

30-015-39342

Surface Use Plan

(Additional data for form 3160-3)

Apache Corporation

Tony Federal #34

SHL: 1120' FSL & 1345' FEL UL: O SEC: 18 T17S R31E

Eddy County, NM

Lease #: NMLC - 0029395A



1. **EXISTING ROADS-**
From the intersection of US Hwy #82 & CoRd #221 (Skelly Rd), go North on CoRd #221 approx 1 mile, turn Right, go Southeast approx. 0.7 mile, turn Left, go North approx. 100', this loc stake is approx. 100' East of lease road. All roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
2. **PLANNED ACCESS ROAD** — The existing lease roads will be used to the extent possible. No new road is expected to be built. If a road needs to be constructed, all lease roads will be graded in compliance with BLM standards. All new & reconstructed roads will have a width & "crown design" (i.e. The max width of the driving surface will be 14'. The road will be crowned & ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled & compacted caliche.)
3. **LOCATION OF EXISTING WELLS** - Water wells, Disposal wells, Injection wells, Drilling wells, Producing Wells, Abandoned wells: *SEE EXHIBIT 1.*
4. **LOCATION OF EXISTING OR PROPOSED FACILITIES** .In the event this well is productive we will install new 3" NUPI rated 300 psi up to 140 deg. surface flow line, approx 2430' in length, to the existing Tony/Coffee Federal Battery at the Tony Federal #10 location. *SEE EXHIBIT 2.*
5. **LOCATION AND TYPE OF WATER SUPPLY** .All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.
6. **SOURCE OF CONSTRUCTION MATERIALS** .Construction material (caliche) required for the access road and well site pad will be obtained on location, if available, or from an approved pit. No surface materials will be disturbed except those necessary for actual grading and construction of the drill site and access road.
7. **METHODS FOR HANDLING WASTE DISPOSAL** .
Closed Loop System. Waste Material will be stored then hauled to a state approved disposal facility. Drilling fluids will be contained in steel pits, fluids will be cleaned & reused. Water produced during testing will be contained in steel pits and disposal at a state approved facility. Any oil or condensate will be stored in test tanks until sold & hauled from site.
 - Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site. Salts remaining after completion will be picked up by supplier including broken sacks.
 - Any other waste generated by the drilling, completion, testing of this well will be through a closed loop system.
 - A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well, and cleaned out periodically.

8. **ANCILLARY FACILITIES** - Upon completion, and/or testing of this well rental tanks, facilities will be utilized until permanent storage is established. No camps or airstrips will be constructed.
9. **WELLSITE LAYOUT** - Enclosed, please see "Drilling Rig Layout" *SEE EXHIBIT 3*. Mud pits in the closed circulating system will be steel pits & the cuttings will be stored in steel containment pits. NMOCD for C-144 has been submitted to the OCD for approval. Cuttings will be stored in steel pits until they are hauled to a state approved disposal facility. *SEE EXHIBIT 5 & 6*.

10. **PLANS FOR SURFACE RESTORATION** - Rehabilitation of the location will start in a timely manner after all drilling operations cease. Type of reclamation will depend on whether the well is a producer or a dry hole. *SEE EXHIBIT 4*.

Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be notified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped & contoured, topsoil from the soil pile will be loaded over the disturbed area to extent possible. The site will be restored as closely as possible to its pre-operation appearance including re-vegetation.

Reclamation & re-vegetation of the surface location will be in accordance with the requirements set forth by the BLM. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.

Dry hole well - Pad & road area will be re-contoured to match existing terrain. Topsoil will be spread to the extent possible. Re-vegetation will comply with BLM standards.

Producer well - The previously noted procedures will apply to those areas which are not required from production facilities.

