



30-025-41288

SURFACE USE PLAN OF OPERATIONS

HOBBS OCD

**EAST BLINEBRY DRINKARD UNIT #120 Lease #: NMLC – 065525
3045' FNL & 875' FWL UL: L SEC: 1 T21S R37E
Lea County, NM**

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EXISTING ROADS

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- A. Proposed Well Site Location:
 - a. The well site & elevation plat for the proposed well are reflected on the well site layout (form C-102). Well staked by Basin Surveys.
- B. Existing Roads
 - a. From the intersection of US Hwy #82 & CR #221, go North of CR #221 for approx 1.3 miles, turn Right, go East approx 0.5 miles, turn Left, go North approx 300' to the Linn Operating CA Russell #19, follow road survey Northwest approx 72' to this location.
- C. Route Location
 - a. No new road is expected to be constructed. The existing lease road will be used to the extent possible. If a lease/access road needs to be constructed, all lease roads will be graded in compliance with BLM standards. See E (a).
- D. Existing Road Maintenance or Improvement Plan
 - a. EXHIBIT 1A is a portion of a topo map showing the well & roads in the vicinity of the proposed location. The proposed well site & access route to the location are indicated in EXHIBIT 1. Right of way using this proposed route will be requested if necessary.
 - b. Routing grading & maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease. Roads will be maintained according to specifications in "EXISTING ROADS Section E (a)" of this Surface Use Plan.
- E. Width, Max Grade, Turnout Ditches, Culverts, Cattle Guards, & Surface Equipment
 - a. 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.) If required, culverts and cattle guards will be set per BLM Specs.

LOCATION OF EXISTING WELLS

- A. "EXHIBIT 2 " indicates existing wells within a one mile radius of the proposed location.

LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. Existing production facilities are located at the Coffee Federal Battery.
- B. New Facilities in the Event of Production

In the event well is productive, APACHE will install a new 3" NUPI rated 300psi up to 140 deg surface flow line, approx 5600' in length, to the existing EBDU Sat 1 Battery location following existing lease roads. "SEE EXHIBIT 1".
- C. Rehabilitation of Disturbed Areas Unnecessary for Production

Following the construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography "SEE PLANS FOR RESTORATION OF THE SURFACE"

LOCATION AND TYPE OF WATER SUPPLY

- A. 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 existing and/or proposed access roads. No water source wells will be drilled and no surface water will be utilized.

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CONSTRUCTION MATERIALS

A. Materials

On-site caliche will be used for any required access road and/or well site pad. If necessary, caliche will be hauled from a BLM approved pit. No surface materials will be disturbed except those necessary for actual grading and construction of the drill site and access road.

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METHODS FOR HANDLING WASTE DISPOSAL

A. Cuttings

Cuttings will be contained in roll off bins and disposed of hauled to a state approved disposal facility.

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B. Drilling Fluids

Drilling fluids will be contained in steel pits, frac tanks and disposed at licensed disposal sites and/or will be cleaned and reused.

C. Produced Fluids

Water production will be contained in steel pits. Fluids may be cleaned and reused and/or disposed at a state approved facility. Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks until sold and hauled from site.

D. Salts

Salts remaining after completion will be picked up by supplier, including broken sacks.

E. Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with. A Port-a-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well. Port-a-John will be cleaned out periodically.

F. Garbage

Receptacles for garbage disposal during the drilling of this well will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site.

G. Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicates potential productive zones. Reasonable cleanup will be performed prior to the final restoration of the site.

ANCILLARY FACILITIES

- A. Upon completion, and/or testing of this well, rental tank facilities will be utilized until permanent storage is established. No camps, airstrips or staging are anticipated to be constructed.

