

Order Number

419

API Number

30-025-36421

Operator

Apache Corporation

County

Lea

Order Date

10-18-10

Well Name

Dixie Queen

Number

1

Location

P

UL

11

Sec

205

T (+Dir)

38E

R (+Dir)

Oil %

29%

Gas %

36%

Pool 1

33230

House Blinebru

Pool 2

78760

House Tubb

9%

19%

Pool 3

33250

House Drinkard

62%

45%

Pool 4

Comments:

Posted in RBDIMS CO# 10-19-10

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corporation

DHC-HOB-419
30-025-36421

PROPERTY NAME: Dixie Queen

WNULSTR: #1-P-11-205-38E

SECTION I:

POOL NO. 1 House Blinebry

ALLOWABLE AMOUNT

142 284 MCF

POOL NO. 2 House Tubb

142 284 MCF

POOL NO. 3 House Drinkard

142 284 MCF

POOL NO. 4 _____

POOL TOTALS 426 852 MCF

SECTION II:

POOL NO. 1 House Blinebry

Oil Gas
29% 36%

POOL NO. 2 House Tubb

9% 19%

POOL NO. 3 House Drinkard

62% x 426 = 45
264.12

POOL NO. 4 _____

<264>

OIL

GAS

SECTION III:

62% ÷ 142 = 229.032

<229>

SECTION IV:

29% x 229 = 66.41

<67>

9% x 229 = 20.61

<21>

62% x 229 = 141.98

<142>

RECEIVED

OCT 13 2010

HOBBSOCD

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-36421 /

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name
DIXIE QUEEN /

8. Well Number #001 /

9. OGRID Number 873

10. Pool name or Wildcat
House-Tubb;House-Drink;House-Blinc

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

303 Veterans Airpark Ln. Midland, TX 79705

4. Well Location

Unit Letter P : 330 feet from the S line and 660 feet from the E line /

Section 11 Township 20S Range 38E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3563' GR

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 ☐DOWNHOLE COMMINGLE ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: REQUEST TO DHC BLINEBRY/TUBB/DRINKARD ☒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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. R-11363

APACHE INTENDS TO DHC AS FOLLOWS: ** PLEASE SEE ATTACHED PROCEDURE.

POOL NAMES:

HOUSE-TUBB: 78760

HOUSE-DRINKARD: 33250

HOUSE-BLINEBRY: 33230

PERFS:

6688-6736' (ACTUAL/ACTIVE)

6958-7035 (ACTUAL/ISOLATED BY CIBP @6880')

6023-6318 (EST. PERFS)

THIS ALLOCATION METHOD WILL BE AS FOLLOWS BASED ON OFFSET PRODUCTION (SEE ATTACHED APP. FOR EXCEPTION TO RULE 303-C.)

	OIL	GAS	WATER
BLINE:	29%	36%	44%
TUBB:	9%	19%	14%
DRINK:	62%	45%	42%

DOWNHOLE COMMINGLING WILL NOT REDUCE THE VALUE OF THESE POOLS. OWNERSHIP IS THE SAME FOR EACH OF THESE POOLS.

Spud Date: 10/20/2003

Rig Release Date: 11/1/03

DHC-HOB-419

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

SIGNATURE Katie Kauffman TITLE Engineering Tech

DATE: 10/11/2010

Type or print name Katie Kauffman

E-mail address: katie.kauffman@apachecorp.com

PHONE: 432.818.1065

For State Use Only

APPROVED BY: [Signature]

TITLE

PETROLEUM ENGINEER

DATE

OCT 18 2010

Conditions of Approval (if any):

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)			Cum Gas (MCF)			Cum Water (BBL)		
				Blneby	Tubb	Drnkard	Blneby	Tubb	Drnkard	Blneby	Tubb	Drnkard
L D JONES	1	3002507722	1H 20S 38E SE NE	3476								
PHILLIPS HOUSE STATE	1	3002507725	2O 20S 38E			101663			478825			25395
STATE U	1	3002507727	2P 20S 38E			157611			97687			184324
ARNOLD A	1	3002507761	11F 20S 38E	939	29382	670	2969	1365236		6196	4964	
HOUSE B	1	3002507764	11P 20S 38E		9855			118752				
BLANKENSHIP	1	3002507766	12E 20S 38E			54657			16638			7010
BLANKENSHIP	2	3002507767	12L 20S 38E	3906	20	134312	9570	42	1177187	2664	114	37126
BLANKENSHIP	3	3002507768	12M 20S 38E NE SW SW	5609	8739	39616	31937	47265	2435461	4969	15409	22235
CONE A	1	3002507770	12F 20S 38E		16947	206438		66305	237410		56448	83963
CONE B	1	3002507771	12J 20S 38E			239833			591551			69199
HESTER 12	3	3002507772	12O 20S 38E			150171			853402			32702
HESTER 12	2	3002507773	12N 20S 38E			82932			540453			17896
HESTER 12	1	3002512549	12K 20S 38E			97448			457760			16669
CROWN	1	3002520195	13B 20S 38E NW NW NE		9006	57149		42105	687081			11360
HOWSE C	1	3002522165	11H 20S 38E SE NE			26370			143078			6340
CONE B	2	3002525921	12G 20S 38E			398			86772			1460
L & M	1	3002528287	2L 20S 38E C S2 SW	785	9518	195	7724	130096	908	1087	469	317
HOUSE	1	3002531006	13D 20S 38E NW NW	33094	205	36592	781657	8315	515800	15436		13278
SHARPS	1	3002534060	13M 20S 38E	38553			200513			42556		
SHARPS	2	3002534061	13N 20S 38E	32461			137002			30305		
JOE CAMEL	1	3002534160	13K 20S 38E	37432	198	353	65254	642	775	68108		
BULL DURHAM	1	3002534187	14P 20S 38E S2 SE SE	46551	7333		1069801			41364	8746	
JOE CAMEL	2	3002534211	13F 20S 38E SW SE NW	18572	1764		63606	3772		39246	554	
DIAMONDBACK	1	3002534274	14J 20S 38E NW SE	29901			197063			32503		
PEARL	1	3002534275	13J 20S 38E NW SE	11355			35545			27669		
LUCKY STRIKE	1	3002534285	14I 20S 38E NE SE	78631			1057214			68515		
CAPPS FEDERAL	2	3002534289	13O 20S 38E SW SE	34666	6873		144482	42195		32364	9516	
BULL DURHAM	2	3002534363	14O 20S 38E SW SE	36082	169		322223	1247	678	56246		
CHESTERFIELD	1	3002534420	14H 20S 38E SE NE	26596	205	487	739211	56880	6535	36636		
BUGLER	1	3002534506	13L 20S 38E NW NW SW	73765	625		430641	92980		42757	581	
MOONEY	1	3002534569	13I 20S 38E NE SE			21688			31502			96197
PAIGE	1	3002534570	13P 20S 38E SE SE	7340		18759	14874		28822	17112		26466
VICEROY	1	3002534625	13E 20S 38E SW NW	30767			519915			75010		
PALL MALL	1	3002534634	14A 20S 38E NE NE	694	277	30260	727	12648	339763	134	422	74615
KOOL	1	3002534642	14B 20S 38E NW NE	36356	530	3177	335785	2365	3786	34773		
PICAYUNE	1	3002534734	11J 20S 38E C NW SE		14052	26144	1174	68170	379893	0		17895
ROITAN	1	3002534735	14G 20S 38E SW NE	23698	5300		573207	122057		53256		
DREESSEN	1	3002534857	1G 20S 38E C SW NE	2199			7175			23039		
MARLBORO	1	3002534968	14C 20S 38E S2 NE NW				10977					
HOWSER	1	3002534970	1J 20S 38E C NW SE	1371			28097			35934		
MERIT	1	3002535240	11O 20S 38E E2 SW SE		9429			589989			7350	
BEECHNUT	1	3002535241	14E 20S 38E SE SW NW	540			2239					
REDTAG	1	3002535333	2J 20S 38E NW NW SE	26730	3936	708	71793	9314	7499	3480		
MERIT II	1	3002535448	11G 20S 38E C SW NE	3049	16751	21816	13807	27674	151543	11887		19464
DUKES	1	3002535614	11K 20S 38E E2 NE SW		7818	32029		38544	135526	8390		26341