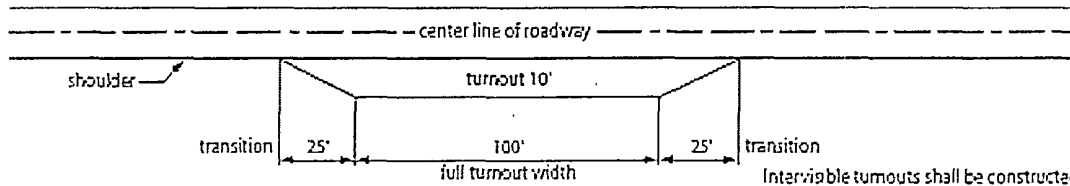
The vegetation at the wellsite is grassland. The topsoil is very sandy in nature. Plants are sparse which may include prairie grass, some mesquite bushes & shinnery oak. No wildlife was observed but it is likely that deer, rabbits, coyotes & rodents traverse the area which are all typical of the semi-arid desert land. There are no ponds or streams in the proximity of the location. No dwelling within 1.5 miles of location.

Arc Survey and Notice of Staking have been submitted to Bureau of Land Management.

11. **OTHER INFORMATION** The surface ownership of the drill site & the access routes are under the ownership of the US Government, administered by the Bureau of Land Management, 620 E Greene St., Carlsbad, NM, 88220.

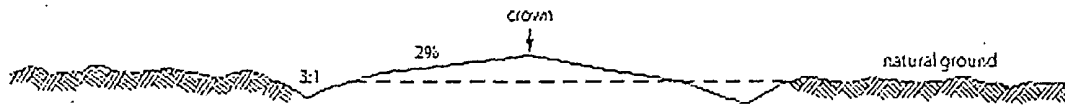
Drilling contractor: Pending.

Cross Sections and Plans for Typical Road Sections

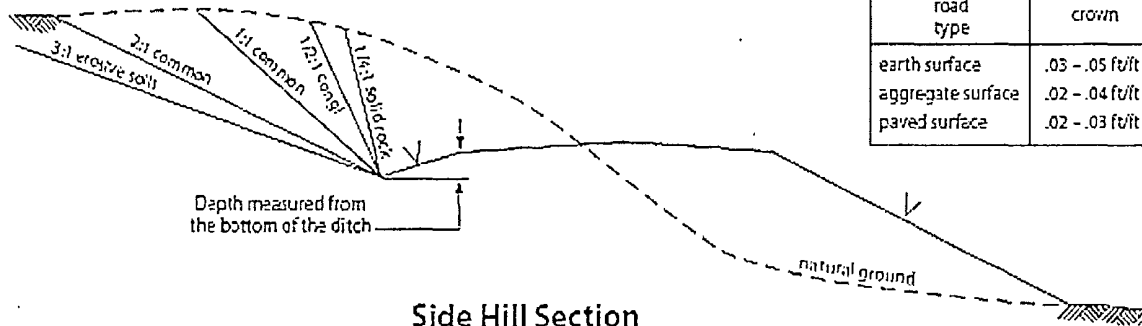


Typical Turnout Plan

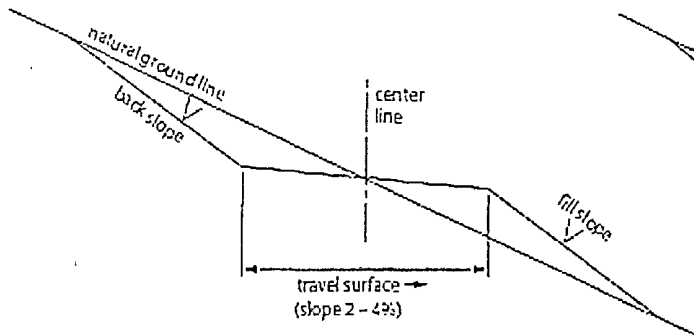
Interchange turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.



