

Order Number

431

API Number

30125-39907

Operator

Apache Corporation

County

Lea

Order Date

12-16-10

Well Name

Cone B

Number

2

Location

J

UL

12

Sec

205

T (+Dir)

38E

R (+Dir)

Oil %

30%

Gas %

36%

Pool 1

33225

House Blinebry South

Pool 2

78760

House Tubb

Pool 3

33250

House Drinkard

61%

45%

Pool 4

Comments:

Posted in RBOMS 12-16-10 COH

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corporation

DHC-HOB-0431

PROPERTY NAME: Cone B

30-025-39907

WNULSTR: 2-J-12-20S-38E

SECTION I:

POOL NO. 1 House Blinebry South ALLOWABLE AMOUNT 142 284 MCF

POOL NO. 2 House Tubb 142 284 MCF

POOL NO. 3 House Drinkard 142 284 MCF

POOL NO. 4 _____ MCF

POOL TOTALS 426 852

SECTION II:

POOL NO. 1 House Blinebry South Oil Gas
30% 36%

POOL NO. 2 House Tubb 9%

POOL NO. 3 House Drinkard $61\% \times 426 = 259.86$ 19%
<260> 45%

POOL NO. 4 _____

OIL

GAS

SECTION III:

$61\% \div 142 = 232.786$ <233>

SECTION IV:

$30\% \times 233 = 69.9$ <70>
 $9\% \times 233 = 20.97$ <21>
 $61\% \times 233 = 142.13$ <142>

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

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HOBBSOCD

CONSERVATION DIVISION

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

WELL API NO. / 30-025-39907
5. Indicate Type of Lease STATE ☐ FEE ☒
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Cone B
8. Well Number 002
9. OGRID Number 873
10. Pool name or Wildcat House; Bli, S/House; Tubb/House; Drinkard
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3558' GL

SUNDY 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 Lane, Suite 3000 Midland, TX 79705

4. Well Location
Unit Letter J : 1650 feet from the South line and 2310 feet from the East line
Section 12 Township 20S Range 38E NMPM County Lea

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK ☐	PLUG AND ABANDON ☐	REMEDIAL WORK ☐	ALTERING CASING ☐
TEMPORARILY ABANDON ☐	CHANGE PLANS ☐	COMMENCE DRILLING OPNS. ☐	P AND A ☐
PULL OR ALTER CASING ☐	MULTIPLE COMPL ☐	CASING/CEMENT JOB ☐	
DOWNHOLE COMMINGLE ☒			
OTHER: ☐		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.

Apache requests permission to complete and DHC the Blinebry-Tubb-Drinkard, per the following: R11363

Pool Names: House; Blinebry, S 33225	Perforations: Blinebry 5997'-6351'
House; Tubb 78760	Tubb 6496'-6755'
House; Drinkard 33250	Drinkard 6961'-7088'

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

	OIL	GAS	Water
Blinebry	30%	36%	44%
Tubb	9%	19%	14%
Drinkard	61%	45%	42%

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

Spud Date:

11/20/2010

Rig Release Date:

DHC-HOB-0431

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

SIGNATURE

Reesa Holland

TITLE Sr. Engr Tech

DATE 12/14/2010

Type or print name Reesa Holland

E-mail address: Reesa.Holland@apachecorp.com

PHONE: 432/818-1062

For State Use Only

APPROVED BY:

[Signature]

TITLE

PETROLEUM ENGINEER

DATE

DEC 16 2010

Conditions of Approval (if any):

District I
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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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39907	² Pool Code 33225	³ Pool Name House; Blinebry; South
⁴ Property Code 303109	⁵ Property Name Cone B	⁶ Well Number 002
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	⁹ Elevation 3558' GL

¹⁰ Surface Location

UL or lot no. J	Section 12	Township 20S	Range 38E	Lot Idn	Feet from the 1650	North/South line South	Feet from the 2310	East/West line East	County Lea
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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. PLC-13	DHC-HOB-431					

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: <u>Reesa Holland</u> Date: <u>12/14/2010</u> Printed Name: <u>Reesa Holland</u>
					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

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
HOBBS, 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 30-025-39907		² Pool Code 78760	³ Pool Name House; Tubb
⁴ Property Code 303109	⁵ Property Name Cone B		⁶ Well Number 002
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705		⁹ Elevation 3558' GL

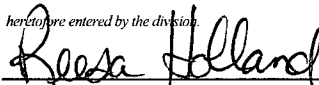
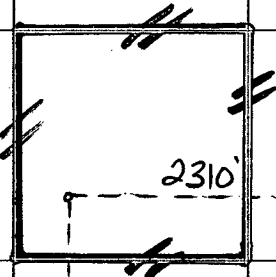
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	12	20S	38E	1650		South	2310	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. PLC-13 DHC-HOB-391			

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.  12/14/2010 Signature Date Reesa Holland 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: Certificate Number

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District II

1301 W. Grand Avenue, Artesia, NM 88201

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico

Energy, Minerals & Natural Resources Department

DEC 15 2010

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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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39907	² Pool Code 33250	³ Pool Name House; Drinkard
⁴ Property Code 303109	⁵ Property Name Cone B	⁶ Well Number 002
⁷ OGRID No. 873	⁸ Operator Name Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	⁹ Elevation 3558' GL

¹⁰ Surface Location

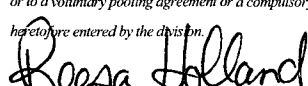
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	12	20S	38E		1650	South	2310	East	Lea

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. PLC-13 DHC-HOB-431
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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 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.  12/14/2010 Signature Date Reesa Holland 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: Certificate Number



Telephone (432) 818-1000
WWW.APACHECORP.COM

December 14, 2010

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DEC 15 2010

HOBBSUCD

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
Cone B #2
Unit J, Section 12, T-20-S, R-38-E
House; Blinbry, House; Tubb & 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.

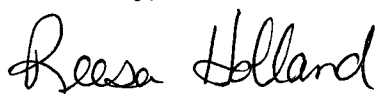
The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the 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) 818-1062.

Sincerely,

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

**Reesa Holland
Sr. Engineering Technician**

CONE B #2
 API 30-025-39907
 APACHE CORP.

