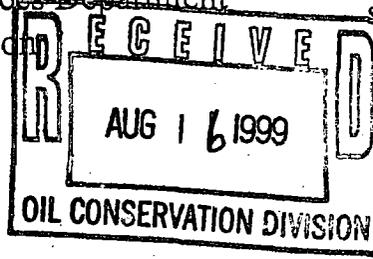


District I - (505) 393-6161
 1625 N. French Dr
 Hobbs, NM 88241-1980
 District II - (505) 748-1283
 811 S. First
 Artesia, NM 88210
 District III - (505) 334-6178
 1000 Rio Brazos Road
 Aztec, NM 87410
 District IV - (505) 827-7131

New Mexico
 Energy Minerals and Natural Resources Department
 Oil Conservation Division
 2040 South Pacheco Street
 Santa Fe, New Mexico 87505
 (505) 827-7131

1137 Form C-142
 Date 06/99



SUBMIT ORIGINAL
 PLUS 2 COPIES
 TO THE SANTA FE
 OFFICE

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Apache Corporation 2000 Post Oak Boulevard, Suite 100 Houston, TX 77056-4400							OGRID Number 000873	
Contact Party Jill Scheel							Phone 713-296-7112	
Property Name Owen "B"					Well Number 7	API Number 30-025-34554		
UL K	Section 34	Township 21S	Range 37E	Feet From The 1650	North/South Line South	Feet From The 2310	East/West Line West	County Lea

II. Date/Time Information

Spud Date 3-20-99	Spud Time 6:30 p.m.	Date Completed 4-9-99	Pool Penrose; Skelly (Grayburg)
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

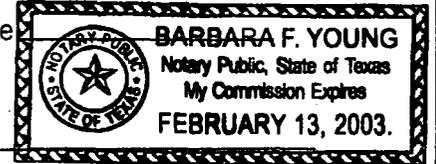
State of Texas)
 County of Harris) ss.

Jill Scheel, being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Jill Scheel Title Sr. Accountant, Compliance Date

SUBSCRIBED AND SWORN TO before me this 5th day of August, 1999



My Commission expires February 13, 2003
Barbara F. Young
 Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark P. Speer</u>	Title <u>P.E. Speer</u>	Date <u>AUG 17 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: AUG 17 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006332302

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION

P.O. BOX 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. 30-025-34554
5. Indicate Type of Lease <input type="checkbox"/> STATE <input checked="" type="checkbox"/> FEE
6. State Oil & Gas Lease No. 22879
7. Lease Name or Unit Agreement Name Owen "B"
8. Well No. 7
9. Pool name or Wildcat Penrose; Skelly-Grayburg

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: <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER
2. Name of Operator Apache Corporation
3. Address of Operator 2000 Post Oak Blvd., Ste. 100, Houston, Texas 77056-4400
4. Well Location Unit Letter K : 1650 Feet From The South Line and 2310 Feet From The West Line Section 34 Township 21S Range 37E NMPM Lea County 10. Elevation (Show whether DF, RKB, RI, GR, etc.) 3429' GR

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

NOTICE OF INTENTION TO: <input type="checkbox"/> Perform Remedial Work <input type="checkbox"/> Temporarily Abandon <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Other	<input type="checkbox"/> Plug and Abandon <input type="checkbox"/> Change Plans	SUBSEQUENT REPORT OF: <input type="checkbox"/> Remedial Work <input checked="" type="checkbox"/> Commence Drilling Operations <input type="checkbox"/> Casing Test and Cement Job <input checked="" type="checkbox"/> Other Surface & Production Casing	<input type="checkbox"/> Altering Casing <input type="checkbox"/> Plug and Abandonment
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12. 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.

3/20/99 MIRU Capstar Rig # 9. Spud well @ 6:30 PM

3/22/99 Drilled 12-1/4" hole to 1047'. Ran 25 jts 8-5/8" 24# J-55 ST&C casing. Cemented w / 450 sx Class "C". Circulated 98 sx to pit.

3/27/99 Drilled 7-7/8" hole to 3950'. Ran 89 jts 5-1/2" 17# J-55 LT&C casing. Cemented w / 715 sx POZ Premium & 265 sx Class "C". Circulated 89 sx to pit. Top of float collar @ 3859'. Top of float shoe @ 3948'.

3/28/99 Rig released @ 2:00 AM

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

SIGNATURE Debra J. Anderson TITLE Engineering Technician DATE 3/29/99

TYPE OR PRINT NAME Debra J. Anderson TELEPHONE NO. 713-296-6338

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease-6 copies
Fee Lease-5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

WELL API NO. .
30-025-34554

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
22879

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER

b. Type of Completion:
 New Well Workover Deepen Plug Back Diff. Resvr. Other

7. Lease Name or Unit Agreement Name
Owen "B"

2. Name of Operator
Apache Corporation

8. Well No.
7

3. Address of Operator
2000 Post Oak Blvd., Ste. 100, Houston, Texas 77056-4400

9. Pool name or Wildcat
Penrose; Skelly (Grayburg)

4. Well Location
Unit Letter K : 1650 Feet From The South Line and 2310 Feet From The West Line
Section 34 Township 21S Range 37E NMPM Lea County

10. Date Spudded 3/20/99 11. Date T.D. Reached 3/27/99 12. Date Compl. (Ready to Prod.) 4/9/99 13. Elevations (DF & RKB, RT, GR, etc.) 3429 GR 14. Elev. Casinghead

15. Total Depth 3950 16. Plug Back T.D. 3940 17. If Multiple Compl. How Many Zones? 18. Intervals Drilled By Rotary Tools X Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
Grayburg 3614-3772 San Andres 3816-3898 20. Was Directional Survey Made
NO

21. Type Electric and Other Logs Run
GR-CNL 22. Was Well Cored
NO

CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8	24#	1047	12-1/4	450 sx (Circulated 98 sx)	
5-1/2	17#	3950	7-7/8	980 sx (Circulated 89 sx)	

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-7/8	3795	

26. Perforation record (interval, size, and number)	27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.	
	DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
<u>Grayburg 3614-34, 41-49, 76-3726, 36-72 - 4" - 456 Holes</u>	<u>3614-3772</u>	<u>Acidize w / 5835 gals 15% HCL</u> <u>Frac w / 49690 gals gel & 120,000# 16/30 sand</u>
<u>San Andres 3816-30, 42-54, 3888-98 - 4" - 144 Holes</u>	<u>3816 - 3898</u>	<u>Acidize w / 2000 gals 15% HCL</u>

28. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in)	
<u>4/10/99</u>		<u>Pumping - 1.5" Rod Insert</u>				<u>Producing</u>	
Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>5/1/99</u>	<u>24</u>			<u>6</u>	<u>67</u>	<u>120</u>	<u>11167</u>
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)	
						<u>38.7</u>	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
Sold Test Witnessed By
Apache Corporation

30. List Attachments
Log

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Debra J. Anderson Printed Name Debra J. Anderson Title Engineering Tech. Date 5/6/99

08/06/1

DOI / JIB OWNER INTEREST QUERY

Property/DOI: 01365201/90000 Name: OWEN /B/ #1, #2, #4, #6 EXP

State: NM Cnty: 025 LEA

Prod: ALL PRODUCTS

00001001 APACHE CORPORATION WI 01 1
2000 POST OAK BLVD STE 100

HOUSTON
TX 77056

TOTAL DOI 01365201/90000

1.00000000