<u>District I</u>

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

State of New Mexico

Energy, Minerals and Natural Resources

Form C-101

Permit 15784

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

APPLICATION FOR PERMIT TO DRILL

APACHE CORP	0GRID Number 873 API Number 30-025-37463	
6120 S. Yale, Suite 1500 Tulsa, OK 74136-4224		
Property Code 23112	Property Name SOUTHLAND ROYALTY A	Well No. 023

Surface Location

UL or Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	4	218	37E	I	2310	S	350	E	Lea

Proposed Pools

BLINEBRY OIL AND GAS (OIL) 6660 DRINKARD 19190 HARE;SAN ANDRES, EAST 96601 PENROSE SKELLY; GRAYBURG 50350 TUBBOIL AND GAS (OIL) 60240 WANTZ;ABO 62700

Work Type	Well Type	Cable/Rotary	Lease Type	Ground Level Elevation
New Well	OIL		Private	3469
Multiple	Proposed Depth	Formation	Contractor	Spud Date
Y	7300	Abo		10/03/2005

Proposed Casing and Cement Program

Туре	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	1200	575	
Prod	7.875	5.5	17	7300	1050	

Proposed Blowout Prevention Program

Туре	Working Pressure	Test Pressure	Mamufacturer
Double Ram	2000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Electronically Signed By: Lana Williams Title: Drilling Clerk Date: 09/21/2005 Phone: 918-491-4900

OIL CONSERVATION DIVISION Electronically Approved By: Paul Kautz Title: Geologist Approval Date: 09/22/2005 Expiration Date: 09/22/2006 Conditions of Approval: There are conditions. See Attached.