Lease Name	Well Number	10DIGITAPI	Location	Cum Oil (BBL)			Cum Gas (MCF)			Cum Water (BBL)		
				Blneby	Tubb	Drinkard	Blneby	Tubb	Drinkard	Blneby	Tubb	Drinkard
L D JONES	1	3002507722	1H 20S 38E SE NE	3476			186180			5043		
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	994	29437	670	3214	1365734		6492	5004	
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	5714	8753	39616	32387	47423	2435461	5156	15478	22235
CONE A	1	3002507770	12F 20S 38E		16985	206457		66347	237557	56499		84014
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		9146	57149		42602	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	847	9550	210	8349	130317	982	1180	509	344
HOUSE	1	3002531006	13D 20S 38E NW NW	33143	217	36700	786914	8772	515800	15436		13278
SHARPS	1	3002534060	13M 20S 38E	38621			200848			43044		
SHARPS	2	3002534061	13N 20S 38E	32558			137341			30537		
JOE CAMEL	1	3002534160	13K 20S 38E	37485	222	396	65389	711	858	68650		
BULL DURHAM	1	3002534187	14P 20S 38E S2 SE SE	46571	7528		1071355			41393	9293	
JOE CAMEL	2	3002534211	13F 20S 38E SW SE NW	18616	1840		63960	3896		39522	581	
DIAMONDBACK	1	3002534274	14J 20S 38E NW SE	30003			199467			36775		
PEARL	1	3002534275	13J 20S 38E NW SE	11389			35691			27839		
LUCKY STRIKE	1	3002534285	14I 20S 38E NE SE	78820			1058547			68515		
CAPPS FEDERAL	2	3002534289	13O 20S 38E SW SE	34886	6878		144836	42262		32964	9535	
BULL DURHAM	2	3002534363	14O 20S 38E SW SE	36132	181		322936	1342	730	56540		
CHESTERFIELD	1	3002534420	14H 20S 38E SE NE	26640	225	523	739914	59149	6759	36636		
BUGLER	1	3002534506	13L 20S 38E NW NW SW	73986	652		430809	96169		43272	608	
MOONEY	1	3002534569	13I 20S 38E NE SE			21688			31520			96197
PAIGE	1	3002534570	13P 20S 38E SE SE	7358		18768	14898		28825	17258		26466
VICEROY	1	3002534625	13E 20S 38E SW NW	30835			521892			75010		
PALL MALL	1	3002534634	14A 20S 38E NE NE	737	294	30268	829	14428	339927	157	495	74812
KOOL	1	3002534642	14B 20S 38E NW NE	36374	536	3213	336341	2397	3837	34773		
PICAYUNE	1	3002534734	11J 20S 38E C NW SE		14160	26336	1244	68498	380666			17895
ROITAN	1	3002534735	14G 20S 38E SW NE	23698	5419		573710	125419		53256		
DRESSSEN	1	3002534857	1G 20S 38E C SW NE	2199			7175			23039		
MARLBORO	1	3002534968	14C 20S 38E S2 NE NW	1245			11219					
HOWSER	1	3002534970	1J 20S 38E C NW SE	1371			28097			35934		
MERIT	1	3002535240	11O 20S 38E E2 SW SE		9457			592343			7350	
BEECHNUT	1	3002535241	14E 20S 38E SE SW NW	540			2239					
REDTAG	1	3002535333	2J 20S 38E NW NW SE	27061	3936	741	73083	9314	7929	3480		
MERIT II	1	3002535448	11G 20S 38E C SW NE	3188	16829	21816	14450	27945	151633		11887	19464
DUKES	1	3002535614	11K 20S 38E E2 NE SW		7818	32292		38544	136873		8390	26341
REDTAG	2	3002535630	2K 20S 38E NE NE SW	15328			864500			2484		
DIXIE QUEEN	1	3002536421	11P 20S 38E S2 SE SE		7353			512946				
WHITE OWL	1	3002536689	2 20S 38E NW NW NW	32435			120485			9450		
BIG KICK	1	3002536745	13C 20S 38E W2 NE NW	15795	990	9391	232010	14512	64056	2410		2526
HESTER 12	6	3002536795	12N 20S 38E	26566	8025	11431	319353	181043	60280	28093	6612	5050
HESTER 12	4	3002536800	12O 20S 38E SW SW SE	15526	5006	4450	259882	118402	107385	40701		2576
SALEM	1	3002537316	3A 20S 38E SE NE NE	2790		8551	8152		25242	6374		2941
JOE CAMEL	3	3002538033	13F 20S 38E NW SE NW	3937	1764	1087	191418	160170	39063	6440	1750	1011
HESTER 12	8	3002538076	12K 20S 38E SW NE SW	12697	3817	3657	122794	86130	54621	9708	10953	4235
HESTER 12	5	3002538211	12P 20S 38E NW SE SE	18619	5543	10854	175303	77529	75632	38556	5549	241
HESTER 12	7	3002538369	12N 20S 38E NE SE SW	6168	7068	3037	55263	52065	30997	15734	8199	10035
MELOT	1	3002538370	11C 20S 38E SW NE NW	4690	6029	2675	43432	33780	19307	22568	21926	19992
BULL DURHAM	3	3002538379	14P 20S 38E NE SE SE	5540	7363		70868	52604		613		
BLANKENSHIP	4	3002538397	12L 20S 38E NE NW SW	2835	3049	6259	12602	21173	21644	11153	4612	3460
BLANKENSHIP	5	3002538399	12M 20S 38E SW SW SW	12119	4509	5636	41534	81642	245830	19800	4400	3302
BLANKENSHIP	6	3002538400	12L 20S 38E SW NW SW	6641	5289	1187	29618	1683	60635	8247	604	11259
KOOL	2	3002538439	14B 20S 38E SW NW NE	7806	1266	733	15498	27252				
RHINO	2	3002538484	11N 20S 38E SE NE SW	8952	2468	4935	25066	16994				
MAGNOLIA	1	3002538660	11E 20S 38E NE SW NW	5326	5124	3797	77078	14965	15942	16575	2522	32136
DIXIE QUEEN	2	3002538661	11P 20S 38E NE SE SE	10836	2948	4846	54597	24795	47600			
HESTER 12	10	3002538662	12O 20S 38E NE SW SE	4095	402	3165	31363	8687	23170	25359	3421	8895
HESTER 12	11	3002538663	12P 20S 38E SW SE SE	1428	1299	2471	77536	77427	7450	6011	7979	4565
BIG KICK	2	3002538664	13C 20S 38E SE NE NW	8295	1387	3408	24901		64378	36946	15778	5258
HOUSE	2	3002538665	13D 20S 38E SE NW NW	4461	1983		32895	2498				
LUCKY STRIKE	2	3002538668	14I 20S 38E SW NE SE	3902	1280		24189	6485				
BUGLER	2	3002538689	13L 20S 38E SW NW SW	6092	1508		55821	20739		12545	4241	
MELOT	2	3002538700	11C 20S 38E NW NE NW	14402	4698	1847	39539	6976	20337	14372	18372	13778
HESTER 12	9	3002538791	12K 20S 38E NE NE SW	1817	1145	4270	44277	5380	4979	19159	4947	10903
MAGNOLIA	2	3002539090	11D 20S 38E NE NW NW	1596	509	4280	59579	32494	88465	14656	3140	3140
L & M	2	3002539450	2N 20S 38E	1030	737	5588	15623	19733	46869	8667	4332	15889
DIXIE QUEEN	3	3002539451	11I 20S 38E	1422	367	2798	4654	1978	5003			
CROWN	2	3002539457	13B 20S 38E	614	279	503	1249	637	771			
MELOT	3	3002539458	11B 20S 38E	1305	339	2569	5245	2228	5638	11608	2132	9949
BLANKENSHIP	7	3002539488	12E 20S 38E				1844	782	1981	9173	1911	8025
MAGNOLIA	3	3002539489	11E 20S 38E	1147	296	2258	17993	7647	19341	10259	1883	8794
ARNOLD A	2	3002539490	11F 20S 38E	800	202	1503	8802	3740	9462	6051	1235	5063
CONE A	2	3002539491	12F 20S 38E	687	190	1488	2540	1142	2667	3416	698	2859
PALL MALL	2	3002539530	14A 20S 38E	999	454	819	16202	8453	10565	6168	1921	2022
CHESTERFIELD	2	3002539573	14H 20S 38E	392	179	323	46305	24159	30198			
ARNOLD A	3	3002539636	11F 20S 38E NE SE NW	1365	340	2559	5448	2316	5857	8446	1725	7067

