oil	3280	2499'
Linn	Max Friess 7	26883	2610 FN & 1460 FE 30-17s-31e	Gray-Jack	Oil	3740	2691'

- VII. 1. Average injection rate will be \approx 15,000 bwpd.
 Maximum injection rate will be \approx 20,000 bwpd.
2. System will be open and closed. Water will both be trucked and the well will be tied into a proposed Apache pipeline system.
3. Average injection pressure will be \approx 1,500 psi
 Maximum injection pressure will be 2,988 psi (= 0.2 psi/foot x

12,440' (highest perforation)).

4. The disposal water will be produced water from Apache wells, mainly from the Yeso. Apache has 164 approved wells in T. 17 S., R. 30 & 31 E. and T. 18 S., R. 30 & 31 E. Of those 164 wells, 156 are Yeso wells.

A summary of analyses from a Yeso well (10 miles west), Devonian wells (6 miles northwest), and an Ellenburger well (49 miles southeast) follows. These samples are the closest wells in the WAIDS data base. The abstracts are in Exhibit F. No compatibility problems have been reported from the closest (5.7 miles west) operating Devonian disposal well (30-015-29104). The 50,928 barrels that were disposed in the well in 2011 included Yeso water. The closest (41 miles southwest) Ellenburger disposal wells (30-015-26499 & 30-015-29123) have accepted more than 91,345,286 barrels of water.

	<u>Yeso</u>	<u>Devonian</u>	<u>Ellenburger</u>
Barium	0.1136		
Bicarbonate	495.296	1,260.0	122.0
Calcium	2,979.73		
Chloride	138,951.0	34,400.0	66,630.0
Hydrogen Sulfide	6.816		
Iron	5.112		
Magnesium	679.328		
Potassium	493.024		
Sodium	87,541.3		
Strontium	47.712		
Sulfate	4,749.62	3,600.0	1,692.0
Total Dissolved Solids	207,695.0	63,260	110,300.0

5. Closest (5 miles east-southeast in 1-18s-30e) Devonian production was Read and Stevens' Susie Federal #1 (30-015-27677). It produced 237,000 cubic feet from the wildcat Devonian in 1994 before it was plugged and abandoned. It has since been reentered and is now a Wolfcamp salt water disposal well.

Closest (9 miles southeast in 27-18s-31e) Ellenburger production is Chesapeake's Greenwood Pre-Grayburg Unit 14 (30-015-31615). It has produced 1,982,081 Mcf of gas since 2001 from the wildcat Shugart; Ordovician.

VIII. The Devonian ($\approx 1,120$ thick) and Ellenburger ($\approx 445'$ thick) are dolomites. Closest possible underground source of drinking water above the proposed disposal interval is the Quaternary deposit at the surface. No water wells are within a one mile radius (EXHIBIT G).

Four water wells were drilled within a two mile radius for water. Only one of the four wells was intended to, and did, produce water. That well is an abandoned wood windmill 8,212' west. According to the grazing permittee (Kyle Williams of Williams & Son Cattle Company), it has been dry for over 30 years.

The other three wells (≥ 1.24 miles southeast in Section 32) were intended to determine depth to groundwater for a proposed, but not yet approved, landfill. The holes ranged in depth from 55' to 158'. No water was encountered and all three holes were plugged with grout. No underground source of drinking water is below the proposed disposal interval.

Anticipated formation tops are:

- Quaternary = 0'
- Rustler = 366'
- Salt top = 670'
- Salt base = 1,600'
- Yates = 1,324'
- Seven Rivers = 1,593'
- Queen = 2,462'
- Grayburg = 2,858'
- San Andres = 3,206'
- Glorieta = 4,900'
- Yeso = 5,300'
- Tubb = 6,700'
- Abo = 6,751'
- Bone Springs = 7,600'

Wolfcamp = 8,271'
Cisco = 9,007'
Strawn = 10,516'
Atoka = 10,783'
Morrow = 11,196'
Mississippian = 11,441'
Devonian = 12,425'
Ellenburger = 13,555'
Cambrian = 14,000'
Total Depth: 14,050'

There are no water wells within a minimum 2,000 meter (= 6,560') radius according to State Engineer records (see Exhibit G). There will be 12,435' of vertical separation and the Rustler salt interval between the bottom of the only likely underground water source (Quaternary) and the top of the Devonian.

Produced water has been injected or disposed into zones above (mainly in the Grayburg-Jackson; Seven Rivers - Queen - Glorieta - San Andres; but also in the Yeso, Abo, and Wolfcamp) the proposed disposal interval via 68 wells within Section 30 and the bordering 8 sections.

- IX. The well will be stimulated with acid to clean out scale or fill.
- X. Cement bond, spectral gamma ray, density, dual laterolog/MSFL, and neutron logs will be run.
- XI. Based on a field inspection and a review of the State Engineer's records, there are no water wells within a one mile radius.
- XII. Apache is not aware of any geologic or engineering data which may indicate the Devonian or Ellenburger are in hydrologic connection with any underground sources of water. There are 66 Devonian salt water disposal wells,

APACHE CORPORATION
APACHE STATE SWD 3
2300' FNL & 725' FWL SEC. 30, T. 17 S., R. 31 E.
EDDY COUNTY, NEW MEXICO

PAGE 10

30-015-38978

48 Devonian water injection wells, and 4 Ellenburger salt water disposal wells in New Mexico.

XIII. Notice (this application) has been sent (Exhibit H) to the surface owner (New Mexico State Land Office), all leasehold operators (ConocoPhillips, Chisos Ltd., Chase Oil, BP, Marbob Energy, Pitch Energy, Jack Plemons, Devon, Jay Armstrong, Judah Oil, McCombs Energy, McInnes Resources, Paloma Resources, Larry Jones, Lothian Oil, Premier Oil & Gas, Enervest, Ollie Burnett Trust, Anne Tandy Estate, Texas Reexploration, Texas Refining, Anne B. Windfohr, Yates Petroleum, Abo Petroleum, Burnett Oil Co., Chevron USA Holdings, Chevron USA Inc., EOG, MYCO, Alamo Permian, LINN, and Oxy), and lessors (NM State Land Office, BLM) within a half mile.

A legal ad (see Exhibit I) was published on January 29, 2012.

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

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

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-015-38978	Pool Code 96101	Pool Name SWD; DEVONIAN
Property Code	Property Name APACHE STATE SWD	Well Number 3
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3585'

Surface Location

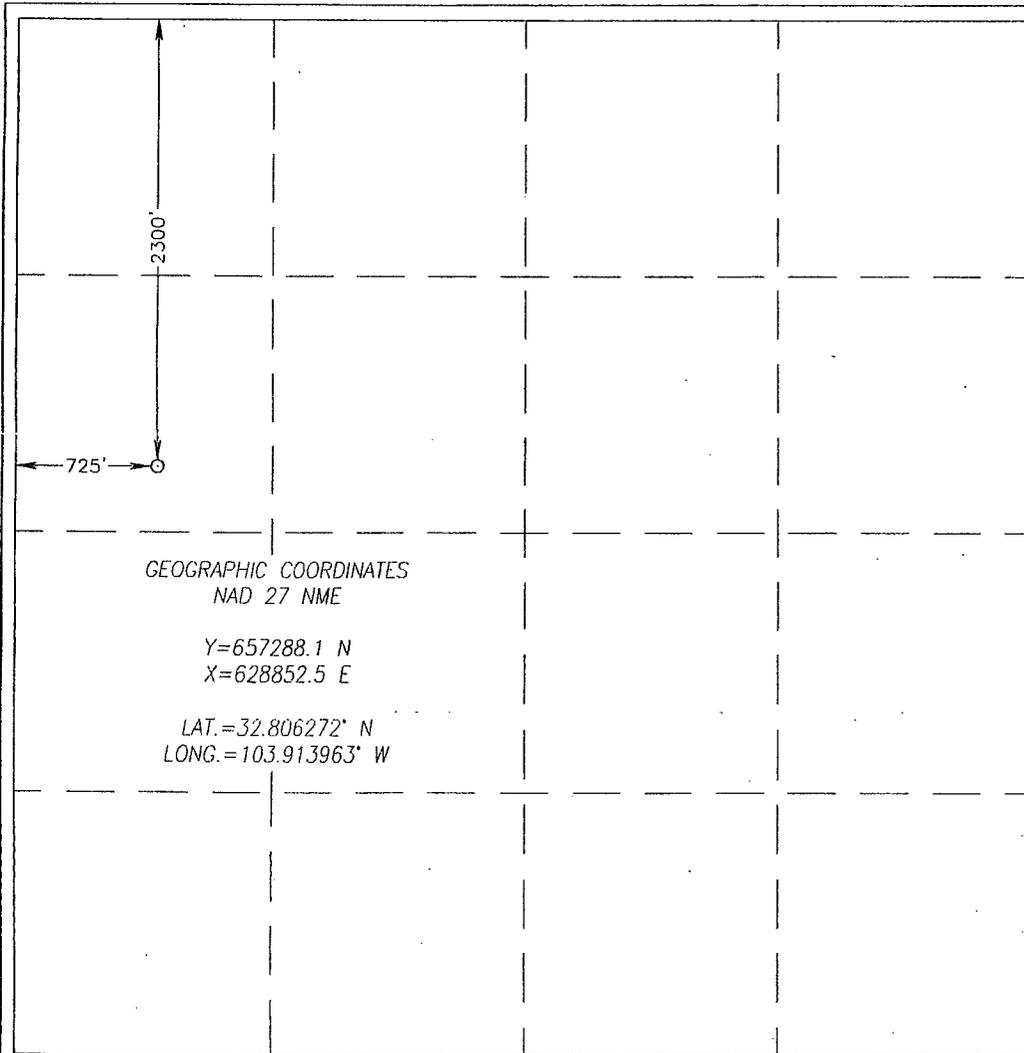
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	30	17-S	31-E		2300	NORTH	725	WEST	EDDY

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



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.

Brian Wood 2-15-12
Signature Date

BRIAN WOOD
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.

EXHIBIT A

DECEMBER 28, 2010

Date Surveyed LA

Signature & Seal of Professional Surveyor
Ronald G. Eidson 01/12/2011
10.11.19285

