<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico

Form C-101 Permit 16447

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

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

| 1. Op | erator Name and Address | 2. OGRID Number | | |
|------------------|--|-----------------|--|--|
| 1000 | APACHE CORP | 873 | | |
| | DS. Yale, Suite 1500 sa., OK 74136-4224 | 3. API Number | | |
| 1 44 | sa, OK 74130-4224 | 30-025-37482 | | |
| 4. Property Code | 5. Property Name | 6. Well No. | | |
| 34938 | STATE LAND 15 | 013 | | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| 0 | 16 | 21S | 37E | 0 | 350 | S | 2200 | E | LEA |

8. Pool Information

| HARE;SAN ANDRES (GAS) | 78080 |
|-------------------------|-------|
| PENROSE SKELLY:GRAYBURG | 50350 |

Additional Well Information

| | | I I I I I I I I I I I I I I I I I I I | | 127 | |
|---|----------------------------|---|-------------------------|---|--|
| 9. Work Type 10. Well Type New Well GAS | | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3443 | |
| 14. Mühtiple Y | 15. Proposed Depth 4400 | 16. Formation San Andres | 17. Contractor | 18. Spud Date 10/12/2005 | |
| Depth to Ground | water | Distance from nearest fresh water 1000 | well | Distance to nearest surface water 1000 | |
| Pit: Liner: Synthetic D Closed Loop System | | Clay Pit Volume: 7105 bbls | | Diesel/Oil-based Gas/Air | |

19. Proposed Casing and Cement Program

| Туре | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25 | 8.625 | 24 | 400 | 325 | |
| Prod | 7.875 | 5.5 | 17 | 4400 | 950 | |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| | Туре | Working Pressure | Test Pressure | Manufacturer |
|----|-----------|------------------|---------------|--------------|
| ž. | DoubleRam | 2000 | 3000 | ÷ |

| I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be | OIL CONSERVATION DIVISION | | | | |
|--|---|--|--|--|--|
| constructed according to NMOCD guidelines X , a general permit Γ , or an (attached) alternative OCD-approved plan Γ . | Approved By: Paul Kautz | | | | |
| Printed Name: Electronically filed by Lana Williams | Title: Geologist | | | | |
| Title: Drilling Clerk | Approved Date: 10/6/2005 Expiration Date: 10/6/2006 | | | | |
| Email Address: lana.williams@apachecorp.com | 7X 98 | | | | |
| Date: 10/4/2005 Phone: 918-491-4900 | | | | | |

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

<u>District III</u>

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

Form C-102 Permit 16447

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| YY. | ELL LOCATION AND ACK | EAGE DEDICATION FEE | X1 | | |
|------------------|----------------------|---------------------------------------|--------------|--|--|
| 1. API Number | 2. Pool Code | 3. Pool Name HARE;SAN ANDRES (GAS) | | | |
| 30-025-37482 | 78080 | | | | |
| 4. Property Code | 5. Property | 6. Well No. | | | |
| 34938 | STATE LA | AND 15 | 013 | | |
| 7. OGRID No. | 8. Operator Name | | 9. Elevation | | |
| 873 | APACHE | CORP | 3443 | | |

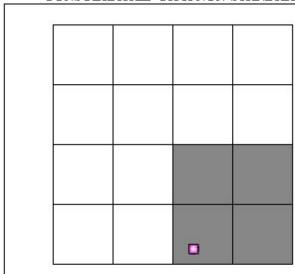
10. Surface Location

| Š | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | 0 | 16 | 21S | 37E | 0 | 350 | S | 2200 | E | LEA |

11. Rottom Hole Location If Different From Surface

| | 11. Dovom tota Dovation il Differenti l'Ioni sultate | | | | | | | | | | |
|---|--|----------|-----------------|-----|-----|-------------------|-------|---------------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot | Idn | Feet From | N/S L | ine | Feet From | E/W Line | County |
| 100000000000000000000000000000000000000 | cated Acres | 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

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

E-Signed By: Lana Williams

Title: Drilling Clerk
Date: 10/4/2005

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.

Surveyed By: GARY EIDSON Date of Survey: 9/15/2005 Certificate Number: 12641 District I

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State of New Mexico

Form C-102 Permit 16447

Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| YY. | ELL LOCATION AND AC | REAGE DEDICATION FE. | A1 | | | |
|------------------|---------------------------|-------------------------|--------------|--|--|--|
| 1. API Number | 2. Pool Code 3. Pool Name | | | | | |
| 30-025-37482 | 50350 | PENROSE SKELLY;GRAYBURG | | | | |
| 4. Property Code | 5. Prope | 6. Well No. | | | | |
| 34938 | STATE | STATE LAND 15 | | | | |
| 7. OGRID No. | 8. Operator Name | | 9. Elevation | | | |
| 873 | APACH | E CORP | 3443 | | | |

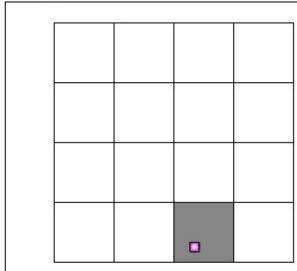
10. Surface Location

| Š | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| | 0 | 16 | 21S | 37E | 0 | 350 | S | 2200 | E | LEA |

11. Bottom Hole Location If Different From Surface

| | ALI DOVINGILLION DOVINGILLI D'ALCONY L'ORI NALIGO | | | | | | | | | | |
|------------------------------|---|----------|-----------------|-------------------|-----|------------------------|-------|-----|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot | Idn | Feet From | N/S L | ine | Feet From | E/W Line | County |
| 12. Dedicated Acres 40.00 | | 13 | Joint or Infill | oint or Infill 14 | | 14. Consolidation Code | | | | | |

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OPERATOR CERTIFICATION

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

E-Signed By: Lana Williams

Title: Drilling Clerk
Date: 10/4/2005

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.

Surveyed By: GARY EIDSON Date of Survey: 9/15/2005 Certificate Number: 12641

Permit Comments

Operator: APACHE CORP, 873 Well: STATE LAND 15 #013

API: 30-025-37482

| Created By | Comment | Comment Date |
|---------------|--|-----------------|
| LWILLIAMS | The referenced well is in the Hare San Andres Gas Pool (160 ac spacing). Apache plans to test the San Andres and if it tests as oil classification, which Apache anticipates, then Apache will apply to have the Hare Gas Pool contracted and the Eunice San Andres Oil pool expanded. | 10/4/2005 |
| LWILLIAMS | Apache Corporation is going to drill & complete and turn over operations to Hendrix Corp. This well should be permitted just like the State Land 15 # 8. | 10/4/2005 |
| LWILLIAMS | I am emailing the C-144 to Karen Sharp and Donna Mull right now. | 10/4/2005 |
| KSHARP | Form C-144 on file: 12-mil liner | 10/4/2005 |

Permit Conditions of Approval

Operator: APACHE CORP , 873 Well: STATE LAND 15 #013

API: 30-025-37482

| OCD Reviewer | Condition |
|-----------------|---|
| pkautz | Will require administrative order for non-standard location |
| pkautz | Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines |
| pkautz | If San Andres is a gas well must obtain NSL prior to obtaining an allowable and or produce the San Andres zone |
| pkautz | Must obtain DHC approvaval before both zones can be commingled |