

DATE IN 2-3-10	SUSPENSE	ENGINEER R.E.	LOGGED IN 2-3-10	TYPE PC	PTG-W APP NO. 1003448415
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



Apache

JR Phillips Wells

ADMINISTRATIVE APPLICATION CHECKLIST

2, 4, 5, 6, 8, 9, 10

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

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 _____

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[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

[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.

Amber Cooke
 Print or Type Name

Amber Cooke
 Signature

Engineering Tech
 Title

02/02/2010
 Date

amber.cooke@apachecorp.com
 e-mail Address



February 2, 2010

Richard Ezeanyim
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Approval to Surface Commingle
JR Phillips #2, #4, #5, #6, #8, #9, #10
Sec 1, T20S, R36E
Lea County, New Mexico

Dear Mr. Ezeanyim,

Apache requests administrative approval to surface commingle the existing wells, JR Phillips #2, #4, #5, #6, #8, #9 with the JR Phillips #10, a new drill. The JR Phillips #10 will be an Abo/Blincy/Paddock/Drinkard well. ✓

All wells are located on the same Private Lease #302333. Since all working, revenue and royalty interest ownerships are common, interest owner notification was not required.

The following are enclosed for your review of the proposed surface commingling:

1. C-103.
2. Well information table and copies of C-102's for each well.
3. Proposed production facilities diagram.
4. Well location map.
5. Signed statement from Landman acknowledging identical interests for each zone.

If you need additional information or have any questions, please give me a call at (918) 491-4968.

Sincerely,

A handwritten signature in black ink that reads "Amber Cooke".

Amber Cooke
Engineering Technician

JR Phillips Lease

Eunice Monument; Grayburg-San Andres
Monument; Abo
Monument; Paddock
Monument; Blinebry
Wildcat; Drinkard

OK

Well No.	API	Location	Pool	Status	API
JR Phillips #2	30-025-04131	H -1-20S-36E	Eunice Monument; Grayburg-San Andres	Active	33.5 ✓
JR Phillips #4	30-025-04133	B -1-20S-36E	Eunice Monument; Grayburg-San Andres	Active	33.5 ✓
JR Phillips #5	30-025-04134	A -1-20S-36E	Monument; Abo	Active	34 ✓ OK
JR Phillips #6	30-025-04135	B -1-20S-36E	Monument; Paddock	Active	34 ✓
JR Phillips #8	30-025-04137	G -1-20S-36E	Eunice Monument; Grayburg-San Andres	Active	33.5 ✓
JR Phillips #9	30-025-04138	A -1-20S-36E	Eunice Monument; Grayburg-San Andres	Active	33.5 ✓
JR Phillips #10	30-025-39148	A -1-20S-36E	Wildcat; Drinkard Monument; Abo Monument; Blinebry Monument; Paddock	New Drill	

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

Form C-102
Revised October 12, 2005
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04131	² Pool Code 23000	³ Pool Name Eunice Monument; Grayburg-San Andres
⁴ Property Code 302333	⁵ Property Name JR Phillips	
⁷ OGRID No. 873	⁶ Operator Name Apache Corporation	⁸ Well Number 2
		⁹ Elevation 3578' DF

¹⁰ Surface Location

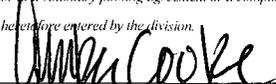
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	20S	36E		1980	North	660	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

16			1 1980'	<p>¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or by a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p style="text-align: right;">  02/02/2010 Signature Date Amber Cooke Printed Name </p>
			" 660'	
			"	
			"	
				<p>¹⁸ SURVEYOR CERTIFICATION <i>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.</i></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
				<p>Certificate Number</p>

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04133		² Pool Code 23000		³ Pool Name Eunice Monument; Grayburg-San Andres	
⁴ Property Code 302333		⁵ Property Name JR Phillips			⁶ Well Number 4
⁷ OGRID No. 873		⁸ Operator Name Apache Corporation			⁹ Elevation 3575' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	1	20S	36E	660		North	1980	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

16				¹⁷ OPERATOR CERTIFICATION	
				<i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or in a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>	
					02/02/2010
				Signature _____ Date _____ Amber Cooke Printed Name	
				¹⁸ SURVEYOR CERTIFICATION	
		<i>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.</i>			
		Date of Survey _____ Signature and Seal of Professional Surveyor: _____			
				Certificate Number _____	

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 S. 1st Street, Artesia, NM 88210-2834
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

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OIL CONSERVATION DIVISION
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 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04134		² Pool Code 46970		³ Pool Name Monument Abo	
⁴ Property Code 000161 302333		⁵ Property Name J. R. Phillips			⁶ Well Number 5
⁷ OGRID No. 000495		⁸ Operator Name Amerada Hess Corporation			⁹ Elevation 3587' DF

¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
A	1	20S	36E		660	North	660	East	Lea

¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

										¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Roy L. Wheeler, Jr. Printed Name Admin. Svc. Coord. Title 4-29-98 Date
										¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor:
										Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District XIV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04135		² Pool Code 47080		³ Pool Name Monument; Paddock	
⁴ Property Code 302333		⁵ Property Name JR Phillips			⁶ Well Number 6
⁷ OGRID No. 873		⁸ Operator Name Apache Corporation			⁹ Elevation 3576' GL

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	1	20S	36E	751	751	North	1909	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

16				<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p style="text-align: right;"> 02/02/2010 <small>Signature Date</small> </p> <p>Amber Cooke <small>Printed Name</small></p>
	<p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>			
	<p>Date of Survey Signature and Seal of Professional Surveyor:</p>			
	<p>Certificate Number</p>			

District I
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1000 Rio Brazos Rd., Aztec, NM 87410
District IV
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04137		² Pool Code 23000		³ Pool Name Eunice Monument; Grayburg-San Andres	
⁴ Property Code 302333		⁵ Property Name JR Phillips			⁶ Well Number 8
⁷ OGRID No. 873		⁸ Operator Name Apache Corporation			⁹ Elevation 3580' DF

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	1	20S	36E		2088	North	1960	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

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	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p>					
	Date of Survey _____					
	Signature and Seal of Professional Surveyor: _____					
Certificate Number _____						

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04138		² Pool Code 23000		³ Pool Name Eunice Monument; Grayburg-San Andres	
⁴ Property Code 302333		⁵ Property Name JR Phillips			⁶ Well Number 9
⁷ OGRID No. 873		⁸ Operator Name Apache Corporation			⁹ Elevation 3588' DF

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	1	20S	36E		660	North	360	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ 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.

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					<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><i>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.</i></p>	
					<p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources

Form C-102
 Permit 81548

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

District III
 1000 Rio Brazos Esl., 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39148	2. Pool Code 46970	3. Pool Name MONUMENT;ABO
4. Property Code 302333	5. Property Name J R PHILLIPS	6. Well No. 010
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3576

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	1	20S	36E		1110	N	1240	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.02		13. Joint or Infill		14. Consolidation Code		15. 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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>	
	E-Signed By: Lana Williams Title: Engineering Tech Date: 9/29/2008	
	SURVEYOR CERTIFICATION	
<i>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.</i>		
Surveyed By: RONALD EIDSON Date of Survey: 8/15/2008 Certificate Number: 3239		

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico
Energy, Minerals and Natural Resources

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Santa Fe, NM 87505

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 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39148	2. Pool Code 46990	3. Pool Name MONUMENT,BLINEBRY
4. Property Code 302333	5. Property Name J R PHILLIPS	6. Well No. 010
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3576

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	1	20S	36E		1110	N	1240	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.02		13. Joint or Infill		14. Consolidation Code			15. Order No.		

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	OPERATOR CERTIFICATION	
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	SURVEYOR CERTIFICATION	
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Surveyed By: RONALD EIDSON Date of Survey: 8/15/2008 Certificate Number: 3239		

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 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39148	2. Pool Code 47080	3. Pool Name MONUMENT PADDOCK
4. Property Code 302333	5. Property Name J R PHILLIPS	6. Well No. 010
7. OGRID No. 873	8. Operator Name APACHE CORP	9. Elevation 3576

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	1	20S	36E		1110	N	1240	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 40.02		13. Joint or huffill		14. Consolidation Code			15. 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	
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	SURVEYOR CERTIFICATION	
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Surveyed By: RONALD EIDSON Date of Survey: 8/15/2008 Certificate Number: 3239		

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District II
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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
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Santa Fe, NM 87505

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-39148		Pool Code 97773		Pool Name Wildcat; Drinkard	
Property Code 302333		Property Name J.R. Phillips			Well Number 10
OGRID No. 873		Operator Name Apache Corporation			Elevation 3576'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County
1	1	20S	36E		1110	North	1240	East	Lea