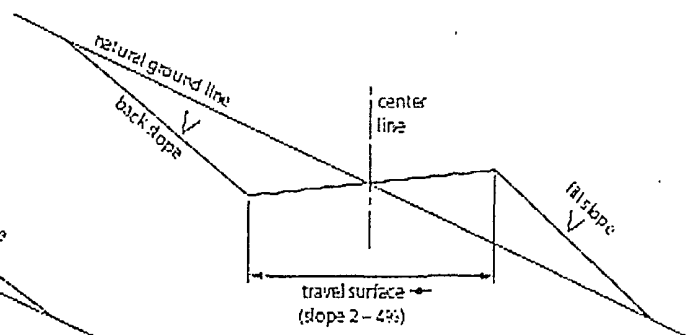
Level Ground Section



Side Hill Section



Typical Outsloped Section



Typical Insloped Section

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

OPERATOR CERTIFICATION

I HEARBY CERTIFY THAT I, OR SOMEONE UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE DRILL SITE AND ACCESS ROUTE PROPOSED HEREIN; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH CURRENTLY EXIST; THAT I HAVE FULL KNOWLEDGE OF STATE AND FEDERAL laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 31 day of JANUARY, 2011

Well: TONY FEDERAL #34

Operator Name: APACHE CORPORATION

Signature: *Bob Lange* Printed Name: BOB LANGE

Title: Drilling Engineer Date: 1/31/2011

Email (optional): bob.lange@apachecorp.com

Street or Box: 303 Veterans Airpark Ln., Ste. 3000

City, State, Zip Code: Midland, TX 79705

Telephone: 432-818-1114

Field Representative (if not above signatory): _____

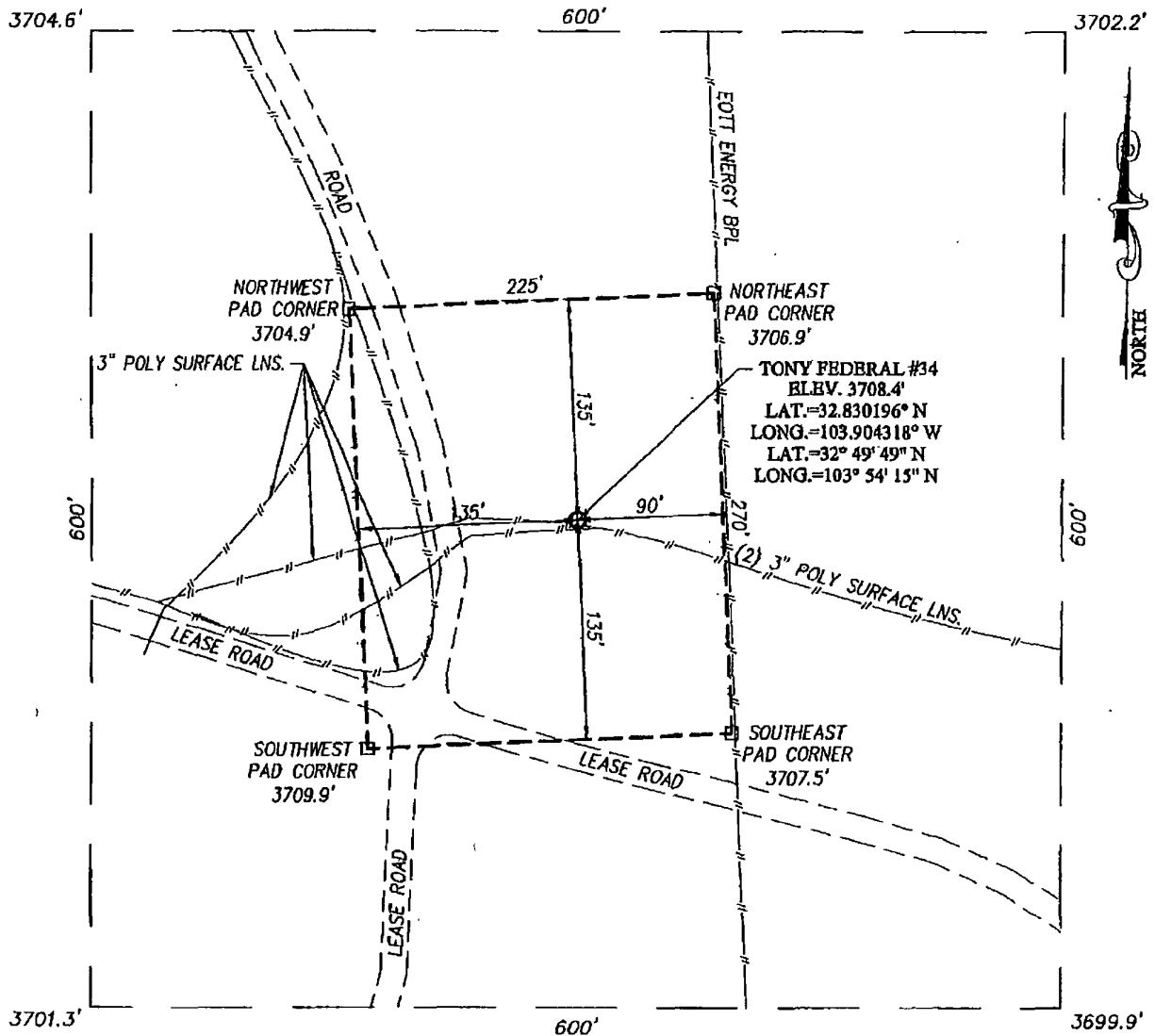
Address (if different from above): _____