Lease Name	Well Number	10DIGIT API	Location	Cum Oil (BBL)			Cum Gas (MCF)			Cum Water (BBL)		
				Blinebry	Tubb	Drinkard	Blinebry	Tubb	Drinkard	Blinebry	Tubb	Drinkard
BUGLER	3	3002539648	13L 20S 38E	233	127	306	682	424	737	1878	805	1150
DIAMONDBACK	2	3002539649	14J 20S 38E	284	155	374						
DIXIE QUEEN	4	3002539650	11I 20S 38E	309	80	608	1377	585	1481			
L & M	3	3002539652	2N 20S 38E	173	123	937	1046	1321	3138	779	377	1357
MERIT	2	3002539653	11O 20S 38E	220	71	494	2202	1132	2956			
REDTAG	3	3002539655	2J 20S 38E	108	128	744	396	883	1766			
TOTALS				920,175	255,827	1,668,076	10,324,045	4,577,937	10,635,234	1,238,964	267,767	998,005
AVERAGES				12,605	3,936	26,064	139,514	72,666	171,536	20,999	6,694	19,960

Proposed Allocations	Oil	Gas	Water
Blinebry	30%	36%	44%
Tubb	9%	19%	14%
Drinkard	61%	45%	42%
TOTAL	100%	100%	100%