WELLSITE LAYOUT

A. Rig Orientation and Layout

"EXHIBIT 5" shows the dimensions of the well pad, closed loop system and the location of the major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B. Closed Loop System

A Closed Loop System will be used. Cuttings will be stored in steel roll off bins until they are hauled to a state approved disposal facility. A C-144 has been submitted to the appropriate OCD district office for approval.
"SEE EXHIBIT 4"

C. Location of Access Road

"SEE EXHIBIT 1, 1A & John West Surveying well site pad location plat"

PLANS FOR SURFACE RECLAMATION

A. Reserve Pit Cleanup

Not applicable. Closed Loop System will be used.

B. Restoration Plans (Production Developed) "SEE EXHIBIT 6"

Those areas not required for production will be graded & recontoured to match surrounding topography and surfacing material will be removed. Topsoil from the soil pile will be loaded over the disturbed area to the extent possible and will be seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. This may need to be modified in certain circumstances to prevent inundation of the locations' pad and surface facilities. Due to the topography of the area, no problems are anticipated and no erosion or other detrimental effects are expected as a result of this operation. Following depletion and abandonment of the site, restoration procedures will be those that follow under "ITEM C" of "PLANS FOR SURFACE RECLAMATION".

C. Restoration Plans (No Production Developed)

With no production developed, the entire surface disturbed by construction of the well site will be restored as closely as possible to its pre-operation appearance, including re-vegetation. Surfacing material will be removed and the site will be recontoured to match surrounding topography with provisions made to minimize erosion. The topsoil, as available, shall be placed in a uniform layer and seeded according to the Bureau of Land Management's stipulations. Due to the topography of the area, no problems are anticipated and no erosion or other detrimental effects are expected as a result of this operation.

D. Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

SURFACE OWNERSHIP

A. Surface Ownership of drill site & access routes:

**PAIGE MC NEILL C/O MC NEILL RANCHES
PO BOX 1092
HOBBS, NM 88241
505-433-9386**

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OTHER INFORMATION

A. Terrain, Soil, Vegetation, Wildlife, Surface Use

Slightly rolling hills; Topsoil is made up of caliche and sand; Plants are sparse, primarily grasses, some mesquite & shinnery oak; No wildlife observed but likely that deer, rabbits, coyotes & rodents traverse the area, which are all typical of the semi-arid desert land; Land primarily used for grazing.

B. Surface Water

There are no ponds, lakes, streams or rivers within several miles of the proposed location.

C. Water Wells

No known water wells within 1-1/2 miles of the proposed location.

D. Residences and Buildings

No dwellings within the immediate vicinity of the proposed location.

E. Historical Sites

None observed.

F. Archeological Resources

An archeological survey has been performed and submitted to the BLM by Boone Archeological Services LLC, NMCRIS #125534. Any location or construction conflicts will be resolved before construction begins.

G. Onsite: Onsite by Trish Badbear, BLM Specialist

H. Well Signs: Well signs will be in compliance per State requirements and specifications

I. Drilling Contractor: Pending

OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use)

DRILLING

Danny Laman
Drilling Superintendent
303 Veterans Airpark Ln #3000
Midland, TX 79705
432-818-1022 - office
432-634-0288 – cell

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PRODUCTION

James Pyle
Sr. Production Foreman
8 Ellison Lane
Eunice, NM 88231
575-394-2733 – w
432-661-9341 – c

Devalle Trammell
Production Foreman
8 Ellison Lane
Eunice, NM 88231
575-394-1503 – w
432-208-3318 – c

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

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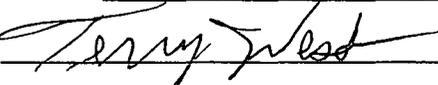
OPERATOR CERTIFICATION

I HEREBY 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 27TH day of DECEMBER, 2012

Well: EAST BLINEBRY DRINKARD UNIT #120

Operator Name: APACHE CORPORATION

Signature:  Printed Name: TERRY WEST

Title: Drilling Engineer Date: 12-27-12

Email (optional): terry.west@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.