Telephone (if different from above): _____

Email (optional): _____

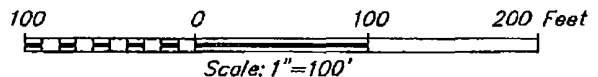
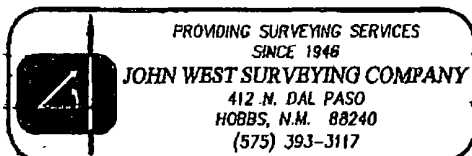
Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

SECTION 18, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.
EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 AND CO. RD. #221 (SKELLY RD.), GO NORTH ON CO. RD. #221 APPROX. 1.0 MILE. TURN RIGHT AND GO SOUTHEAST APPROX. 0.7 MILES. TURN LEFT AND GO NORTH APPROX. 100 FEET. THIS LOCATION STAKE IS APPROX. 100 FEET EAST OF LEASE ROAD.

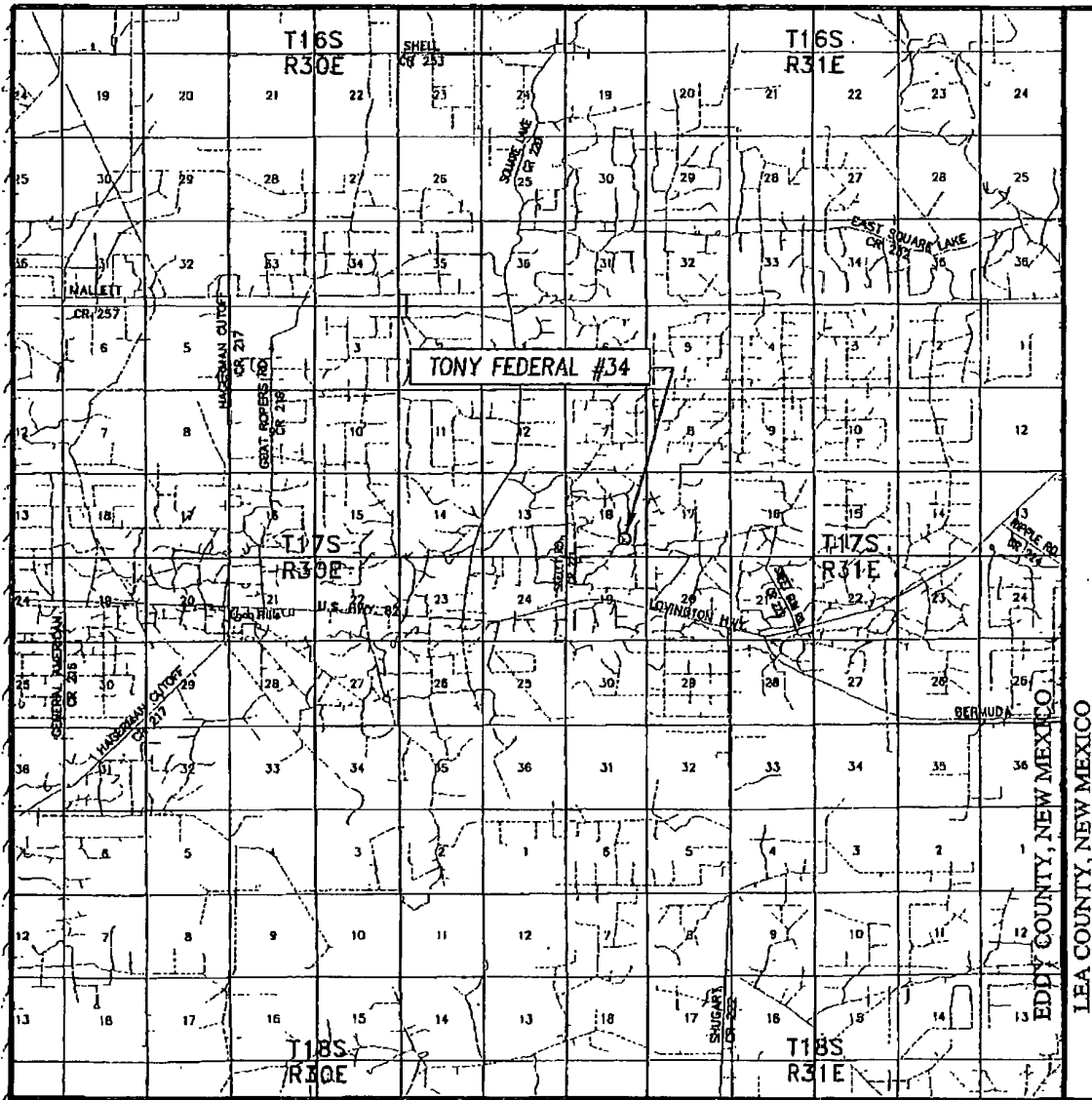


APACHE CORPORATION

TONY FEDERAL #34 WELL
LOCATED 1120 FEET FROM THE SOUTH LINE
AND 1345 FEET FROM THE EAST LINE OF SECTION 18,
TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO

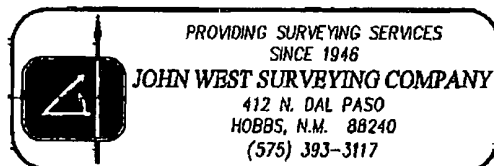
Survey Date: 6/28/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.1175	Dr. By: DSS
Date: 7/8/11	Rev 1:
Rel. W.O.:	11111175
Scale: 1"=100'	

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 18 TWP. 17-S RGE. 31-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 1120' FSL & 1345' FEL
 ELEVATION 3708'
 OPERATOR APACHE CORPORATION
 LEASE TONY FEDERAL



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LOCO HILLS, N.M. - 10'

SEC. 18 TWP. 17-S RGE. 31-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

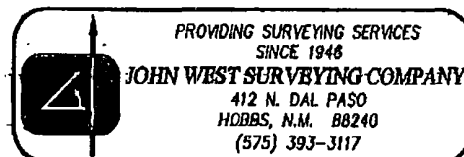
DESCRIPTION 1120' FSL & 1345' FEL

ELEVATION 3708'

OPERATOR APACHE CORPORATION

LEASE TONY FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
LOCO HILLS, N.M.