Certificate No. GARY G. EIDSON 12641
RONALD G. EIDSON 3239

half mile radius

Apache State SWD 3

EXHIBIT B





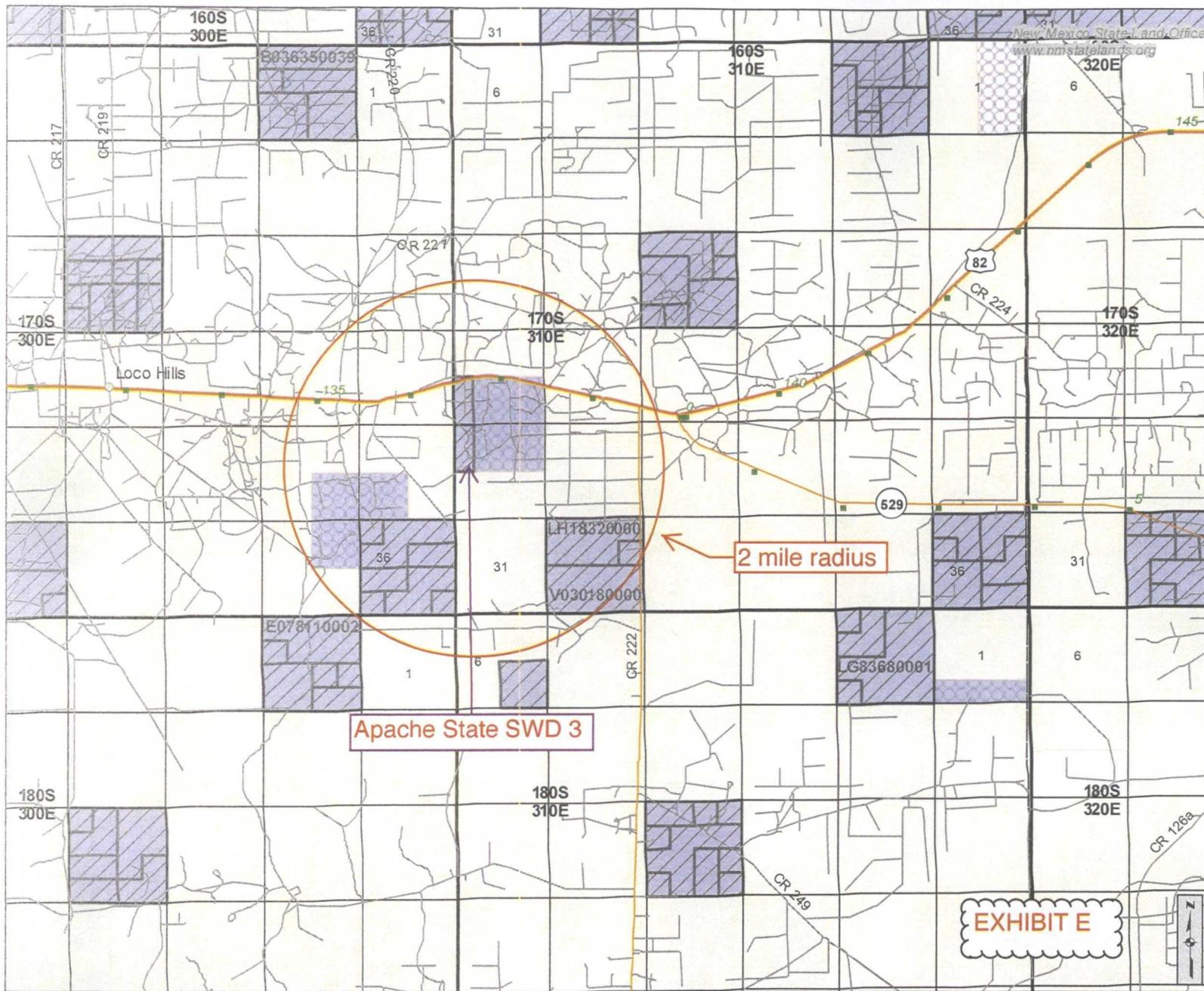
EXHIBIT C

QUEBECH

PAINES

Apache State SWD 3

2 mile radius



LEGEND

- County Seats
- ▲ SLO District Offices
- ☉ City, Town or Village
- ✱ Volcanic Vents
- Highway Mileposts

NMOCD Oil, Gas Wells

- ✱ Carbon Dioxide
- ✱ Gas
- Injection
- Miscellaneous
- Oil
- △ Salt Water Disposal
- ◇ Water
- ◇ DA or PA

Federal Subsurface Ownership

- All Minerals
- Coal Only
- Oil and Gas Only
- Oil, Gas and Coal Only
- Other Minerals

State Trust Lands Ownership

- Surface Estate
- Subsurface Estate
- Both Estates

State Lease Types

- Commercial Leases
- Minerals Leases
- Oil and Gas Leases
- Agricultural Leases
- Oil, Gas Leasing Influenced By Restriction
- Not Available for Oil, Gas Leasing

Other Boundaries

- Continental Divide
- ▭ State Boundary
- - - County Boundaries
- Oil and Gas Unit Boundary
- Participating Areas in Units
- Geologic Regions
- NMOCD Order R-111-P Potash Enclave Outline

New Mexico State Land Office Oil, Gas, and Minerals Land/Lease Information Map

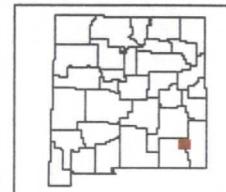
0 0.25 0.5 1 1.5 2 Miles

Universal Transverse Mercator Projection, Zone 13
1983 North American Datum

The New Mexico State Land Office assumes no responsibility or liability for, or in connection with, the accuracy, reliability or use of the information provided here, in State Land Office data layers or any other data layer.

Land Office Geographic Information Center
logic@slo.state.nm.us

Created On: 1/21/2011 8:50:54 AM



For detailed legend of the Geologic Map of New Mexico, please see <http://geo.info.nmt.edu/>

NM WAIDS

DATA

MAPS

HOME

SCALE

CORROSION

General Information About: Sample 6073			
WHITE STAR FEDERAL 014			
API	3001530931	Sample Number	
Unit/Section/ Township/Range	A / 29 / 17 S / 29 E	Field	EMPIRE EAST
County	Eddy	Formation	YESO
State	NM	Depth	
Lat/Long	32.81153 / -104.09097	Sample Source	
TDS (mg/L)	207695	Water Type	
Sample Date(MM/DD/YYYY)	5/18/2000	Analysis Date(MM/DD/YYYY)	5/26/2000
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)	493.024	Sulfate (SO)	4749.62
Sodium (Na)	87541.3	Chloride (Cl)	138951
Calcium (Ca)	2979.73	Carbonate (CO ₃)	0
Magnesium (Mg)	679.328	Bicarbonate (HCO ₃)	495.296
Barium (Ba)	0.1136	Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	6.816
Strontium (Sr)	47.712	Carbon Dioxide (CO ₂)	
Iron (Fe)	5.112	Oxygen (O)	