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PRIVATE SURFACE OWNER AGREEMENT

OPERATOR: APACHE CORPORATION

WELL NAME: EAST BLINEBRY DRINKARD UNIT #120

UL: L SECTION: 1 TOWNSHIP: 21 S RANGE: 37 E

LOCATION: 3045' FNL & 875' FWL COUNTY: LEA STATE: NM

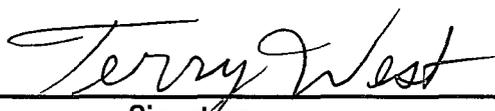
LEASE NUMBER: NMLC-065525

STATEMENT OF SURFACE USE

The surface to the subject land is owned by PAIGE MC NEILL C/O MC NEILL RANCHES
PO BOX 1092
HOBBS, NM 88241

The surface owner has been contacted regarding the drilling of the subject well, and an agreement for surface use has been negotiated.

CERTIFICATION: I hereby certify that the statements made in this statement are to the best of my knowledge, true and correct.



Signature

NAME: TERRY WEST

DATE: 12-27-12

TITLE: DRILLING ENGINEER

To expedite your Application to Drill please fax the completed form to the
Bureau of Land Management (575) 234-5927 or (575) 885-9264
Attention: Legal Instruments Examiner
620 E. Green Street
Carlsbad, NM 88220

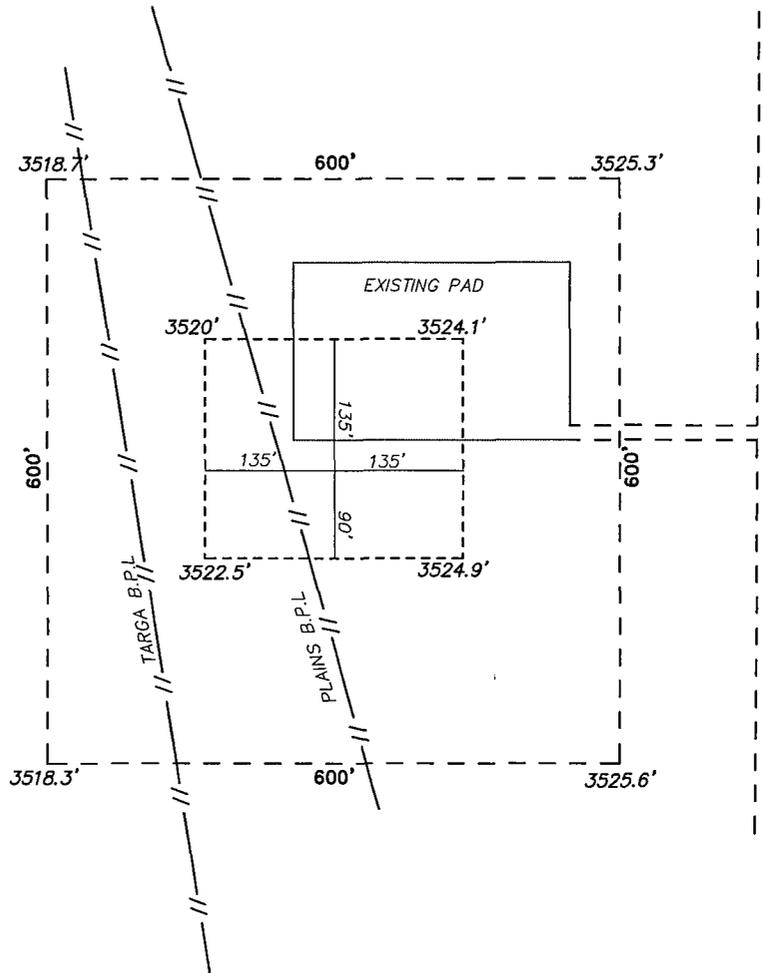
The original document with signature should be mailed as soon as possible.

