

Order Number  
Dxc  
HOB-0366

API Number  
30-025-39653

Operator  
Apache Corp

County  
Lea Fee

Order Date  
4/1/2010

Well Name  
Merit

Number  
2

Location  
205

38e

R (+Dir)

11

T (+Dir)

0

UL Sec

Gas %

35%

Oil %

28%

18%

47%

WTR  
43%

Pool 1  
33230

Pool 2  
78760

Pool 3  
33250

Pool 4

Comments: Posted ROOMS A/B/D dm

DOWNHOLE COMMINGLE CALCULATIONS:

DHC - HOB - 0366  
API # 30-025-39653

OPERATOR: Apache Corp

PROPERTY NAME: Merit

WNULSTR: #2-0, 11-205-380

SECTION I:

POOL NO.	DESCRIPTION	ALLOWABLE AMOUNT	ACTUAL AMOUNT	REMARKS
1	<u>House Blinebry</u>	<u>142</u>	<u>284</u> MCF	<u>2000</u>
2	<u>House Tubb</u>	<u>142</u>	<u>284</u> MCF	<u>2000</u>
3	<u>House Drinkard</u>	<u>142</u>	<u>284</u> MCF	<u>2000</u>
4	_____	_____	_____ MCF	_____

POOL TOTALS 426 852

SECTION II:

POOL NO.	DESCRIPTION	OIL	GAS
1	<u>House Blinebry</u>	<u>28%</u>	<u>35%</u>
2	<u>House Tubb</u>	<u>9%</u>	<u>18%</u>
3	<u>House Drinkard</u>	<u>63%</u>	<u>47%</u>
4	_____	_____	_____

$63\% \times 426 = 268.38$   
 $\langle 268 \rangle$

OIL

GAS

SECTION III:

$63\% \div 142 = 22539 \langle 225 \rangle$

SECTION IV:

$28\% \times 225 = 63$   
 $9\% \times 225 = 20.25 \langle 20 \rangle$   
 $63\% \times 225 = 141.75 \langle 142 \rangle$

Submit 3 Copies To Appropriate District Office  
 District I  
 1625 N. French Dr., Hobbs, NM 88240  
 District II  
 1301 W. Grand Ave., 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 and Natural Resources  
**RECEIVED**  
**OIL CONSERVATION DIVISION**  
 1220 South St. Francis Dr.  
 Santa Fe, NM 87505  
**APR 01 2010**  
**HOBSOCD**

Form C-103  
 June 14, 2008

WELL API NO. 30-025-39653 ✓  
 5. Indicate Type of Lease  
 STATE  FEE   
 6. State Oil & Gas Lease No.  
 NA  
 7. Lease Name or Unit Agreement Name  
 Merit ✓  
 8. Well Number 2 ✓  
 9. OGRID Number  
 873 ✓  
 10. Pool name or Wildcat  
 House; Blinebry/Tubb/Drinkard ✓  
 11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3568' GL

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  
 3. Address of Operator  
 6120 S Yale Ave, Suite 1500 Tulsa, OK 74136  
 4. Well Location  
 Unit Letter O : 440 feet from the South line and 1675 feet from the East line  
 Section 11 Township 20S Range 38E NMPM County Lea ✓  
 11. Elevation (Show whether DR, RKB, RT, GR, etc.)  
 3568' GL

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

<b>NOTICE OF INTENTION TO:</b> PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>		<b>SUBSEQUENT REPORT OF:</b> REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <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:	Proposed Perforations:
House; Blinebry 33230	Blinebry: 6092' - 6562'
House; Tubb 78760	Tubb: 6696' - 6879'
House; Drinkard 33250	Drinkard: 7030' - 7116'

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

	OIL	GAS	WATER
House; Blinebry	28%	35%	43%
House; Tubb	9%	18%	13%
House; Drinkard	63%	47%	44%

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

DHC - HOB - 0366

Spud Date:

[Empty box for Spud Date]

Rig Release Date:

[Empty box for Rig Release Date]

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

SIGNATURE

*Amber Cooke*

TITLE Engineering Tech

DATE 03/30/2010

Type or print name Amber Cooke

E-mail address: amber.cooke@apachecorp.com

PHONE: 918.491.4918

For State Use Only

APPROVED BY:

*[Signature]*

TITLE

PETROLEUM ENGINEER

DATE

APR 01 2010

Conditions of Approval (if any):

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MAR 31 2010  
HOBBS

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  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-39653 ✓		2 Pool Code 33230 ✓		3 Pool Name House; Blinebry ✓	
4 Property Code 303223 ✓		5 Property Name Merit ✓			6 Well Number 2 ✓
7 OGRID No. 873 ✓		8 Operator Name Apache Corporation ✓			9 Elevation 3568' ✓

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
O	11	20S	38E	440	South	1675	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.
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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 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 interests 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. <i>Amber Cooke</i> 03/31/2010 Signature Date Amber Cooke Printed Name		
	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 are true and correct to the best of my belief.		
	Date of Survey Signature and Seal of Professional Surveyor		
	Certificate Number		

Handwritten notes on the plat:  
PAT  
1940'  
1700'  
1675'  
1440'

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MAR 31 2010  
HOBBSCO

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
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Santa Fe, NM 87505

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Revised October 12, 005  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-39653		Pool Code 33250	Pool Name House; Drinkard
Property Code 303223	Merit	Property Name	Well Number 2
OGRID No. 873	Apache Corporation	Operator Name	Elevation 3568'

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
O	11	20S	38E		440	South	1675	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

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.

16	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this certification is given in compliance with the provisions of the Oil and Gas Conservation Act, and that I am not aware of any other mineral interests in the land or within 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 a voluntary pooling agreement or a compulsory pooling agreement heretofore entered by the division.</p> <p><i>Amber Cooke</i> 03/31/2010 Signature Date</p> <p>Amber Cooke Printed Name</p>							
					<p>18 SURVEYOR CERTIFICATION</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 of Survey Signature and Seal of Professional Surveyor</p>			
					<p>Certificate Number</p>			

RECEIVED

MAR 31 2010

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HOBBSOIL

State of New Mexico  
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Santa Fe, NM 87505

Form C 102  
Revised October 12, 005  
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-39653		2 Pool Code 78760		3 Pool Name House; Tubb	
4 Property Code 303223		5 Property Name Merit			6 Well Number 2
7 OGRID No. 873		8 Operator Name Apache Corporation			9 Elevation 3568'

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
O	11	20S	38E		440	South	1675	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 hereby certify that the information contained herein is true and correct to the best of my knowledge and belief, and that this organization or her assigns, working interest or unleased mineral interest in the land in, below, 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. <i>Amber Cooke</i> 03/30/2010 Signature Date Amber Cooke Printed Name	
					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. Date of Survey Signature and Seal of Professional Surveyor	
	Handwritten diagram showing well location with dimensions: BH 1940' S.L. 1440' 1700' 1675'				Certificate Number	