EXHIBIT F

NM WAIDS

DATA

MAPS

HOME

SCALE

CORROSION

General Information About: Sample 5199			
SQUARE LAKE DEEP UNIT 001			
API	3001503979	Sample Number	
Unit/Section/ Township/Range	J / 33 / 16 S / 30 E	Field	
County	Eddy	Formation	DEV
State	NM	Depth	
Lat/Long	32.87982 / -103.97885	Sample Source	DST
TDS (mg/L)	63260	Water Type	
Sample Date(MM/DD/YYYY)		Analysis Date(MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	3600
Sodium (Na)		Chloride (Cl)	34400
Calcium (Ca)		Carbonate (CO ₃)	
Magnesium (Mg)		Bicarbonate (HCO ₃)	1260
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	
Strontium (Sr)		Carbon Dioxide (CO ₂)	
Iron (Fe)		Oxygen (O)	



EXHIBIT F

NM WAIDS

DATA

MAPS

HOME

SCALE

CORROSION

General Information About: Sample 4500			
LIVINGSTON 006			
API	3002506517	Sample Number	
Unit/Section/ Township/Range	K / 03 / 21 S / 37 E	Field	WANTZ
County	Lea	Formation	ELBG
State	NM	Depth	
Lat/Long	32.50600 / -103.15174	Sample Source	DST
TDS (mg/L)	110300	Water Type	
Sample Date(MM/DD/YYYY)		Analysis Date(MM/DD/YYYY)	
Remarks/Description			
Cation Information (mg/L)		Anion Information (mg/L)	
Potassium (K)		Sulfate (SO)	1692
Sodium (Na)		Chloride (Cl)	66630
Calcium (Ca)		Carbonate (CO ₃)	
Magnesium (Mg)		Bicarbonate (HCO ₃)	122
Barium (Ba)		Hydroxide (OH)	
Manganese (Mn)		Hydrogen Sulfide (H ₂ S)	
Strontium (Sr)		Carbon Dioxide (CO ₂)	
Iron (Fe)		Oxygen (O)	



EXHIBIT F



New Mexico Office of the State Engineer
Point of Diversion by Location
(with Owner Information)

No PODs found.

UTMNAD83 Radius Search (in meters):

Easting (X): 601629

Northing (Y): 3630345.21

Radius: 2000

Apache State SWD 3

EXHIBIT G

The data is furnished by the NMOSE/ISC and is accepted by the recipient with the expressed understanding that the OSE/ISC make no warranties, expressed or implied, concerning the accuracy, completeness, reliability, usability, or suitability for any particular purpose of the data.

PERMITS WEST, INC.

PROVIDING PERMITS for LAND USERS

37Verano Loop, Santa Fe, New Mexico 87508 (505) 466-8120

April 7, 2012

Nick Jaramillo
New Mexico State Land Office
P. O. Box 1148
Santa Fe, NM 87504-1148

Dear Nick,

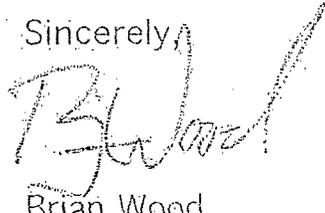
Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well (SLO R-32373). As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Apache State SWD #3 (state lease) TD = 14,050'
Proposed Injection Zone: Devonian & Ellenburger (from 12,440' to 14,000')
Location: 2300' FNL & 725' FWL Sec. 30, T. 17 S., R. 31 E., Eddy County, NM
Approximate Location: ~4 air miles east-southeast of Loco Hills, NM
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

Submittal Information: Application for a salt water disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

questions.

Sincerely,



Brian Wood

EXHIBIT H

U.S. Postal Service
CERTIFIED MAIL, RECEIPT
(Domestic Mail Only, No Insurance Coverage Provided)
For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 1.50	0501
Certified Fee	\$2.05	
Return Receipt Fee (Endorsement Required)	\$2.35	
Restricted Delivery Fee (Endorsement Required)	\$0.00	
Total Postage & Fees	\$ 6.00	

SANTA FE, NM 87505
APR 9 2012
04/09/2012
POSTAL STATION

Sent To: NM SLD
Street, Apt. No., or PO Box No.
City, State, ZIP+4

April 7, 2012

Tom Scarborough
 ConocoPhillips Company
 P. O. Box 2197
 Houston, TX 77252

Dear Mr. Scarborough:

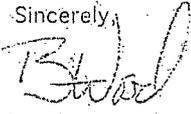
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Please call me if you have any questions.

Sincerely,



Brian Wood:

EXHIBIT H

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only) (No Insurance Coverage Provided)

For additional information, visit our website at www.usps.com

HOUSTON TX OFFICE

Postage	\$	11.50
Certified Fee	\$	22.00
Return Receipt Fee (Endorsement Required)	\$	22.75
Registered Delivery Fee (Endorsement Required)	\$	00.00
Total Postage & Fees	\$	56.25

Postmark Here: APR 9 2012

Sent to: ConocoPhillips
 Street, Apt. No., or PO Box No.:
Houston

April 7, 2012

Chisos Ltd.
 670 Dona Ana Road SW
 Deming, NM 88030

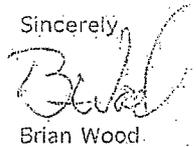
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Please call me if you have any questions.

