State of New Mexico

Form C-101 Permit 100246

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

	Name and Address CHE CORP	OGRID Number 873
63.00 76.00	0 S. YALE A , OK 74136	3. API Number 30-025-39489
4. Property Code	5. Property Name	6. Well No.
36908	MAGNOLIA	003

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	11	20S	38E	E	2260	N	330	W	LEA

8. Pool Information

0.100.1110.111	
HOUSE;BLINEBRY	33230
HOUSE;TUBB	78760
HOUSE:DRINKARD	33250

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lesse Type Private	13. Ground Level Elevation 3582	
14. Multiple Y	15. Proposed Dep 7350	h 16. Formation Drinkard	17. Contractor	18. Spud Date 9/5/2009	
Depth to Ground	water	Distance from nearest fresh wa	iter well	Distance to nearest surface water	
Pit: Liner: Synthetic Closed Loop Syster	mils th	ck Clay Pit Volume: bi	bls Drilling Method: Fresh Water X Brine I	Diesel/Oil-based Gas/Air	

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	1600	750	0
Prod	7.875	5.5	17	7350	1250	0

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

	Troposca Blowdat Trevention Trogram										
Type	Working Pressure	Test Pressure	Manufacturer								
DoubleRam	3000	2000									

I hereby certify that the information given of my knowledge and belief. I further certify that the drilling pit w	The state of the s	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist				
NMOCD guidelines , a general perm OCD-approved plan .						
Printed Name: Electronically filed	by Lana Williams					
Title: Engineering Tech		Approved Date: 8/13/2009 Expiration Date: 8/13/2011				
Email Address: lana.williams@apa	achecorp.com					
Date: 8/6/2009	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

Form C-102 Permit 100246

Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39489	2. Pool Code 33230	3. Pool Name HOUSE;BLINEBRY
4. Property Code 36908	5. Property Nar MAGNOLI	
7. OGRID No. 873	8. Operator Nar APACHE CO	

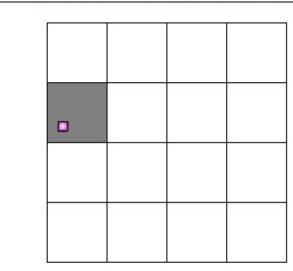
10. Surface Location

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	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
	E	11	20S	38E	In the second of	2260	N	330	W	LEA	

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot	Idn	Feet From	N/S L	ine	Feet From	E/W Line	County
2.000	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, 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: 8/6/2009

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: 7/30/2009 Certificate Number: 3239 District I

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

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Form C-102

Permit 100246

Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number	2. Pool Code	3. Pool Name	
30-025-39489	78760	HOUSE;TUBB	
4. Property Code	5. Property 1	Name 6. Wett No.	
36908	MAGNO	LIA 003	
7. OGRID No.	8. Operator 2	Name 9. Elevation	
873	APACHE (ORP 3582	

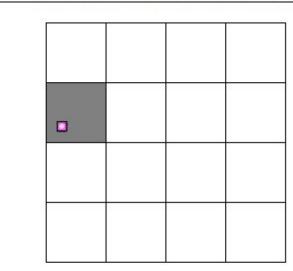
10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
E	11	20S	38E	1,44	2260	N	330	W	LEA	

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn		Feet From	N/S L	ine	Feet From	E/W Line	County
V.1121.001	12. Dedicated Acres 40.00		Joint or Infill		14	. Consolidation (Code			15. Order No.	

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Energy, Minerals and Natural Resources Oil Conservation Division

1220 S. St Francis Dr. Santa Fe, NM 87505

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***	LEE LOCATION AND ACIEL	IGE DEDICATION LEAT
1. API Number	2. Pool Code	3. Pool Name
30-025-39489	33250	HOUSE;DRINKARD
4. Property Code	5. Property No	ame 6. Wett No.
36908	MAGNOL	IA 003
7. OGRID No.	8. Operator No	ame 9. Elevation
873	APACHE CO	ORP 3582

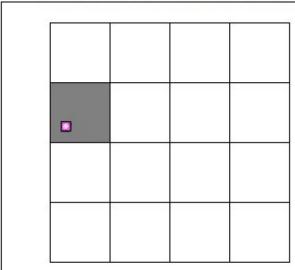
10. Surface Location

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Š	UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	
	F.	11	208	38F.	Alexander 1	2260	N	330	W	LEA	

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn		Feet From	N/S L	ine	Feet From	E/W Line	County
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Surveyed By: Ronald Eidson Date of Survey: 7/30/2009 Certificate Number: 3239

Permit Comments

Operator: APACHE CORP, 873
Well: MAGNOLIA #003
API: 30-025-39489

Created By	Comment	Comment Date
CJONES	Donna, we will send out the C144 in the mail on Friday, 8/7/09. It should show up at you office early next week. Thanks Curt	8/6/2009

Permit Conditions of Approval

Operator: APACHE CORP , 873 Well: MAGNOLIA #003 API: 30-025-39489

OCD Reviewer	Condition
DMULL	Will require the form C-103 per R-11363 "Pre Approved Pools and Area" for Downhole commingling before multiple zones can be produced by commingling in the wellbore accordance with the procedure set forth in Rule 303 C(3)(b).