<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 78211

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

| AFF. | LICATIO | IN FOR FI | TIME I |) DICILL | , ICE-ENTER | t, DEEFEN, | FLUGBAC | K, OK ADI | J A ZONE | | | |
|---|------------------------------|-----------|---------------------|----------|-------------|------------|-----------|----------------------|-----------------|--|------------------|--------------|
| | 1. Operator Name and Address | | | | | | | | 2. OGRID Number | | | |
| APACHE CORP 6120 S. YALE TULSA , OK 74136 | | | | | | | | 873 3. API Number | | | | |
| | | | | | | | | | | | | 30-025-39015 |
| | | | | | | | | 4. | Property Code | | 5. Property Name | |
| | 23112 | | SOUTHLAND ROYALTY A | | | | | 028 | | | | |
| | | · | | 7. S | urface Loca | ntion | | | | | | |
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County | | | |
| H | 9 | 21S | 37E | Н | 2310 | N | 330 | E | LEA | | | |

8. Pool Information

PENROSE SKELLY;GRAYBURG 50350

| | Additional | Well | Informa | tion |
|--|------------|------|---------|------|
|--|------------|------|---------|------|

| | 561 | | | | | (9)6 | |
|---|----------------------|------------|---------------|-------------------------|---------------------------------------|------------------------------------|--|
| 9. Work Type New Well | 10. Well Type OIL | | 11. Cab | le/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3465 | |
| 14. Multiple 15. Prop | | osed Depth | | Formation rayburg | 17. Contractor | 18. Spud Date 8/7/2008 | |
| Depth to Ground 69 | water | | Distance from | n nearest fresh water v | well | Distance to nearest surface water | |
| tit: Liner: Synthetic Closed Loop Syste | m 🔀 | mils thick | Clay Pit Volu | mme: bbls | Drilling Method: Fresh Water Brine | 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 | 1350 | 650 | 0 |
| Prod | 7.875 | 5.5 | 17 | 4500 | 950 | 0 |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| Туре | 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. I further certify that the drilling pit will be constructed according to | OIL CONSERVATION DIVISION | | | | | |
|--|---|--|--|--|--|--|
| NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan . | Approved By: Paul Kautz | | | | | |
| Printed Name: Electronically filed by Lana Williams | Title: Geologist | | | | | |
| Title: Engineering Tech | Approved Date: 7/18/2008 Expiration Date: 7/18/2010 | | | | | |
| Email Address: lana.williams@apachecorp.com | 60.00 | | | | | |
| Date: 7/8/2008 Phone: 918-491-4900 | | | | | | |

District I

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

<u>District II</u>

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

<u>District III</u> 1000 Rio Brazos Rd., Azzec, 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 78211

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

| *** | ELL LOCATION AND ACKE | AGE DEDICATION FE | AI . | | |
|---------------------------|-------------------------------|--------------------------|--------------------|--|--|
| 1. API Number | 2. Pool Code | 3. Pool Name | | | |
| 30-025-39015 | 50350 | PENROSE SKELLY; GRAYBURG | | | |
| 4. Property Code 23112 | 5. Property 1 SOUTHLAND RO | | 6. Well No. 028 | | |
| 7. OGRID No. | 8. Operator 1 | 9. Elevation | | | |
| 873 | APACHE C | | 3465 | | |

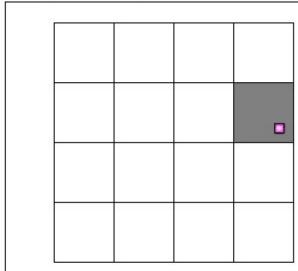
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| Н | 9 | 21S | 37E | | 2310 | N | 330 | E | LEA |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | | Range | Lot | Lot Idn Feet From N/S Li | | ine | Feet From | E/W Line | County | |
|------------------------------|---------|----------|-------|-----------------|-----|--------------------------|-------------------|------|-----------|----------|---------------|--|
| 12. Dedicated Acres 40.00 | | | 13. 1 | Toint 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, 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.

E-Signed By: Lana Williams Title: Engineering Tech Date: 7/8/2008

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: RONALD EIDSON

Date of Survey: 1/4/2008 Certificate Number: 3239

Permit Comments

Operator: APACHE CORP, 873 Well: SOUTHLAND ROYALTY A #028

30-025-39015 API:

| Created By | Comment | Comment Date |
|---------------|---|-----------------|
| DMULL | OCD Hobbs has received form C-144 "Pit Registration". OCD Permit Number P1- 00179. | 7/18/2008 |