

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720

District II

811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico
Energy, Minerals and Natural
Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

Form C-101

August 1, 2011

Permit 230457

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|--|--------------------------------------|
| 1. Operator Name and Address APACHE CORP 303 Veterans Airpark Lane Midland, TX 79705 | | 2. OGRID Number 873 ✓ |
| 4. Property Code 317303 | | 3. API Number 30-015-44040 |
| 5. Property Name PALMILLO 14-15 STATE | | 6. Well No. 301H |

7. Surface Location

| | | | | | | | | | | | | | | | | | | | |
|----------|---|---------|----|----------|-----|-------|-----|---------|--|-----------|-----|----------|---|-----------|-----|----------|---|--------|------|
| UL - Lot | P | Section | 15 | Township | 19S | Range | 28E | Lot Idn | | Feet From | 250 | N/S Line | S | Feet From | 315 | E/W Line | E | County | Eddy |
|----------|---|---------|----|----------|-----|-------|-----|---------|--|-----------|-----|----------|---|-----------|-----|----------|---|--------|------|

8. Proposed Bottom Hole Location

| | | | | | | | | | | | | | | | | | | | |
|----------|---|---------|----|----------|-----|-------|-----|---------|---|-----------|-----|----------|---|-----------|-----|----------|---|--------|------|
| UL - Lot | P | Section | 14 | Township | 19S | Range | 28E | Lot Idn | P | Feet From | 380 | N/S Line | S | Feet From | 280 | E/W Line | E | County | Eddy |
|----------|---|---------|----|----------|-----|-------|-----|---------|---|-----------|-----|----------|---|-----------|-----|----------|---|--------|------|

9. Pool Information

| | |
|---------------------------|-------|
| PALMILLO; BONE SPRING, SW | 96413 |
|---------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3420 |
| 16. Multiple N | 17. Proposed Depth 13571 | 18. Formation Bone Spring | 19. Contractor | 20. Spud Date 1/31/2017 |
| Depth to Ground water | | Distance from nearest fresh water well | | Distance to nearest surface water |

We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 48 | 400 | 275 | 0 |
| Int1 | 12.25 | 9.625 | 36 | 3000 | 555 | 0 |
| Prod | 8.75 | 7 | 26 | 8053 | 440 | 0 |
| Prod | 8.75 | 5.5 | 17 | 13571 | 1120 | 8053 |

Casing/Cement Program: Additional Comments

Apache will run a tapered prod string (combo of 7" & 5.5") to TD of 13571. Total sx cmt for prod string is 1560.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Annular | 3000 | 1500 | |
| Double Ram | 3000 | 3000 | |

| | | | |
|--|---------------------|--|--|
| 23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. | | OIL CONSERVATION DIVISION | |
| Signature: | | Approved By: <i>Raymond W. Redang</i> | |
| Printed Name: Electronically filed by Bobby Smith | | Title: <i>Lead Geologist</i> | |
| Email Address: bobby.smith@apachecorp.com | | Approved Date: <i>1-24/1/25/2017</i> Expiration Date: <i>1-25-2019</i> | |
| Date: 1/13/2017 | Phone: 432-818-1020 | Conditions of Approval Attached | |

*1-24-2017
R.R.*

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**State of New Mexico
 Energy, Minerals and Natural
 Resources
 Oil Conservation Division
 1220 S. St Francis Dr.
 Santa Fe, NM 87505**

Form C-102
 August 1, 2011
 Permit 230457

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|--|
| 1. API Number | 2. Pool Code 96413 | 3. Pool Name PALMILLO; BONE SPRING, SW 96413 |
| 4. Property Code 317803 | 5. Property Name PALMILLO 14-15 STATE 873 | 6. Well No. 301H |
| 7. OGRID No. 873 | 8. Operator Name APACHE CORP | 9. Elevation 3420 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 15 | 19S | 28E | | 250 | S | 315 | E | Eddy |

11. Bottom Hole Location if Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|-------------------------------|---------|----------|---------------------|---------|------------------------|----------|---------------|----------|--------|
| 12. Dedicated Acres 160.00 | | | 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

| | |
|--|---|
| | OPERATOR CERTIFICATION |
| | <p><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(s) 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></p> <p>E-Signed By: Bobby Smith Title: Date: 1/13/2017</p> |
| | SURVEYOR CERTIFICATION |
| | <p><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></p> <p>Surveyed By: ROBERT HOWETT Date of Survey: 11/30/2016 Certificate Number: 19680</p> |