

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

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

|                                                                                |                                        |                               |
|--------------------------------------------------------------------------------|----------------------------------------|-------------------------------|
| 1. Operator Name and Address<br>APACHE CORP<br>6120 S. YALE<br>TULSA, OK 74136 |                                        | 2. OGRID Number<br>873        |
|                                                                                |                                        | 3. API Number<br>30-025-39013 |
| 4. Property Code<br>34816                                                      | 5. Property Name<br>NEW MEXICO S STATE | 6. Well No.<br>055            |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| M        | 2       | 22S      | 37E   | M       | 185       | S        | 595       | W        | LEA    |

**8. Pool Information**

|                          |       |
|--------------------------|-------|
| EUNICE;SAN ANDRES, SOUTH | 24170 |
| PENROSE SKELLY;GRAYBURG  | 50350 |

**Additional Well Information**

|                                                                                                                                                                                                                                                                                                                                                                    |                            |                                                  |                         |                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------|-------------------------|---------------------------------------------|
| 9. Work Type<br>New Well                                                                                                                                                                                                                                                                                                                                           | 10. Well Type<br>OIL       | 11. Cable/Rotary                                 | 12. Lease Type<br>State | 13. Ground Level Elevation<br>3375          |
| 14. Multiple<br>Y                                                                                                                                                                                                                                                                                                                                                  | 15. Proposed Depth<br>4650 | 16. Formation<br>San Andres                      | 17. Contractor          | 18. Spud Date<br>9/1/2008                   |
| Depth to Ground water<br>27                                                                                                                                                                                                                                                                                                                                        |                            | Distance from nearest fresh water well<br>> 1000 |                         | Distance to nearest surface water<br>> 1000 |
| Pit: Liner: Synthetic <input checked="" type="checkbox"/> 20 _____ miles thick Clay <input type="checkbox"/> Pit Volume: 7100 _____ bbls Drilling Method:<br>Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                            |                                                  |                         |                                             |

**19. Proposed Casing and Cement Program**

| Type | Hole Size | Casing Type | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12.25     | 8.625       | 24               | 1150          | 550             | 0             |
| Prod | 7.875     | 5.5         | 17               | 4650          | 950             | 0             |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**Proposed Blowout Prevention Program**

| Type      | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 3000             | 2000          |              |

|                                                                                                                                                                                                                                                                                                                                                                            |                                  |                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------------------------|
| I hereby certify that the information given above is true and complete to the best of my knowledge and belief.<br><b>I further certify that the drilling pit will be constructed according to NMOCB guidelines</b> <input type="checkbox"/> a general permit <input checked="" type="checkbox"/> or an (attached) alternative OCB-approved plan <input type="checkbox"/> . | <b>OIL CONSERVATION DIVISION</b> |                                 |
| Printed Name: Electronically filed by Lana Williams                                                                                                                                                                                                                                                                                                                        | Approved By: Paul Kautz          |                                 |
| Title: Engineering Tech                                                                                                                                                                                                                                                                                                                                                    | Title: Geologist                 |                                 |
| Email Address: lana.williams@apachecorp.com                                                                                                                                                                                                                                                                                                                                | Approved Date: 7/18/2008         | Expiration Date: 7/18/2010      |
| Date: 7/8/2008                                                                                                                                                                                                                                                                                                                                                             | Phone: 918-491-4900              | Conditions of Approval Attached |

**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

**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**  
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**Santa Fe, NM 87505**

Form C-102  
 Permit 78088

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                        |                                          |
|-------------------------------|----------------------------------------|------------------------------------------|
| 1. API Number<br>30-025-39013 | 2. Pool Code<br>24170                  | 3. Pool Name<br>EUNICE,SAN ANDRES, SOUTH |
| 4. Property Code<br>34816     | 5. Property Name<br>NEW MEXICO S STATE | 6. Well No.<br>055                       |
| 7. OGRID No.<br>873           | 8. Operator Name<br>APACHE CORP        | 9. Elevation<br>3375                     |

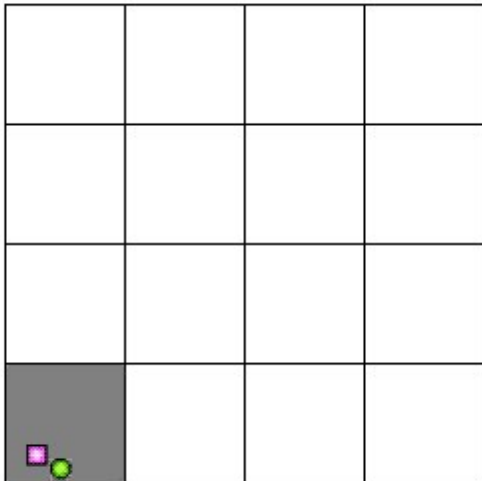
**10. Surface Location**

|               |              |                 |              |         |                  |               |                  |               |               |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>M | Section<br>2 | Township<br>22S | Range<br>37E | Lot Idn | Feet From<br>185 | N/S Line<br>S | Feet From<br>595 | E/W Line<br>W | County<br>LEA |
|---------------|--------------|-----------------|--------------|---------|------------------|---------------|------------------|---------------|---------------|