SECTION 1, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

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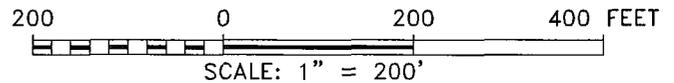


APACHE CORPORATION
EAST BLINEBRY DRINKARD UNIT #120
ELEV. - 3523

SURFACE LOCATION

Lat - N 32°30'50.07"
Long - W 103°07'20.72"
NMSPCE- N 552811.66
E 914607.76
(NAD-83)

Lat - N 32°30'49.65"
Long - W 103°07'19.03"
NMSPCE- N 552752.30
E 873424.12
(NAD-27)



Directions to Location:

FROM MILE MARKER 36 OF HWY 18; GO NORTH 0.1 MILES TO LEASE ROAD, ON LEASE ROAD GO EAST 0.2 MILES TO LEASE ROAD, GO NORTH 0.2 MILES TURNING EAST 0.1 MILES TO WELL PAD, TURN NORTHERLY AGAIN 0.9 MILES TO LEASE ROAD, GO WEST 0.1 MILES TO PROPOSED LOCATION.

APACHE CORPORATION

REF: EAST BLINEBRY DRINKARD UNIT #120 / WELL PAD TOPO

THE EAST BLINEBRY DRINKARD UNIT #120 LOCATED 3045'
FROM THE SOUTH LINE AND 875' FROM THE EAST LINE OF
SECTION 1, TOWNSHIP 21 SOUTH, RANGE 37 EAST,

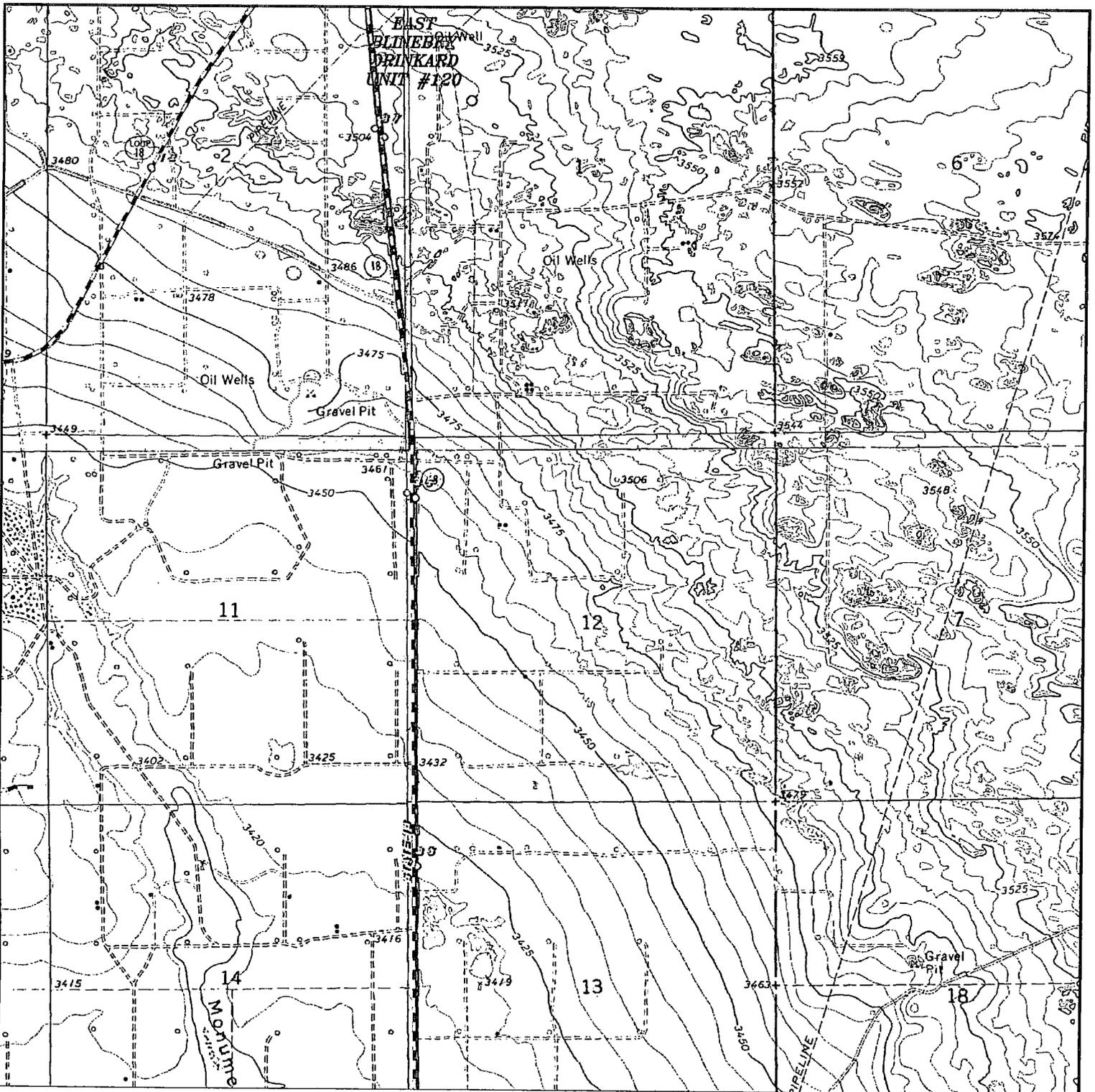
N.M.P.M., LEA COUNTY, NEW MEXICO.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 26819 Drawn By: D. JONES