Sincerely,



Brian Wood:

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only) (No Insurance Coverage Provided)

For additional information, visit our website at www.usps.com

DEPTING AND SERVICE

Postage	\$	11.50
Certified Fee	\$	22.00
Return Receipt Fee (Endorsement Required)	\$	22.75
Registered Delivery Fee (Endorsement Required)	\$	00.00
Total Postage & Fees	\$	56.25

Postmark Here: APR 9 2012

Sent to: Chisos
 Street, Apt. No., or PO Box No.:
 City, State, ZIP+4

April 7, 2012

Chase Oil Corporation
 P. O. Box 1737
 Artesia, NM 88211-1767

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT H

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only, No Insurance Coverage Provided)	
OFFICIAL USE	
Postage	\$1.50
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.10
Sent by <u>Chase</u> Street, Apt. No. or P.O. Box No. City, State, ZIP+4	

Postmark: SANTA FE, NM 87505, APR 12, 9 21 AM

April 7, 2012

BP America Production Co.
 P. O. Box 3092
 Houston, TX 77253-3092

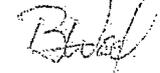
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Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only, No Insurance Coverage Provided)	
OFFICIAL USE	
Postage	\$1.50
Certified Fee	\$2.85
Return Receipt Fee (Endorsement Required)	\$2.75
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$7.10
Sent by <u>BP America</u> Street, Apt. No. or P.O. Box No. City, State, ZIP+4	

Postmark: SANTA FE, NM 87505, APR 12, 9 21 AM

April 7, 2012

Marbob Energy Corp. & Pitch Energy Corp.
 c/o COG
 2208 W. Main St.
 Artesia, NM 88210

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Please call me if you have any questions.

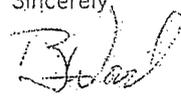
Sincerely,

 Brian Wood

EXHIBIT H

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
AMERICAN LEGAL MAIL SERVICE	
SPECIAL USE	
Postage	\$ 1.50
Certified Fee	\$ 2.35
Return Receipt Fee (Endorsement Required)	\$ 2.35
Registered Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.20
APR 07 2012 04:00 PM	
Sent to: Marbob	

April 7, 2012

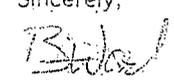
Jack & Glen Plemons
 P. O. Box 113
 Lovington, NM 88260

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Please call me if you have any questions.

Sincerely,

 Brian Wood

5254 TTEB 6000 0462 TT02

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
AMERICAN LEGAL MAIL SERVICE	
SPECIAL USE	
Postage	\$ 1.50
Certified Fee	\$ 2.35
Return Receipt Fee (Endorsement Required)	\$ 2.35
Registered Delivery Fee (Endorsement Required)	\$ 0.00
Total Postage & Fees	\$ 6.20
APR 07 2012 04:00 PM	
Sent to: J & G Plemons	

April 7, 2012

Devon Energy Production Co. LP
 20 N. Broadway, #1500
 Oklahoma City, OK 73102

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Location: 2300' FNL & 725' FWL Sec. 30, T. 17 S., R. 31 E., Eddy County, NM
Approximate Location: ≈4 air miles east-southeast of Loco Hills, NM
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

Submission Information: Application for a salt water disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

EXHIBIT H

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$1.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.80

Postmark: SANTA FE, NM 87505
 APR 12 9 30 AM '12

TO: **DEVON**

April 7, 2012

Jay K. Armstrong LP
 P. O. Box 2193
 Wichita Falls, TX 76307

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections:

Well Name: Apache State SWD #3 (state lease) ID = 14,050'
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Approximate Location: ≈4 air miles east-southeast of Loco Hills, NM
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Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

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Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

OFFICIAL USE

Postage	\$1.50
Certified Fee	\$2.95
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Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$6.80

Postmark: SANTA FE, NM 87505
 APR 12 9 30 AM '12

TO: **J. Armstrong**

April 7, 2012

McInnes Resources Co.
 P. O. Box 527
 Artesia, NM 88211-0527

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Approximate Location: ≈4 air miles east-southeast of Loco Hills, NM
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

Submittal Information: Application for a salt water disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions.

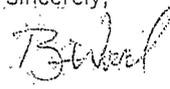
Sincerely,

 Brian Wood

EXHIBIT H

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only/No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 4.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Registered Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 9.80

Postmark: SANTA FE, NM 87505
 APR 7 9 51 AM '12

Sent to: McInnes

Street, Apt. No. or PO Box No.
 City, State, ZIP+4

April 7, 2012

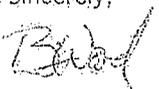
Paloma Resource Inc.
 P. O. Box 1814
 Roswell, NM 88202

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

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Please call me if you have any questions.

Sincerely,

 Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only/No Insurance Coverage Provided)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage	\$ 4.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Registered Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 9.80

Postmark: ROSWELL, NM 88202
 APR 7 9 51 AM '12

Sent to: Paloma

Street, Apt. No. or PO Box No.
 City, State, ZIP+4

April 7, 2012

Larry Jones & Premier Oil & Gas Inc.
 P. O. Box 1246
 Artesia, NM 88210

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

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Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

EXHIBIT H

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Available)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$ 1.50
 Certified Fee \$ 2.50
 Return Receipt Fee (Endorsement Required) \$ 2.50
 Restricted Delivery Fee (Endorsement Required) \$ 3.00
 Total Postage & Fees \$ 9.50

Postmark: SANTA FE, NM 12 APR 2012

Form No. *Premier*
 Sent to:
 Street Apt. No. or PO Box No.
 City, State, ZIP+4

April 7, 2012

Lothian Oil Inc.
 200 N. Loraine
 Midland, TX 79701-4758

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,

Brian Wood
 Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Available)
 For delivery information visit our website at www.usps.com

OFFICIAL USE

Postage \$ 1.50
 Certified Fee \$ 2.50
 Return Receipt Fee (Endorsement Required) \$ 2.50
 Restricted Delivery Fee (Endorsement Required) \$ 3.00
 Total Postage & Fees \$ 9.50

Postmark: MIDLAND, TX 12 APR 2012

Sent to: *Lothian*
 Street Apt. No. or PO Box No.
 City, State, ZIP+4

April 7, 2012

Peter Tower
 Enervest Energy Institutional Funds XI-A & XI-WI
 1001 Fannin St., Suite 800
 Houston, TX 77002-6707

Dear Peter,

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

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Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT H

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

HOUSTON TX 77002

Postage	\$ 41.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 46.80

Sent to: Enervest

Postmark: SANTA FE, NM APR 9 2012

April 7, 2012

Ollie L. Burnett Trust
 Anne B. Tandy Estate
 & Anne B. Windfohr
 801 Cherry St., #1500
 Ft. Worth, TX 76102-6869

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions.

