

NRM 0825937000

C-103 Received 9-8-2008  
DHC No. Assigned 9-15-2008

Order Number	API Number	Operator	County			
HOB-0264	30-025-38791	Apache Corporation	Lea			
Order Date	Well Name	Number	Location			
	Hester 12	009	K	12	20S	38E
			UL	Sec	T (+Dir)	R (+Dir)
Pool 1	Order Number	Well Name	Oil %	Gas %		
	33225	House Blinebry, South	50%	58%		
Pool 2	Order Number	Well Name	Oil %	Gas %		
	78960	House Tubb	50%	42%		
Pool 3	Order Number	Well Name	Oil %	Gas %		
Pool 4	Order Number	Well Name	Oil %	Gas %		
Comments:						

Posted to  
RBD/ml  
9-15-2008

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-38791

HOB-0264

OPERATOR: Apache Corporation

PROPERTY NAME: Hester 12

WNULSTR: 9-K, 12-20-38

	SECTION I:	ALLOWABLE AMOUNT	
33225	POOL NO. 1 <u>House Blinebry, South</u>	<u>142</u>	<u>284</u> MCF 2000
78760	POOL NO. 2 <u>House Tubb</u>	<u>142</u>	<u>284</u> MCF 2000
	POOL NO. 3 _____	_____	_____ MCF
	POOL NO. 4 _____	_____	_____ MCF
		<u>POOL TOTALS</u> <u>284</u>	<u>568</u>

SECTION II:  
POOL NO. 1 House Blinebry, South

Oil  
50% X 284 = 142

Gas  
58%

POOL NO. 2 House Tubb

50%

42%

POOL NO. 3 \_\_\_\_\_

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

OIL

GAS

SECTION III:

142 ÷ 50% = 284

SECTION IV:

284 X 50%

284 X 50%

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 87015
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 620 S. St. Francis Dr., Santa Fe, NM 87505

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

SEP - 8 2008

HOBBSOCD

WELL API NO. 30-025-38791
5. Indicate Type of Lease STATE [ ] FEE [X]
6. State Oil & Gas Lease No. N/A
7. Lease Name or Unit Agreement Name Hester 12
8. Well Number 009
9. OGRID Number 00873
10. Pool name or Wildcat H; Blinebry, S, H; Tubb

SUBJECT: NEW DRILLING OPERATIONS ON WELLS
1. Type of Well: Oil Well [X] Gas Well [ ] Other [ ]
2. Name of Operator Apache Corporation
3. Address of Operator 6120 S Yale Ave, Suite 1500 Tulsa, OK 74136-4224
4. Well Location Unit Letter K : 2440 feet from the South line and 2500 feet from the West line
Section 12 Township 20S Range 38E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3564' GR
Pit or Below-grade Tank Application [ ] or Closure [ ]
Pit type \_\_\_\_\_ Depth to Groundwater \_\_\_\_\_ Distance from nearest fresh water well \_\_\_\_\_ Distance from nearest surface water \_\_\_\_\_
Pit Liner Thickness: \_\_\_\_\_ mil Below-Grade Tank: Volume \_\_\_\_\_ bbls; Construction Material \_\_\_\_\_

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

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ] TEMPORARILY ABANDON [ ] CHANGE PLANS [ ] PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
SUBSEQUENT REPORT OF: REMEDIAL WORK [ ] ALTERING CASING [ ] COMMENCE DRILLING OPNS. [ ] P AND A [ ] CASING/CEMENT JOB [ ]
OTHER: Request DHC: Blinebry/Tubb [X] OTHER: [ ]

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

Pursuant to Division Order R-11363
Pool Names: House; Blinebry, South 33225
House; Tubb 78760

Perforations:
BLINEBRY 6064-68, 6114-18, 6157-61, 6189-93, 6248-52, 6328-32' 2 JSPF
TUBB 6562-66, 6667-71, 6744-48, 6772-76, 6832-36, 6872-76' 2 JSPF

Table with 2 columns: Allocation method and Test results. Rows include Blinebry, Tubb, and TOTAL.

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

DHC Order No: HOB-0264

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines [ ], a general permit [ ] or an (attached) alternative OCD-approved plan [ ].

SIGNATURE Sophie Mackay TITLE Engineering Tech DATE 09/04/2008

Name or print name Sophie Mackay E-mail address: sophie.mackay@apachecorp.com Telephone No. (918)491-4864

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE SEP 15 2008

Conditions of Approval (if any):

State of New Mexico

Energy, Minerals and Natural Resources Department

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Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

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

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

**HOBBS OCL**

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number 30-025-38791	Pool Code 33225	Pool Name House; Blinebry, South
Property Code 34153	Property Name HESTER 12	Well Number 9
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3564'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	12	20-S	38-E		2440	SOUTH	2500	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	12	20-S	38-E		2310	SOUTH	2310	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

GEODETTIC COORDINATES  
NAD 27 NME  
SURFACE LOCATION  
Y=579450.2 N  
X=879228.6 E

LAT.=32.586981° N  
LONG.=103.102126° W

LAT.=32°35'13.13" N  
LONG.=103°06'07.65" W

GRID. AZ.=235°06'26"  
HORZ. DIST.=229.9'

BOTTOM HOLE LOCATION  
Y=579318.7 N  
X=879040.1 E

**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.*

*Sophie Mackay 8/19/08*  
Signature Date

Sophie Mackay  
Printed Name

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**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.*

RONALD J. EIDSON  
DECEMBER 14, 2007

Date Surveyed: \_\_\_\_\_ LA REV. 1/2/08

Signature & Seal of Professional Surveyor

*Ronald J. Eidson 01/03/07*  
07-11-1734

Certificate No. GARY EIDSON 12641  
RONALD J. EIDSON 3239

State of New Mexico

Energy, Minerals and Natural Resources Department

**RECEIVED**

Form C-102

Revised October 12, 2005

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- 8 2009  
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**HOBBS OCD**

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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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S. Mackay 9/4/08  
Signature Date

Sophie Mackay  
Printed Name

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DECEMBER 14, 2007

Date Surveyed LA. REV. 1/2/08

Signature & Seal of Professional Surveyor

Ronald J. Eidson 01/03/07  
07.11.1734

Certificate No. GARY EIDSON 12841  
RONALD J. EIDSON 3239