Date: 09-19-2012 Disk: DAJ 26819

Survey Date: 06-12-2012 Sheet 1 of 1 Sheets



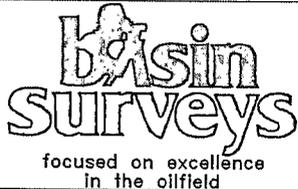
EAST BLINEBRY DRINKARD UNIT #120

Located 3045' FNL and 875' FWL

Section 1, Township 21 South, Range 37 East, JUL 23 2013
 N.M.P.M., Lea County, New Mexico.

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P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

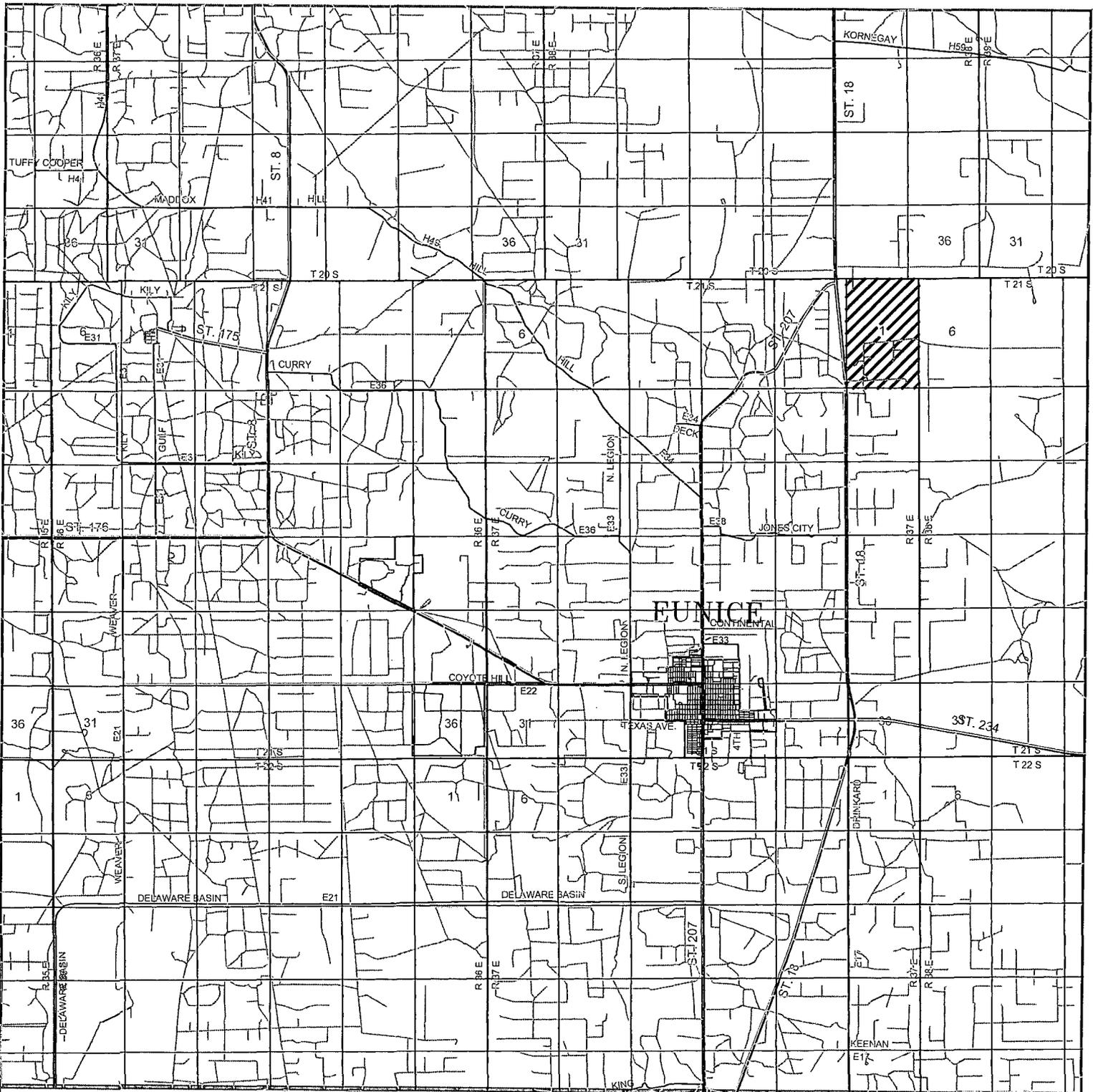
W.O. Number: DAJ 26819

Survey Date: 06-12-2012

Scale: 1" = 2000'

Date: 09-19-2012

APACHE
 CORPORATION



EAST BLINEBRY DRINKARD UNIT #120
 Located 3045' FNL and 875' FWL
 Section 1, Township 21 South, Range 37 East,
 N.M.P.M., Lea County, New Mexico.

