

PNR M0832244933

C-103 Received 11-10-2008  
DHC No. Assigned 11-14-2008

Order Number	API Number	Operator	County			
HOB-0281	30-025-39090	Apache Corporation	Lea			
Order Date	Well Name	Number	Location			
	Magnolia	002	D	11	205	38E
			UL	Sec	T (+Dir)	R (+Dir)
Pool 1	33230	House B Linebry	Oil %	Gas %		
			25%	33%		
Pool 2	78960	House Tubb	8%	18%		
Pool 3	33250	House Drinkard	67%	49%		
Pool 4						
Comments:						

Posted to  
R B D M S  
11-17-2008

③

30-025-39090

HOB-0281

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corporation

PROPERTY NAME: Magnolia

WNULSTR: 2-D, 11-20-38

SECTION I:

33230

POOL NO. 1 House Blinebry

ALLOWABLE AMOUNT

142    284 MCF 2000

78960

POOL NO. 2 House Tubb

142    284 MCF 2000

33250

POOL NO. 3 House Drinkard

142    284 MCF 2000

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

POOL TOTALS 426

852

MCF

SECTION II:

POOL NO. 1 House Blinebry

Oil

Gas

25%

33%

POOL NO. 2 House Tubb

8%

18%

POOL NO. 3 House Drinkard

67% X 426 = 285.42

49%

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

OIL

GAS

SECTION III:

142 ÷ 67% = 211.941 (212)

SECTION IV:

212 X 25% = 53.0 (53)

212 X 8% = 16.96 (17)

212 X 67% = 142.04 (142)

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. Broadway, Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., Aztec, NM 87410  
 District III  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 District IV  
 20 S. St. Francis St., Santa Fe, NM 87505

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

Form C-103  
 June 19, 2008

**RECEIVED**  
**NOV 17 2008**  
**HOBBS, NM**

WELL API NO.	30-025-39090 ✓
5. Indicate Type of Lease	STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/> ✓
6. State Oil & Gas Lease No.	NA
7. Lease Name or Unit Agreement Name	Magnolia ✓
8. Well Number	002 ✓
9. OGRID Number	00873 ✓
10. Pool name or Wildcat	House: Bl, House: Tu, House; Dri ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.)	3584' GR

**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: Oil Well  Gas Well  Other  ✓

2. Name of Operator Apache Corporation (873) ✓

3. Address of Operator 6120 S Yale Ave, Suite 1500  
Tulsa, OK 74136-4224

4. Well Location  
 Unit Letter D : 330 feet from the North line and 880 feet from the West line  
 Section 11 Township 20S Range 38E NMPM County Lea ✓

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

<b>NOTICE OF INTENTION TO:</b>		<b>SUBSEQUENT REPORT OF:</b>	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Request DHC: Blinebry/Tubb/Drinkard <input checked="" type="checkbox"/>		OTHER: <input type="checkbox"/>	

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	33230	Proposed Perforations: Blinebry	6048' - 6460'
House; Tubb	78760	Tubb	6616' - 6840'
House; Drinkard	33250	Drinkard	7011' - 7091'

The allocation method will be as follows based on offset production (See application for exception to Rule 303-C).

	OIL	GAS	WATER
Blinebry	25%	33%	36%
Tubb	8%	18%	15%
Drinkard	67%	49%	49%

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

DHC Order No: HOB-0281

Spud Date: 10/22/2008

Rig Release Date: 11/01/2008

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

SIGNATURE Sophie Mackay TITLE Engineering Tech DATE 11/05/2008

Type or print name Sophie Mackay E-mail address: sophie.mackay@apachecorp.com PHONE: (918)491-4864

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE NOV 17 2008

Conditions of Approval (if any):

RECEIVED

DISTRICT I  
1626 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II NOV 10 2008  
11 W. GRAND AVENUE, ALBUQUERQUE, NM 88210  
DISTRICT III HOBBS NM  
1000 Rio Brazos Rd., Aztec, NM 87410

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number 30-025-39090	Pool Code 33230	Pool Name House; Blinebry
Property Code 36908	Property Name MAGNOLIA	Well Number 2
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3584'