**11. Bottom Hole Location If Different From Surface**

|                              |              |                     |              |                        |                  |               |                  |               |               |
|------------------------------|--------------|---------------------|--------------|------------------------|------------------|---------------|------------------|---------------|---------------|
| UL - Lot<br>M                | Section<br>2 | Township<br>22S     | Range<br>37E | Lot Idn<br>M           | Feet From<br>330 | N/S Line<br>S | Feet From<br>330 | E/W Line<br>W | County<br>LEA |
| 12. Dedicated Acres<br>40.00 |              | 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**

|                                                                                     |                                                                                                                                                                                                                                                                                                                                            |  |  |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
|  | <b>OPERATOR CERTIFICATION</b>                                                                                                                                                                                                                                                                                                              |  |  |
|                                                                                     | <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>E-Signed By: Lana Williams<br/>         Title: Engineering Tech<br/>         Date: 7/8/2008</p>                                                                                                       |  |  |
|                                                                                     | <b>SURVEYOR CERTIFICATION</b>                                                                                                                                                                                                                                                                                                              |  |  |
|                                                                                     | <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: GARY EIDSON<br/>         Date of Survey: 12/10/2007<br/>         Certificate Number: 12641</p> |  |  |

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                               |                                        |                                         |
|-------------------------------|----------------------------------------|-----------------------------------------|
| 1. API Number<br>30-025-39013 | 2. Pool Code<br>S0350                  | 3. Pool Name<br>PENROSE SKELLY,GRAYBURG |
| 4. Property Code<br>34816     | 5. Property Name<br>NEW MEXICO S STATE | 6. Well No.<br>055                      |
| 7. OGRID No.<br>873           | 8. Operator Name<br>APACHE CORP        | 9. Elevation<br>3375                    |

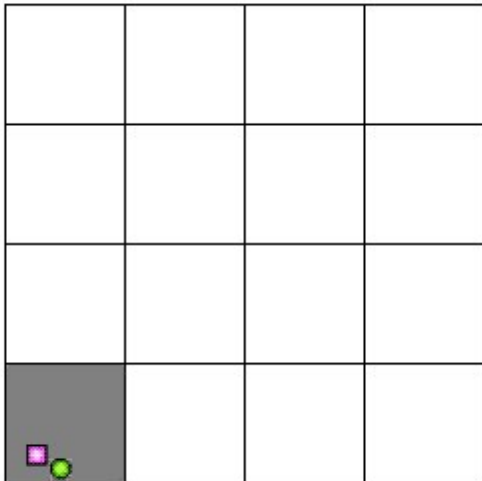
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|                                                                                     |                                                                                                                                                                                                                                                                                                                                            |  |  |
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|                                                                                     | <b>SURVEYOR CERTIFICATION</b>                                                                                                                                                                                                                                                                                                              |  |  |
|                                                                                     | <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: GARY EIDSON<br/>         Date of Survey: 12/10/2007<br/>         Certificate Number: 12641</p> |  |  |

## Permit Comments

Operator: APACHE CORP , 873

Well: NEW MEXICO S STATE #055

API: 30-025-39013

| Created By | Comment                                                                                                            | Comment Date |
|------------|--------------------------------------------------------------------------------------------------------------------|--------------|
| LWILLIAMS  | THE PIT INFORMATION IS NOT ACCURATE. IT DOES NOT ALLOW ME TO CHANGE IT. WE WILL BE UTILIZING A CLOSED LOOP SYSTEM. | 7/8/2008     |
| DMULL      | OCD Hobbs has received form C-144 "Pit Registration". OCD Permit Number P1-00177.                                  | 7/18/2008    |

# Permit Conditions of Approval

Operator: APACHE CORP , 873

Well: NEW MEXICO S STATE #055

API: 30-025-39013

| OCD<br>Reviewer | Condition                                                                                                                                                                                             |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DMULL           | Will require Santa Fe approval of form C-107-A "Downhole Commingling" before multiple zones can be produced by commingling in the wellbore accordance with the procedure set form in Rule 303C(3)(a). |
| 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                                                 |