Sincerely,



Brian Wood

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, No Insurance Coverage Provided)

FORT WORTH TX 76102

Postage	\$ 41.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 46.80

Sent to: BURNETT TRST

Postmark: SANTA FE, NM APR 9 2012

April 7, 2012

Texas Reexploration Ltd. 1
 3025 Maxroy
 Houston, TX 77008

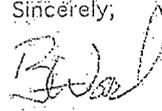
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Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT H

7011 2970 0000 4311 3111

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only, Registered Contractors Only)
 HOUSTON, TX 77057

Postage	\$ 11.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 16.80

U.S. POSTAL SERVICE
 SANTA FE, NM 87505
 APR 9 2012
 POST OFFICE STATION

TX Reexplor

Send to:
 Recipient Name, Apt. No., or PO Box No.
 City, State, ZIP+4

April 7, 2012

Texas Refining & Exploration LP
 5701 Woodway, #110
 Houston, TX 77057

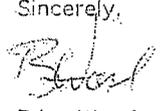
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Please call me if you have any questions.

Sincerely,



Brian Wood

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U.S. POSTAL SERVICE
 SANTA FE, NM 87505
 APR 9 2012
 POST OFFICE STATION

TX Refining & Expl

Send to:
 Recipient Name, Apt. No., or PO Box No.
 City, State, ZIP+4

April 7, 2012

Yates Petroleum Corp., Abo Petroleum Corp.,
 Myco Industries Inc.
 105 S. 4th St.
 Artesia, NM 88210

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Sincerely,

Brian Wood
 Brian Wood

EXHIBIT H

U.S. Postal Service CERTIFIED MAIL RECEIPT	
FOR OFFICIAL USE	
Package	\$ 11.50
Guaranteed Fee	\$2.35
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 16.20

127 Postmark
 1464 Z
 CORONA STATION
 04/09/2012

Yates/Abo

April 7, 2012

Burnett Oil Co.
 801 Cherry St., #1500 Unit 9
 Ft. Worth, TX 76102-6881

Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

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Please call me if you have any questions:

Sincerely,

Brian Wood
 Brian Wood

U.S. Postal Service CERTIFIED MAIL RECEIPT	
FOR OFFICIAL USE	
Package	\$ 11.50
Guaranteed Fee	\$2.35
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 16.20

127 Postmark
 1464 Z
 CORONA STATION
 04/09/2012

BURNETT OIL CO.

April 7, 2012

Chevron USA Inc. &
 Chevron USA Holdings Inc.
 15 Smith Rd.
 Midland, TX 79705

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Please call me if you have any questions.

Sincerely,



Brian Wood

EXHIBIT H

7011 2470 0003 9311 3560

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

FOR POSTAGE INFORMATION VISIT OUR WEBSITE AT WWW.USPS.COM

OFFICIAL USE

Postage	\$ 1.50
Certified Fee	\$2.95
Return Receipt Fee (Enhancement Required)	\$2.75
Restricted Delivery Fee (Enhancement Required)	\$0.00
Total Postage & Fees	\$ 7.20

Postmark: SANTA FE, NM 87505 04/09/2012

Sent To: Chevron USA Hold

Signed, Apt. No. or PO Box No.: _____
 City, State, ZIP+4: _____

April 7, 2012

EOG Resources Inc.
 P. O. Box 4362
 Houston, TX 77210-4362

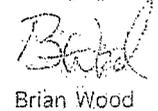
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Please call me if you have any questions.

Sincerely,



Brian Wood

7011 2470 0003 9311 3570

U.S. Postal Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only. No Insurance Coverage Provided)

FOR POSTAGE INFORMATION VISIT OUR WEBSITE AT WWW.USPS.COM

OFFICIAL USE

Postage	\$ 1.50
Certified Fee	\$2.95
Return Receipt Fee (Enhancement Required)	\$2.75
Restricted Delivery Fee (Enhancement Required)	\$0.00
Total Postage & Fees	\$ 7.20

Postmark: HOUSTON, TX 77210 04/09/2012

Sent To: EOG

Signed, Apt. No. or PO Box No.: _____
 City, State, ZIP+4: _____

April 7, 2012

BLM
 620 E. Greene St.
 Carlsbad, NM 88220.

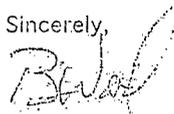
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Please call me if you have any questions:

Sincerely,



Brian Wood

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
OFFICIAL USE	
Postage	\$ 41.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 46.80
	
Sent to: <u>BLM</u>	
Street, Apt. No. or P.O. Box No. <u>Carlsbad</u>	
City, State, ZIP+4	

EXHIBIT H

April 7, 2012

Alaino Permian Resources
 415 W. Wall St., Suite 500
 Midland, TX 79701

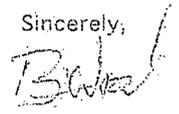
Apache Corporation is applying (application attached) to deepen its Apache State SWD #3 salt water disposal well. As required by NM Oil Conservation Division Rules, I am notifying you of the following proposal. This letter is a notice only. No action is needed unless you have questions or objections.

Well Name: Apache State SWD #3 (state lease) TD = 14,050'
Proposed Injection Zone: Devonian & Ellenburger (from 12,440' to 14,000')
Location: 2300' FNL & 725' FWL Sec. 30, T. 17 S., R. 31 E., Eddy County, NM
Approximate Location: ≈4 air miles east-southeast of Loco Hills, NM.
Applicant Name: Apache Corporation (432) 818-1167
Applicant's Address: 303 Veterans Airpark Lane, #3000, Midland, TX 79705

Submittal Information: Application for a salt water disposal well will be filed with the NM Oil Conservation Division (NMOCD). If you have an objection, or wish to request a hearing, then it must be filed with the NMOCD within 15 days of receipt of this letter. The New Mexico Oil Conservation Division address is 1220 South St. Francis Dr. Santa Fe, NM 87505. Their phone number is (505) 476-3440.