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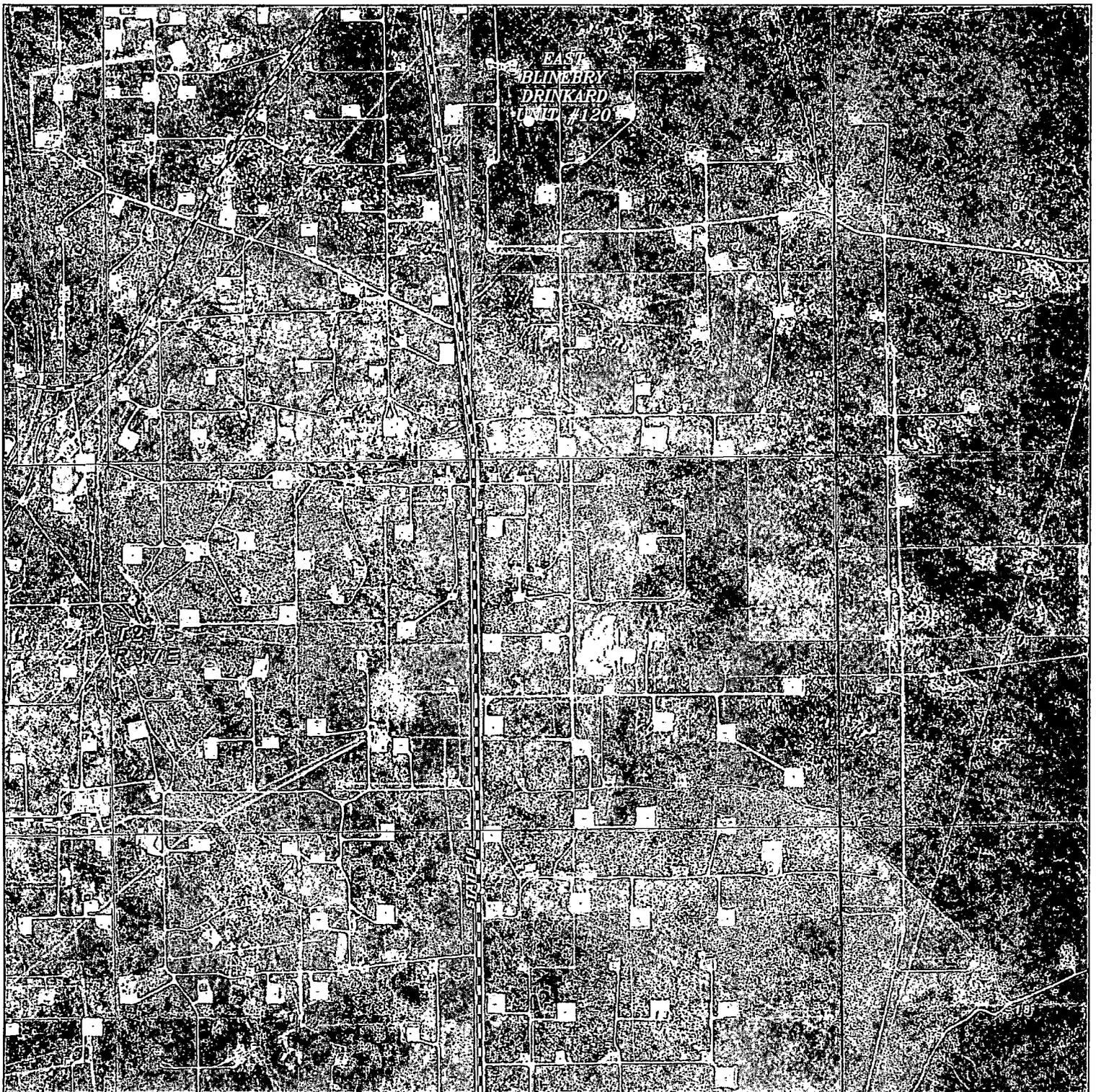
W.O. Number: DAJ 26819

Survey Date: 06-12-2012

Scale: 1" = 2 Miles

Date: 09-19-2012

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 CORPORATION



EAST BLINEBRY DRINKARD UNIT #120
Located 3045' FNL and 875' FWL
Section 1, Township 21 South, Range 37 East,
N.M.P.M., Lea County, New Mexico.

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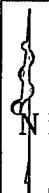
basin
surveys
focused on excellence
in the oilfield

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Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: DAJ 26819

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND



APACHE
CORPORATION

APACHE CORPORATION

EAST BLINEBRY DRINKARD UNIT #120

3045' FNL & 875' FWL

SEC: 1 T21S R37E - 1 MILE RADIUS

POSTED WELL DATA

Well Number

- WELL SYMBOLS
- Dry Hole
 - Deeper Exploratory
 - Gas Well
 - Location Only
 - Non Apache
 - Oil Well
 - Plugged and Abandoned
 - Active Producer
 - Temporarily Abandoned Oil Well
 - Plugged Injection
 - Active Injection