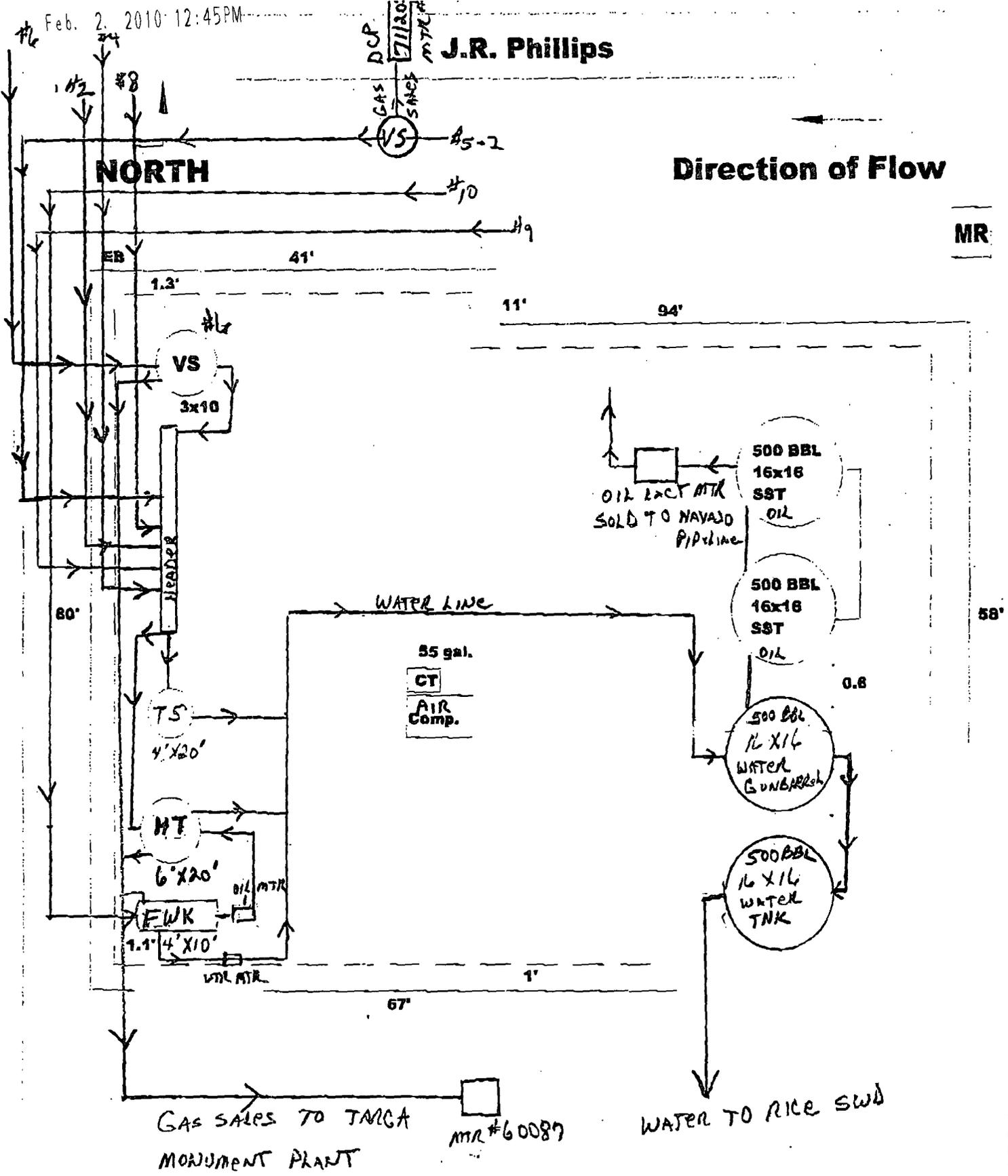
11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot 1dn	Feet from the	North/South line	Feet from the	East/West line	County										
Dedicated Acres 40					Joint or Infill					Consolidation Code					Order No. NSL-5914B				

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.