Please call me if you have any questions:

Sincerely,



Brian Wood

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)	
OFFICIAL USE	
For delivery information, visit our website at www.usps.com	
MIDLAND TX 79701	
Postage	\$ 41.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsement Required)	\$2.35
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 46.80
Sent to: <u>Alaino Permian</u>	
Street, Apt. No. or P.O. Box No.	
City, State, ZIP+4	

April 7, 2012

LINN Energy Holdings LLC
 600 Travis St., Suite 5100
 Houston, TX 77002-3092

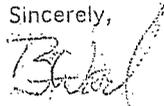
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Please call me if you have any questions:

Sincerely,



Brian Wood

EXHIBIT H

7011 2470 0003 4311 3551

Special Service
CERTIFIED MAIL RECEIPT
 (Domestic Mail Only) (Domestic Coverage Provided)

OFFICIAL USE

Postage	\$1.50
Certified Fee	\$2.95
Return Receipt Fee (Endorsment Required)	\$2.35
Restricted Delivery Fee (Endorsment Required)	\$0.00
Total Postage & Fees	\$6.80

USPS SANTA FE, NM 87501
 12
 Postmark Here

Sort to
 Street, Apt. No. or PO Box No.
 City, State, ZIP+4

April 7, 2012

Oxy Y-1 Company
 P. O. Box 27570
 Houston, TX 77227-7570

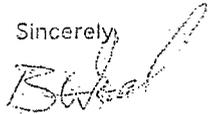
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Sincerely,



Brian Wood

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U.S. Postal Service
CERTIFIED MAIL RECEIPT
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Postage	\$1.50
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USPS SANTA FE, NM 87501
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Sort to
 Street, Apt. No. or PO Box No.
 City, State, ZIP+4

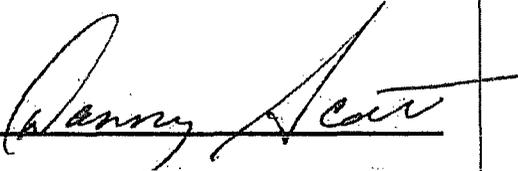
Affidavit of Publication

NO. 21994

STATE OF NEW MEXICO

County of Eddy:

Danny Scott



being duly sworn, says that he is the Publisher

of the Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and state, and that the hereto attached

Legal Notice

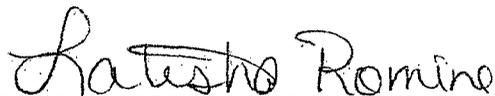
was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive weeks/days on the same

day as follows:

First Publication	<u>January 29, 2012</u>
Second Publication	_____
Third Publication	_____
Fourth Publication	_____
Fifth Publication	_____

Subscribed and sworn to before me this 30th day of January 2012

 OFFICIAL SEAL
Latisha Romine
NOTARY PUBLIC-STATE OF NEW MEXICO
My commission expires: 5/12/2015


Latisha Romine
Notary Public, Eddy County, New Mexico

Copy of Publication:

LEGAL NOTICE

Apache Corporation is applying for a deeper saltwater disposal well. The Apache State SWD #3 will dispose into the Devonian and Ellenberger from 12,440 to 14,000. It is located 4 miles east-southeast of Loco Hills at 2300 FNL & 725 FWL Sec 30 T 17 S R 31 E Eddy County. Maximum disposal rate will be 20,000 bwpd. Maximum injection pressure will be 2,488 psi. Interested parties must file objections or requests for hearing with the NM Oil Conservation Division, 1220 South Saint Francis Dr. Santa Fe, NM 87505 within 15 days. Additional information can be obtained by contacting Brian Wood, Permits West, Inc., 37 Verano Loop, Santa Fe, NM 87508. Phone number is (505) 466-8120.
Published in the Artesia Daily Press, Artesia, N.M., Jan. 29, 2012, Legal No 21994.

EXHIBIT I

Jones, William V., EMNRD

From: Jones, William V., EMNRD
Sent: Wednesday, April 25, 2012 9:52 AM
To: Mull, Donna, EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: RE: Disposal application from Apache Corp: Apache State SWD #3 30-015-38978 Devonian-Fusselman interval Perfed and Open Hole

Tracking:

Recipient	Read
Mull, Donna, EMNRD	Read: 4/25/2012 10:07 AM
Gonzales, Elidio L, EMNRD	

Donna,
Thank You!!
Just what I needed....

From: Mull, Donna, EMNRD
Sent: Wednesday, April 25, 2012 9:20 AM
To: Jones, William V., EMNRD
Cc: Gonzales, Elidio L, EMNRD
Subject: FW: Disposal application from Apache Corp: Apache State SWD #3 30-015-38978 Devonian-Fusselman interval Perfed and Open Hole

Will, The three wells you are asking them to get extra bonding on, are Plugged & Abandon wells that have not been released. The do not need extra bonding. We was told that if a well was in this status and on the Financial Assurance list to let them be and go ahead and approve what paperwork we had (C-101, C-104, etc). I believe this goes for you going ahead an approving orders too. You may want to check with Daniel and Sonny.