NORTH

TONY FEDERAL #34

WELLSITE / RIG LAYOUT
TONY FEDERAL #34

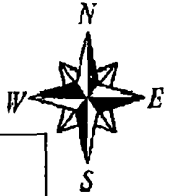
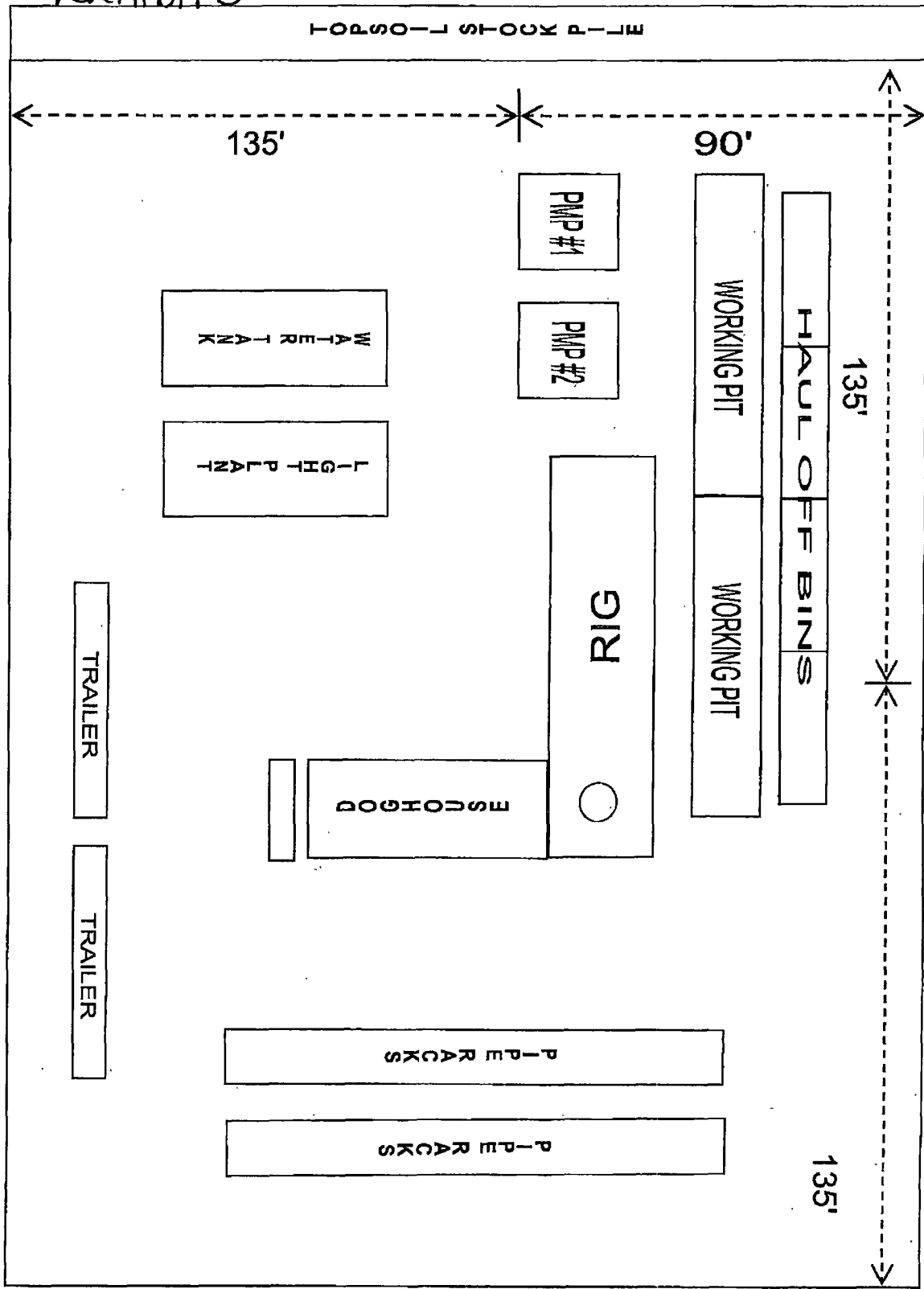