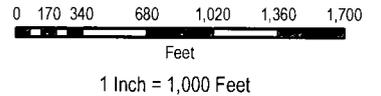
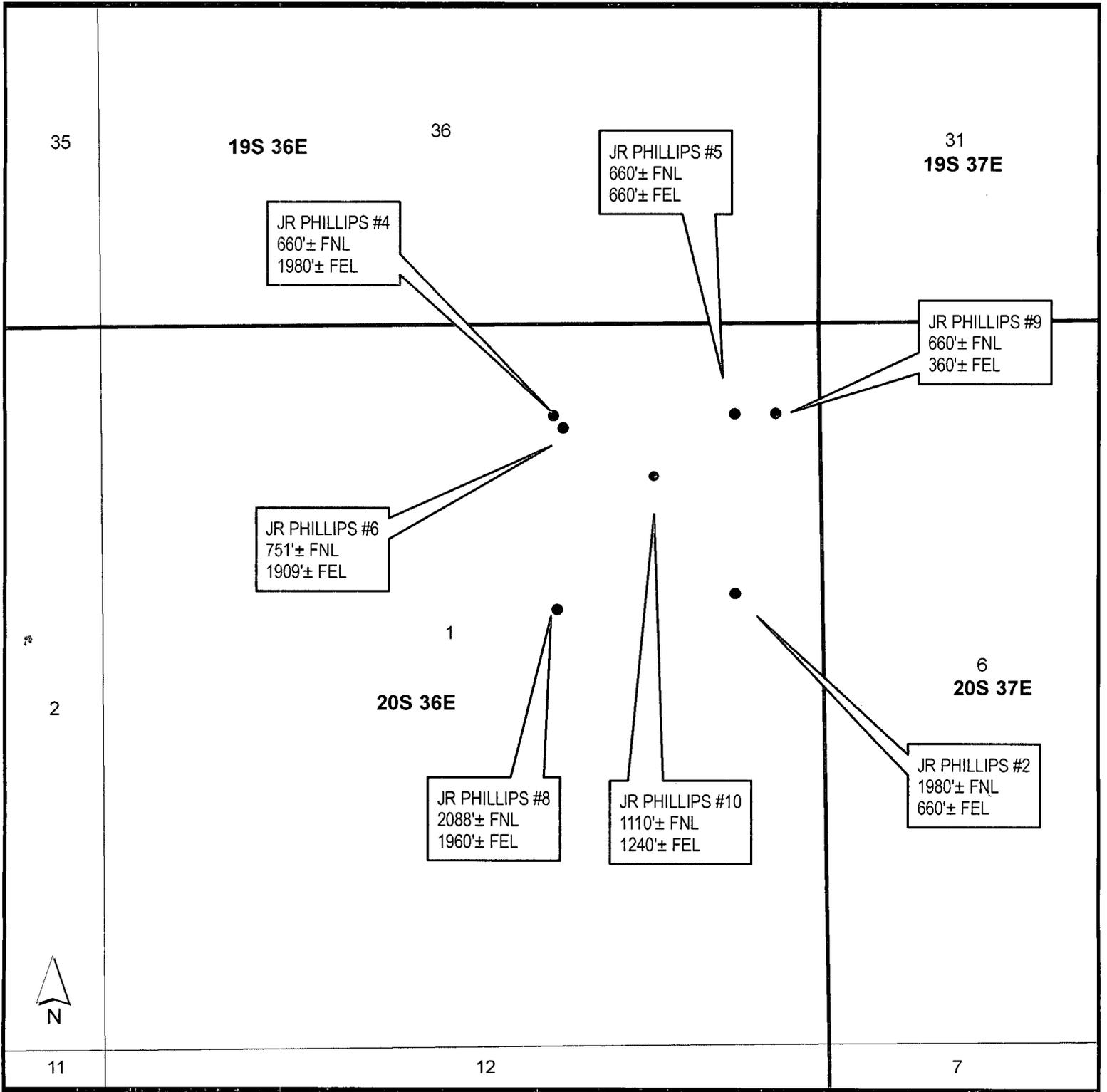
16 LOT 4	LOT 3	LOT 2		17 OPERATOR CERTIFICATION	
				<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p>	
				<p><i>Amber Cooke</i> 12/31/2009</p> <p>Signature Date</p> <p>Amber Cooke</p> <p>Printed Name</p>	
				18 SURVEYOR CERTIFICATION	
				<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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>	
				<p>Certificate Number</p>	

Feb. 2, 2010 12:45PM



Wells IN BATTERY
 #2, #4, #6, #8, #9, #10 GAS TO TARGA MTR #60089
 #5 FLUID ONLY GAS TO DCP MTR #711202
 OIL SOLD TO NAVAJO PIPELINE

Apache Corporation
Monument District
J.R. Phillips
Lea Co., NM
Sec. 31-19S-37E
N 32.60R1



Well Plat

**JR Phillips #2, 30-025-04131; JR Phillips #4, 30-025-04133;
 JR Phillips #5, 30-025-04134; JR Phillips #6, 30-025-04135;
 JR Phillips #8, 30-025-04137; JR Phillips #9, 30-025-04138;
 JR Phillips #10, 30-025-39148**

Sec 1

**T-20-S, R-36-E, NMPB&M
 Lea County, New Mexico**



Central Region Land Department
(918) 491-4900
(918) 491-4854 (FAX)

February 2, 2010

Mr. Richard Ezeanyim
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Common Ownership
J.R. Phillips Well #'s 2, 4, 5, 6, 8, 9 and 10
J.R. Phillips Lease
Section 1, T20S, R36E
Lea County, NM

Gentlemen:

In connection with Apache Corporation's (Apache) request for OCD approval to commingle production from the Grayburg, San Andres, Blinbry, Drinkard, Paddock and Abo formations under the J.R. Phillips Lease and the captioned wells located on said lease operated by Apache, I would like to confirm the following information for your files:

1. Apache maintains division orders and disburses revenues on the captioned wells located on the J.R. Phillips Lease.
2. Apache's ownership files show that the royalty, overriding royalty and working interests are identical in all the captioned wells located on the J.R. Phillips Lease.

I trust the above information answers your inquiry. If not, please let me know.

Sincerely,

APACHE CORPORATION

A handwritten signature in black ink, appearing to read "DM", written over a horizontal line.

Dallas J. Martin
Landman