Have a nice day. Donna

From: Gonzales, Elidio L, EMNRD
Sent: Tuesday, April 24, 2012 4:32 PM
To: Mull, Donna, EMNRD; Herrera-Murillo, Cindy, EMNRD
Subject: FW: Disposal application from Apache Corp: Apache State SWD #3 30-015-38978 Devonian-Fusselman interval Perfed and Open Hole

E. L. GONZALES
STAFF SUPERVISOR

EMNRD - OCD DISTRICT 1
HOBBS, NM 88240
OFFICE: 575-393-6161 X-114
CELL: 575-370-3182 FAX: 575-393-0720
ELIDIOL.GONZALES@STATE.NM.US

From: Jones, William V., EMNRD
Sent: Tuesday, April 24, 2012 4:26 PM
To: brian wood
Cc: Sanchez, Daniel J., EMNRD; Ezeanyim, Richard, EMNRD; Swazo, Sonny, EMNRD; Gonzales, Elidio L, EMNRD; Dawson, Scott; Kautz, Paul, EMNRD; Shapard, Craig, EMNRD; Warnell, Terry G, EMNRD; Phillips, Dorothy, EMNRD
Subject: Disposal application from Apache Corp: Apache State SWD #3 30-015-38978 Devonian-Fusselman interval Perfed and Open Hole

Hello Brian,
As Agent for Apache who prepared this application, sending this review to you - please pass onto Apache.

- a. The web site shows Apache Corp (OGRID 873) as needing at least three (3) single well bonds. Please let Apache know and ask someone to work with EL Gonzales or Hobbs district to ensure these bonds are needed, and if so, get them posted. (sometimes this bonding requirement information must be checked to ensure the computer program kicks out the correct information). Since there are single well bonds needed, this means Rule 5.9 is being violated and we are prohibited from issuing disposal permits.

The wells I see needing bonds are: 30-025-04132, 30-025-26169, and 30-025-32341 but the web site should be checked for any others.

<https://wwwapps.emnrd.state.nm.us/OCD/OCDPermitting/Report/Stats/InactiveWellFinancialAssuranceReport.aspx?Operator=873>

- b. Since the only verification of non-productivity in the application was location of offsetting production in these intervals, the permit will include a requirement to turn in a mudlog and/or log analysis over the target disposal interval(s). If this is a problem, let me know.
- c. The application seems fine otherwise.

The issue of single well bonds being required turned up months ago, mainly in Artesia district – Apache operates 2723 wells and Rule 5.9 noncompliance will prohibit any new injection/disposal applications and could result in refusal of APD's.

Thank You,

William V Jones, P.E.
Engineering, Oil Conservation Division
1220 South St. Francis Drive, Santa Fe, NM 87505
Tel 505.476.3448 ~ Fax 505.476.3462

J.R. Phillips Geotech
 025-04132
 025-26169
 32341

Injection Permit Checklist (11/15/2010)

WFX PMX SWD 1277-A Permit Date 4/25/12 UIC Qtr (A M/J)

Wells 1 Well Name(s): APACHE STATE SWD #3

API Num: 30-0 15-38978 Spud Date: 9/19/11 New/Old: N (UIC primacy March 7, 1982)

Footages 2300 FNL/725FWL Unit E 30 Sec 17S Rge 31E County EDDY

General Location: N. of Reef

Operator: APACHE CORPORATION Contact BRIAN WOOD

OGRID: 873 RULE 5.9 Compliance (Wells) 2/123 (Finan Assur) X IS 5.9 OK? X

Well File Reviewed Current Status: TAED

Planned Work to Well:

Diagrams: Before Conversion After Conversion Elogs in Imaging File: Will BE Run

Well Details:	Sizes		Setting Depths	Stage Tool	Cement Sx or Cf	Determination Method
	Hole.....	Pipe				
New <input type="checkbox"/> Existing <input checked="" type="checkbox"/> Surface	<u>17 1/2</u>	<u>13 3/8</u>	<u>496'</u>	<u>—</u>	<u>922 SX</u>	<u>SURF (after 1")</u>
New <input type="checkbox"/> Existing <input checked="" type="checkbox"/> Interm	<u>12 1/4</u>	<u>9 5/8</u>	<u>4453'</u>	<u>—</u>	<u>1675 SX</u>	<u>Surf</u>
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> LongSt	<u>8 3/4</u>	<u>7"</u>	<u>1350</u>	<u>8000'</u>	<u>1350 SX</u>	<u>3000' CEL</u>
New <input type="checkbox"/> Existing <input type="checkbox"/> Liner					<u>(2 STOP PLUG)</u>	
New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> OpenHole		<u>6"</u>	<u>13500' - 14,000'</u>			

Depths/Formations:	Depths, Ft.	Formation	Tops?
Formation(s) Above	<u>11741</u>	<u>MISS</u>	<input checked="" type="checkbox"/>
	<u>12425'</u>	<u>DEV</u>	<input checked="" type="checkbox"/>
Injection TOP:	<u>12440</u>	<u>Dev</u>	Max. PSI <u>2488</u>
Injection BOT. TOP:	<u>14000</u>	<u>Edenlyer</u>	Open Hole <input checked="" type="checkbox"/> Perfs <input checked="" type="checkbox"/>
Formation(s) Below	<u>14000</u>	<u>CAMBRIAN</u>	Tubing Size <u>4 1/2</u> Packer Depth <u>12340</u>

Salado Top/Bot 670' - 1600' Cliff House?

Fresh Water: Depths: <160' Formation QAL Wells? NONE Analysis? Affirmative Statement

Disposal Fluid Analysis? Sources: APACHE wells: mostly YES

Disposal Interval: Analysis? Production Potential/Testing: NONE anywhere near

Notice: Newspaper Date 1/29/12 Surface Owner SLO (4/9/12) Mineral Owner(s) —

RULE 26.7(A) Affected Persons: CONOCO/CH2M/Case/Tech PERMANS/APACHE/EGG/etc

AOR: Maps? Well List? Producing in Interval? NO Wellbore Diagrams? —

.....Active Wells 0 Repairs? — Which Wells? —

.....P&A Wells 0 Repairs? — Which Wells? —

Issues: Submit MVDs over internet/600 analysis Request Sent — Reply: —