Exhibit 3



V DOOR

INTERIM RECLAMATION LAYOUT - TONY FEDERAL #34

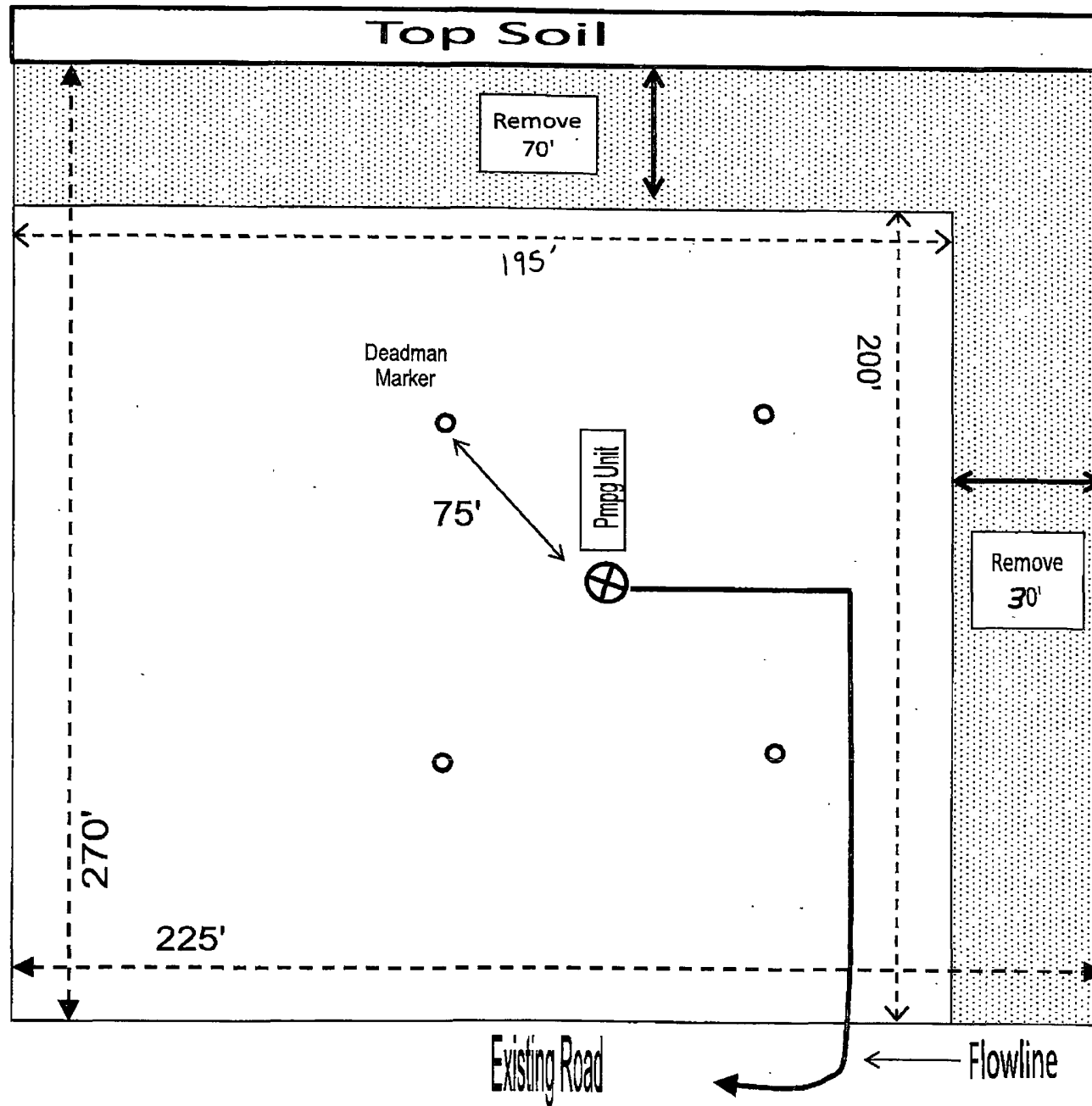
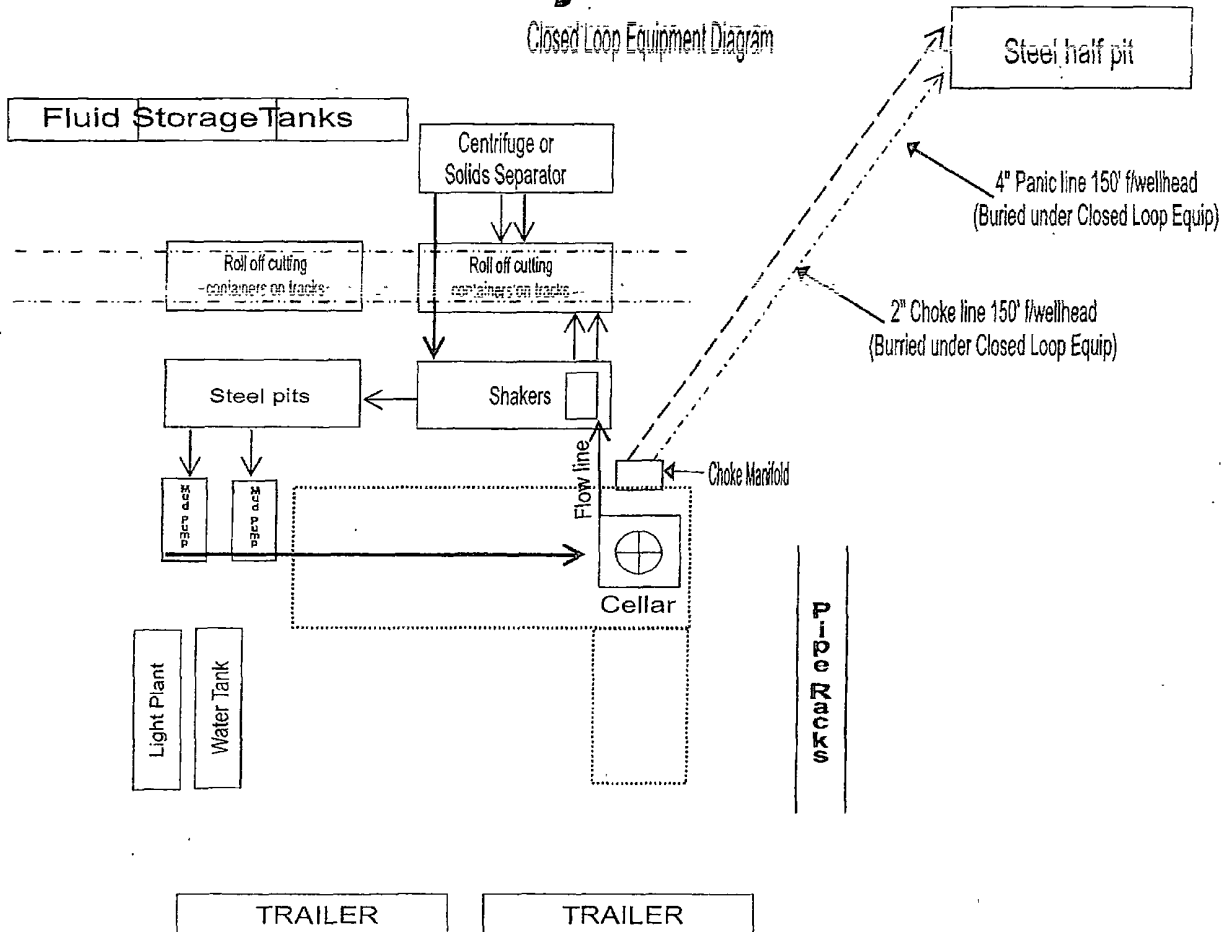


Exhibit
#4



Closed Loop Equipment Diagram



Superior Oil Company
RECEIVED

MAY 12 2011

Carlsbad Field Office
Carlsbad, N.M.