REDTAG	2	3002535630	2K 20S 38E NE NE SW	15198			861560			2484		
DIXIE QUEEN	1	3002536421	11P 20S 38E S2 SE SE		7328			510428				
WHITE OWL	1	3002536689	2 20S 38E NW NW NW	32204			119681			9450		
BIG KICK	1	3002536745	13C 20S 38E W2 NE NW	15618	964	9378	229994	14228	63985	2410		2526
HESTER 12	6	3002536795	12N 20S 38E	26430	7986	11113	318022	180377	58657	28093	6612	5050
HESTER 12	4	3002536800	12O 20S 38E SW SW SE	15440	4909	4364	259080	116487	105648	40701		2576
SALEM	1	3002537316	3A 20S 38E SE NE NE	2714		8532	7951		25207	6122		2848
JOE CAMEL	3	3002538033	13F 20S 38E NW SE NW	3886	1741	1073	189031	158173	38576	6303	1713	990
HESTER 12	8	3002538076	12K 20S 38E SW NE SW	12575	3762	3604	121855	84963	53881	9708	10953	4235
HESTER 12	5	3002538211	12P 20S 38E NW SE SE	18461	5470	10680	174122	76732	74658	38556	5549	241
HESTER 12	7	3002538369	12N 20S 38E NE SE SW	6085	6979	2979	54296	51172	30377	15734	8199	10035
MELOT	1	3002538370	11C 20S 38E SW NE NW	4589	5899	2617	42646	33168	18958	22188	21557	19655
BULL DURHAM	3	3002538379	14P 20S 38E NE SE SE	5507	7221		69349	51361		613		
BLANKENSHIP	4	3002538397	12L 20S 38E NE NW SW	2773	2981	6149	12370	20784	21338	10634	4397	3299
BLANKENSHIP	5	3002538399	12M 20S 38E SW SW SW	11895	4417	5513	41031	79990	240803	19455	4323	3244
BLANKENSHIP	6	3002538400	12L 20S 38E SW NW SW	6544	5172	1160	29084	1642	59155	7932	581	10829
KOOL	2	3002538439	14B 20S 38E SW NW NE	7635	1236	711	14993	26272				
RHINO	2	3002538484	11N 20S 38E SE NE SW	8767	2411	4821	24434	16537				
MAGNOLIA	1	3002538660	11E 20S 38E NE SW NW	5227	5002	3698	75285	14601	15500	16414	2484	31568
DIXIE QUEEN	2	3002538661	11P 20S 38E NE SE SE	10569	2872	4644	52714	23903	45420			
HESTER 12	10	3002538662	12O 20S 38E NE SW SE	4008	378	2978	30270	8108	21627	25359	3421	8895
HESTER 12	11	3002538663	12P 20S 38E SW SE SE	1395	1262	2392	76027	75820	7286	6011	7979	4565
BIG KICK	2	3002538664	13C 20S 38E SE NE NW	8075	1349	3312	24003		61951	36029	15319	5105
HOUSE	2	3002538665	13D 20S 38E SE NW NW	4379	1942		32572	2478				
LUCKY STRIKE	2	3002538668	14I 20S 38E SW NE SE	3805	1219		23261	6087				
BUGLER	2	3002538668	13L 20S 38E SW NW SW	5904	1420		53762	19422		12378	4081	
MELOT	2	3002538700	11C 20S 38E NW NE NW	14103	4561	1793	38275	6690	19502	14207	17876	13406
HESTER 12	9	3002538791	12K 20S 38E NE NE SW	1773	1119	4138	42955	5269	4820	19159	4947	10903
MAGNOLIA	2	3002539090	11D 20S 38E NE NW NW	1516	484	4066	57703	31471	85680	13918	2982	2982
L & M	2	3002539450	2N 20S 38E	947	678	5138	14247	17996	42741	8041	4019	14741
DIXIE QUEEN	3	3002539451	11I 20S 38E	1286	332	2531	3934	1672	4229			
CROWN	2	3002539457	13B 20S 38E	548	249	449	1066	544	658			
MELOT	3	3002539458	11B 20S 38E	1207	313	2376	4719	2005	5073	10867	1996	9314
BLANKENSHIP	7	3002539488	12E 20S 38E				1641	696	1763	7829	1631	6849
MAGNOLIA	3	3002539489	11E 20S 38E	1026	265	2021	15722	6682	16900	9272	1702	7948
ARNOLD A	2	3002539490	11F 20S 38E	709	179	1332	7636	3245	8209	5480	1118	4585
CONE A	2	3002539491	12F 20S 38E	557	154	1209	2068	930	2171	2899	592	2426
PALL MALL	2	3002539530	14A 20S 38E	835	380	685	13499	7043	8804	5332	1661	1748
CHESTERFIELD	2	3002539573	14H 20S 38E	295	135	243	37717	19679	24598			
ARNOLD A	3	3002539636	11F 20S 38E NE SE NW	1134	284	2125	4038	1717	4342	7096	1449	5937