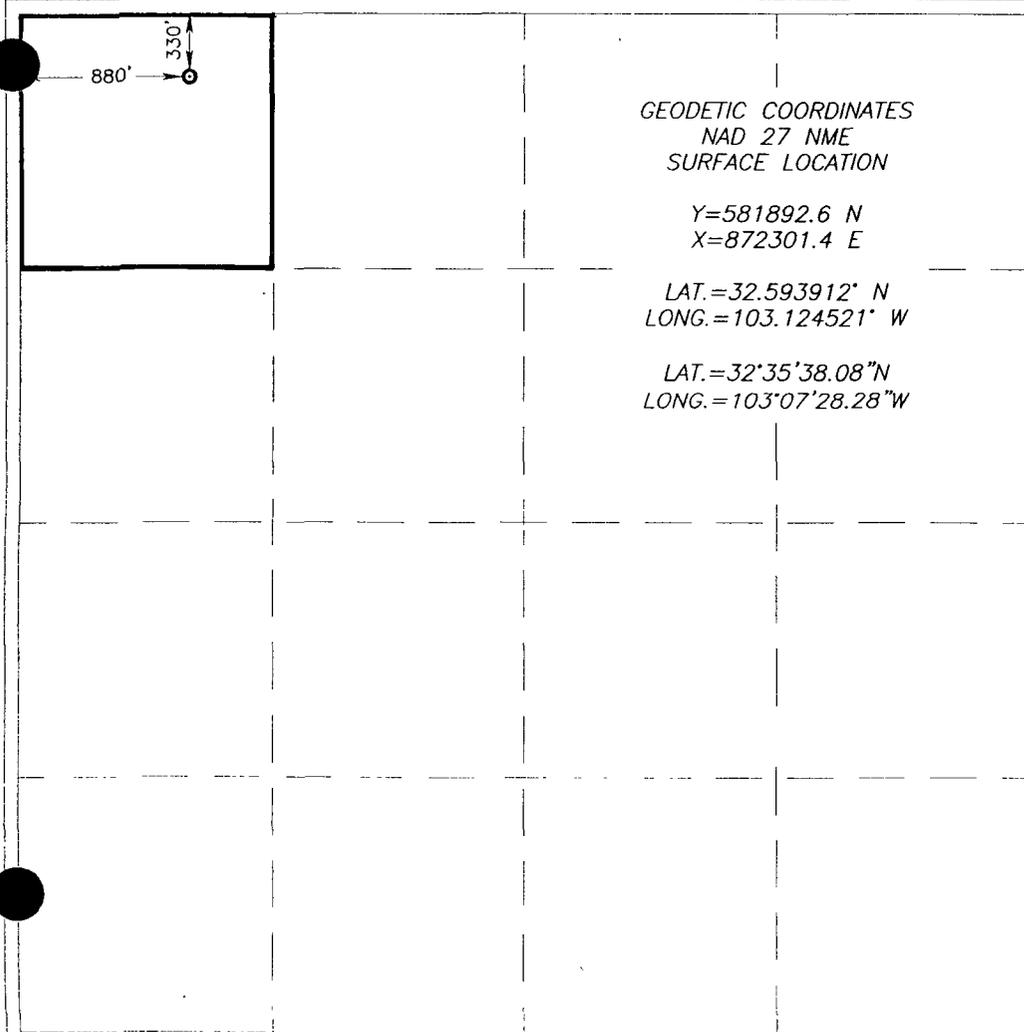
**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	20-S	38-E		330	NORTH	880	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
Dedicated Acres 40	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.

*S. Mackay* 11/5/08  
Signature Date  
S Mackay  
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.

JULY 28 2008  
Date Surveyed DSS  
Signature & Seal of Professional Surveyor  
*Gary J. Edson* 8/6/08  
08441491

Certificate No. GARY EDSON 12841  
RONALD J. EIDSON 3239

DISTRICT I  
1625 N. FRENCH DR., BOHIS, NM 87449

DISTRICT II  
1 W. GRAND AVENUE, ARTESIA, NM 88210

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

AMENDED REPORT

API Number 30-025-39090	Pool Code 78760	Pool Name House; Tubb
Property Code 36908	Property Name MAGNOLIA	Well Number 2
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3584'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	20-S	38-E		330	NORTH	880	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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
-----------------------	-----------------	--------------------	-----------

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

	<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION</p> <p>Y=581892.6 N X=872301.4 E</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>S. Mackay</i> 11/5/08 Signature Date</p> <p>S Mackay Printed Name</p>
	<p>LAT.=32.593912° N LONG.=103.124521° W</p> <p>LAT.=32°35'38.08"N LONG.=103°07'28.28"W</p>	
<p><b>SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p>		<p>Date Surveyed _____ DSS</p> <p>Signature &amp; Seal of Professional Surveyor</p> <p><i>Gary J. Eidson</i> 8/6/08</p>
<p>Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239</p>		