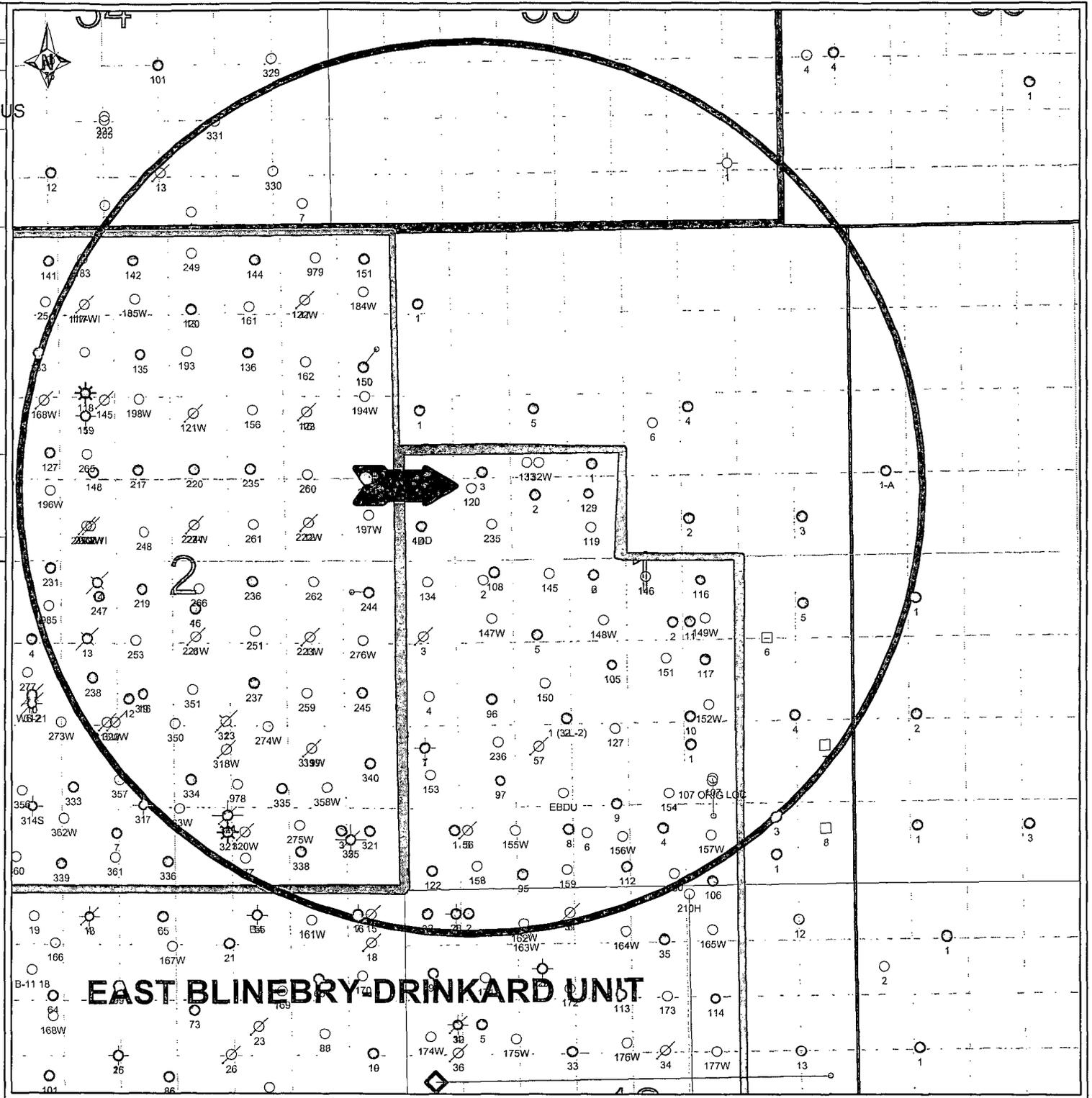
September 26, 2012

Exhibit #2

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**EBDU #120
ACCESS ROAD & FLOWLINE PLAT
EXHIBIT #1
(revised 5.20.13)**

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