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)			Cum Gas (MCF)			Cum Water (BBL)		
				Blinebry	Tubb	Drnkard	Blinebry	Tubb	Drnkard	Blinebry	Tubb	Drnkard
				TOTALS			911,934	251,985	1,659,300	10,244,975	4,524,965	10,578,852
AVERAGES			13,611	4,271	28,609	148,478	78,017	185,594	20,984	6,895	20,557	

Proposed Allocations	Oil	Gas	Water
Blinbry	29%	36%	44%
Tubb	9%	19%	14%
Drnkard	62%	45%	42%
TOTAL	100%	100%	100%

RECEIVED

OCT 13 2010

HOBBSOCD

October 11, 2010

Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240

RE: Application for Exception to Rule 303-C – Downhole Commingling
Dixie Queen #1 API: 30-025-36421
Unit P, Sec. 11, T20S, R38E
House-Tubb; House-Blinbry; House-Drinkard
Lea County, New Mexico

Dear Mr. Kautz,

Enclosed please find form C-103 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at 432.818.1065.

Sincerely,

A handwritten signature in black ink that reads "Katie Kauffman". The signature is written in a cursive, flowing style.

**Katie Kauffman
Sr. Engineering Technician**

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 July 16, 2010

Submit one copy to appropriate

District Office

OCT 13 2010

HOBBSOCD

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36421	² Pool Code 78760	³ Pool Name HOUSE-TUBB
⁴ Property Code 32977	⁵ Property Name DIXIE QUEEN	⁶ Well Number 001
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation	⁹ Elevation 3563'

¹⁰ Surface Location

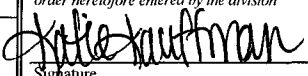
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	11	20S	38E		330	S	660	E	LEA

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 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  Signature _____ Date 10/11/2010 KATIE KAUFFMAN Printed Name KATIE KAUFFMAN@APACHECORP.COM E-mail Address
				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 _____ 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 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

RECEIVED

OCT 13 2010

HOBBSCOCD

Form C-102
Revised July 16, 2010
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36421	² Pool Code 33250	³ Pool Name HOUSE-DRINKARD
⁴ Property Code 32977	⁵ Property Name DIXIE QUEEN	⁶ Well Number 001
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation	⁹ Elevation 3563'

¹⁰ Surface Location

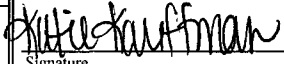
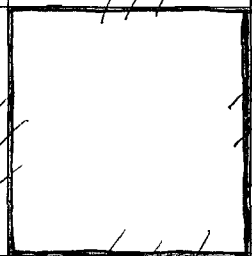
UL or lot no. P	Section 11	Township 20S	Range 38E	Lot Idn	Feet from the 330	North/South line S	Feet from the 660	East/West line E	County LEA
--------------------	---------------	-----------------	--------------	---------	----------------------	-----------------------	----------------------	---------------------	---------------

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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>  Signature 10/11/2010 Date KATIE KAUFFMAN Printed Name KATIE.KAUFFMAN@APACHECORP.COM E-mail Address
				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 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 July 16, 2010
Submit one copy to appropriate
District Office

RECEIVED

OCT 13 2010

☐ AMENDED REPORT

HOBBSOCD

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36421	² Pool Code 33230	³ Pool Name HOUSE-BLINEBRY
⁴ Property Code 32977	⁵ Property Name DIXIE QUEEN	⁶ Well Number 001
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation	⁹ Elevation 3563'