RECEIVED

DISTRICT I  
1625 N. FRENCH DR., HOBBBS, NM 88240

NOV 10 2008

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT II  
I. W. GRAND  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

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

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**  AMENDED REPORT

API Number	Pool Code	Pool Name
30-025-39090	33250	House; Drinkard
Property Code	Property Name	Well Number
36908	MAGNOLIA	2
OGRID No.	Operator Name	Elevation
873	APACHE CORPORATION	3584'

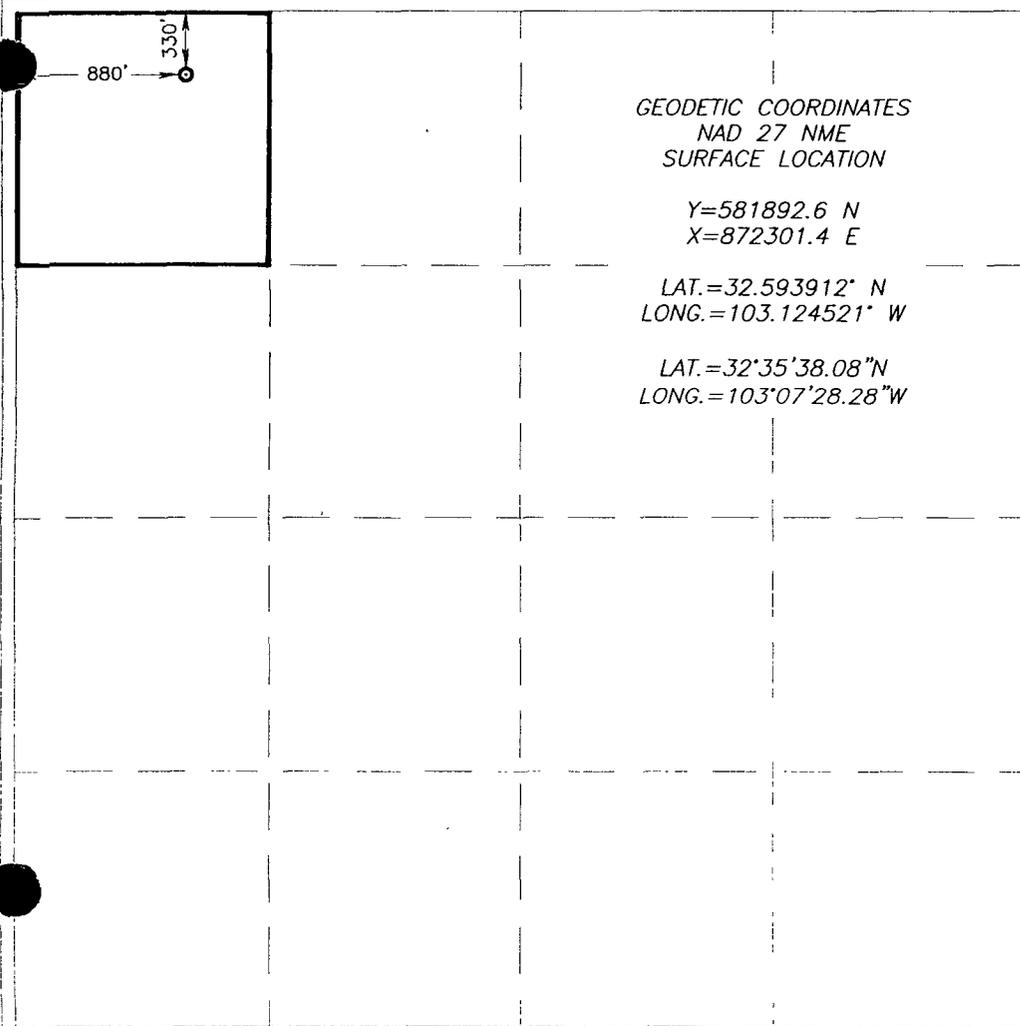
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	11	20-S	38-E		330	NORTH	880	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
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



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.

*S. Mackay* 11/5/08  
Signature Date  
S Mackay  
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.

Date Surveyed: JULY 28, 2008 DSS  
Signature & Seal of Professional Surveyor  
*Gary E. Eidsen* 8/6/08  
08111191

Certificate No. GARY EIDSON 12841  
RONALD J. EIDSON 3239