AFE No: TW- 10- 0229

Cone B #2

API #: 30-025-39907

1650' FSL & 2310' FEL

Section 12, Township 20S, Range 38E

Lea County, New Mexico

Completion Procedure – Blinebry-Tubb-Drinkard

7 December 2010

Recommended Procedure:

Drinkard:

1. MIRU PU. Run GR/CCL/CBL log from PBTD +/- 7260' to 5600' & 500' to surface. Correlate to Weatherford Compensated Neutron/Photo Density/Spectral Gamma Ray log dated 11/26/10.
2. Perforate Drinkard formation @ 6961', 63', 69', 77', 91', 92', 7003', 05', 07', 09', 15', 20', 26', 44', 46', 48', 57', 59', 62', 66', 68', 70', 72', 82' & 88', w/3 spf, 120 deg phasing. Total = 75 shots.
3. RIH 2-7/8" workstring and pkr. Set pkr @ +/- 6850'.
4. Acidize Drinkard interval with 3,000 gals 15% HCL-NE-FE BX DX acid and ball sealers.
5. Release pkr & run through perfs to knock off balls. Reset pkr @ 6850'.
6. Pump 1 drum of corrosion inhibitor followed by 10 bbl pad of 2% KCL. Pump 2 drums scale inhibitor and flush w/2% KCL.
7. Release pkr & POOH w/workstring.
8. RU frac equipment. Frac Drinkard w/80,000# 20/40 SLC resin coated sand down 5-1/2" csg @ 40 BPM in 35# XL gel as per frac recommendation.
9. Spot 1,000 gals 15% HCL across Tubb interval 6450' – 6750' during Drinkard frac flush.
10. RIH and set composite plug above the Drinkard interval @ +/- 6900'.

Tubb:

1. Perforate Tubb formation @ 6496', 6502', 04', 11', 13', 15', 19', 21', 45', 96', 6600', 07', 09', 51', 53', 58', 67', 71', 6710', 21', 27', 42', 44', 46', 48' & 55' w/3 spf, 120 deg phasing. Total = 78 shots.
2. Spearhead 1,000 gals 15% HCL into Tubb ahead of frac.
3. Pump 1 drum of corrosion inhibitor followed by 10 bbl pad of 2% KCL. Pump 2 drums scale inhibitor and flush w/60 bbls 2% KCL.
4. Frac the Tubb interval w/80,000# 20/40 SLC resin coated sand down 5-1/2" csg @ 40 BPM in 25# XL gel as per frac recommendation.
5. Spot 1,000 gals 15% HCL across Blinebry interval 6000' – 6350' during Tubb frac flush.
6. RIH and set composite plug above the Tubb interval @ +/- 6450'.

Cone B #2

Blinebry:

1. Perforate Blinebry formation @ 5997', 99', 6013', 15', 17', 24', 26', 28', 32', 38', 45', 47', 49', 51', 53', 55', 57', 61', 6102', 06', 19', 24', 26', 28', 30', 36', 45', 47', 49', 79', 81', 93', 6233', 35', 37', 47', 49', 69', 71', 95', 97', 99', 6307', 09', 18', 20', 22', 26', 32', 34', 36', 44', 46', 48' & 51' w/2 spf, 120 deg phasing. Total 110 shots.
2. Spearhead 2,000 gals 15% HCL into Blinebry ahead of frac.
3. Pump 1 drum of corrosion inhibitor followed by 10 bbl pad of 2% KCL. Pump 2 drums scale inhibitor and flush w/60 bbls 2% KCL.
4. Frac the Blinebry interval w/200,000# 20/40 SLC resin coated sand down 5-1/2" csg @ 40 BPM in 25# XL gel as per frac recommendation.
5. RIH w/2-7/8" workstring and bit. Drill out plugs and clean out +/- 7260' PBTD.
6. RIH w/production tubing. Land SN @ +/-7100'. RIH w/1-1/2" pump & rods.
7. Install 640 PU.
8. Place well in test.