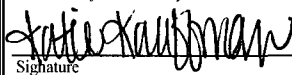
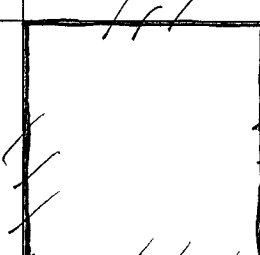
¹⁰ Surface Location

UL or lot no. P	Section 11	Township 20S	Range 38E	Lot Idn	Feet from the 330	North/South line S	Feet from the 660	East/West line E	County 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 to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i>  10/11/2010 Signature Date KATIE KAUFFMAN Printed Name KATIE KAUFFMAN@APACHECORP.COM E-mail Address
					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

October 8, 2010

Dixie Queen #1
House Field
API# : 30-025-36421
Section 11, T20S, R38E
Lea County, NM

RECEIVED

OCT 13 2010
HOBBSUCD

Re-Completion Procedure

OBJECTIVE:

- Reactivate Drinkard and re-complete to Blinebry

WELL DATA:

Elevation:	KB 3577, GL 3563'
Spud:	10/20/2003
TD & PBTD:	7800', 6880' (CIBP w/ sx cmt)
Surface Csg:	13-3/8" 61# @ 80', cmt w/ 50 sxs, circ
Intermediate Csg:	8-5/8" 24# @ 3855', cmt w/ 740 sxs, circ
Production Csg:	5-1/2" 17# @ 7800', cmt w/ 1730 sxs, TOC call @ 1845'
Production Tbg:	207 jts 2-7/8"
Current Perfs:	Drinkard, 37 holes total (Isolated by CIBP @ 6880') 6958-63' (1 spf) 6971-80' (1 spf) 7002-06' (1 spf) 7010-11' (1 spf) 7017-19' (1 spf) 7025-35' (1 spf) Tubb, 148 holes total (Active) 6688-93' (4 spf) 6698-6708' (4 spf) 6710-18' (4 spf) 6720-27' (4 spf) 6731-36' (4 spf)
WI:	100%
NRI:	83.45851%

PROCEDURE:

1. MIRUPU.
2. POOH w/ 2-7/8" production tbg.
3. RIH w/ 4-3/4" bit, drill collars & 2-7/8" L80 workstring to CIBP @ 6880'.
4. DO CIBP & CO well to $\pm 7100'$. Circ hole clean. POOH.

October 8, 2010

5. RIH w/ treating pkr on 2-7/8" L80 tbg to bottom perf. Test tbg to 10000 psi while RIH. Spot 2 bbls 15% NEFE acid across perfs.
6. POOH to $\pm 6875'$. Pump 5 bbls down TCA to flush any acid on backside.
7. Set pkr & acidize Drinkard perfs w/ 3500 gals 15% NEFE acid and 74 1" 1.3 SG ball sealers. Watch for communication between Drinkard & Tubb during job. Flowback acid load.
8. RIH w/ pkr to knock balls off perfs. Re-set pkr @ $\pm 6875'$.
9. Frac Drinkard w/ 60,000# 20/40 RC sand per forthcoming recommendation. Maximum treating pressure will be 7500 psi.
10. POOH w/ tbg & pkr. RIH w/ bit & CO sand to top Drinkard perf.
11. Set CIBPs @ $\pm 6875'$ & $6590'$.
12. Perf Blinebry w/ 1 spf (inclusive) as follows:
6023-27', 6075-77', 6092-94', 6118-20', 6157-59', 6206-08', 6239-41', 6267-69',
6288-90', 6316-18'
13. RIH w/ pkr on 2-7/8" tbg to $\pm 5950'$. Load and test TCA to 500 psi.
14. Acidize Blinebry perfs w/ 3500 gals 15% NEFE HCL & 64 ball sealers.
15. RIH w/ pkr to know balls off perfs. Re-set pkr @ $\pm 5950'$. Load and test TCA.
16. Frac Blinebry perfs w/ 130,000# 20/40 RC sand per forthcoming recommendation.
17. POOH w/ pkr. RIH w/ bit & CO sand to CIBP @ $6590'$.
18. RIH w/ production tbg and rods.
19. Put well on production & RDMOPU.
20. RU and drill out CIBPs when DHC permit is approved.