State of New Mexico

Form C-101 Permit 131242

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 |
|-----------------------|---------------------|----------------|---------|--------------|------------------|
| THE LECTION OF COLUMN | TELLUITI IO DIGIELE | . ILL LIVILLIA | | I LUCUDATOR. | OIL LIDD II DOLL |

| APA | r Name and Address ACHE CORP | OGRID Number 873 | |
|----------------------------|-------------------------------------|-------------------------------|--|
| | rans Airpark Lane nd, TX 79705 | 3. API Number 30-015-39010 | |
| 4. Property Code 309164 | 5. Property Name EMPIRE ABO UNIT | 6. Wett No. 418 | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| В | 16 | 188 | 27E | В | 1110 | N | 1625 | E | EDDY |

8. Pool Information

| EMPIRE; ABO | 22040 |
|--------------------|-------|
| LIVII II L., III C | 22040 |

Additional Well Information

| | No. | . Idditional if the Inter | muuu | | |
|------------------------------------|-------------------------|--------------------------------|---|-----------------------------------|--|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable Rotary | 11. Cable/Rotary 12. Lease Type State | | |
| 14. Multiple N | 15. Proposed De 6400 | pth 16. Formation Abo | | | |
| Depth to Ground | water | Distance from nearest fresh wa | ster well | Distance to nearest surface water | |
| Liner: Synthetic Closed Loop Syste | mils | hick Clay Pit Volume: b | 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 | 500 | 360 | |
| Prod | 7.875 | 5.5 | 17 | 6400 | 1080 | |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer | | | | | |
|--------|------------------|---------------|--------------|--|--|--|--|--|
| Hydril | 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: Randy Dade | | | | |
| Printed Name: Electronically filed by Bobby Smith | Title: District Supervisor | | | | |
| Title: | Approved Date: 5/4/2011 Expiration Date: 5/4/2013 | | | | |
| Email Address: bobby.smith@apachecorp.com | J. Commercial Commerci | | | | |
| Date: 5/3/2011 Phone: 432-818-1020 | 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

Permit 131242

Form C-102

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 |
|----------------------------|----------------------------------|--------------|
| 30-015-39010 | 22040 | EMPIRE; ABO |
| 4. Property Code 309164 | 5. Property Name EMPIRE ABO U | |
| 7. OGRID No. | 8. Operator Name | 9. Elevation |
| 873 | APACHE COR | 3458 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| В | 16 | 188 | 27E | | 1110 | N | 1625 | E | EDDY |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot | Idn | Feet From | N/S Lin | ne | Feet From | E/W Line | County |
|---------------|-------------|----------|-----------------|-----|-----|-------------------|---------|----|-----------|---------------|--------|
| 0.500 100 100 | 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: Bobby Smith

Title:

Date: 5/3/2011

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: 4/13/2011 Certificate Number: 3239

Permit Comments

Operator: APACHE CORP , 873 Well: EMPIRE ABO UNIT #418

API: 30-015-39010

| Created By | Comment | Comment Date | |
|------------|----------|--------------|--|
| Artesia | Land S/S | 5/4/2011 | |

Permit Conditions of Approval

Operator: APACHE CORP , 873 Well: EMPIRE ABO UNIT #418

API: 30-015-39010

| OCD Reviewer | Condition |
|-----------------|--|
| Artesia | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |