



HOBBS OCD

MAR 06 2012

SURFACE USE PLAN OF OPERATIONS

LOCKHART B 12 #12 Lease #: NMLC – 0032096B
SHL: 415' FNL & 660' FEL UL: A SEC: 12 T21S R37E
Lea County, NM

RECEIVED

EXISTING ROADS

- A. Proposed Well Site Location:

"SEE EXHIBIT 1 "

- B. Existing Roads:

From the Mile Marker 36 of Hwy 18, go South 0.5 miles to lease road, on lease road go East 0.3 miles to lease road, on lease road go North 0.3 miles then turning East again for 0.3 miles to lease road, on lease road go North 0.1 mile to proposed lease road.

- C. Existing Road Maintenance or Improvement Plan:

"SEE EXHIBIT 1 "

NEW OR RECONSTRUCTED ACCESS ROADS

- A. Route Location

The existing lease roads will be used to the extent possible. Approx 1420.3' of new road to the drilling pad will be required.

- B. Width, Max Grade, Turnout Ditches, Culverts, Cattle Guards, & Surface Equipment

All lease roads will be graded in compliance with BLM standards. All new & reconstructed roads will have a width & "crown design" (i.e. The max width of the driving surface will be 14'. The road will be crowned & ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled & compacted caliche.) If required, culverts and cattle guards will be set per BLM Specs.

LOCATION OF EXISTING WELLS

- A. *"EXHIBIT 2 "* indicates existing wells within a one mile radius of the proposed location.

LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. Existing production facilities are located at the East Blinebry Drinkard Unit Satellite #2.

- B. New Facilities in the Event of Production

In the event well is productive, APACHE will install a new 3" NUPI rated 300psi up to 140 deg surface flow line, approx 10870' in length, to the existing East Blinebry Drinkard Unit Satellite #2 location following existing lease roads. Apache also plans to install approx 2647' of new electrical line to an existing power line. *"SEE EXHIBIT 1 and 1A".*

- C. Rehabilitation of Disturbed Areas Unnecessary for Production

Following the construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography *"SEE PLANS FOR RESTORATION OF THE SURFACE"*

LOCATION AND TYPE OF WATER SUPPLY

- A. All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via existing and/or proposed access roads. No water source wells will be drilled and no surface water will be utilized.

MAR 08 2012

CONSTRUCTION MATERIALS

A. Materials

On-site caliche will be used for any required access road and/or well site pad. If necessary, caliche will be hauled from a BLM approved pit. No surface materials will be disturbed except those necessary for actual grading and construction of the drill site and access road.

METHODS FOR HANDLING WASTE DISPOSAL

A. Cuttings

Cuttings will be contained in roll off bins and disposed of hauled to a state approved disposal facility.

B. Drilling Fluids

Drilling fluids will be contained in steel pits, frac tanks and disposed at licensed disposal sites and/or will be cleaned and reused.

C. Produced Fluids

Water production will be contained in steel pits. Fluids may be cleaned and reused and/or disposed at a state approved facility. Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks until sold and hauled from site.

D. Salts

Salts remaining after completion will be picked up by supplier, including broken sacks.

E. Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with. A Port-a-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well. Port-a-John will be cleaned out periodically.

F. Garbage

Receptacles for garbage disposal during the drilling of this well will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site.

G. Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicates potential productive zones. Reasonable cleanup will be performed prior to the final restoration of the site.

ANCILLARY FACILITIES

- A. Upon completion, and/or testing of this well, rental tank facilities will be utilized until permanent storage is established. No camps, airstrips or staging are anticipated to be constructed.

WELLSITE LAYOUT

A. Rig Orientation and Layout

"EXHIBIT 5 " shows the dimensions of the well pad, closed loop system and the location of the major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B. Closed Loop System

A Closed Loop System will be used. Cuttings will be stored in steel roll off bins until they are hauled to a state approved disposal facility. A C-144 has been submitted to the appropriate OCD district office for approval.

"SEE EXHIBIT 4"

C. Location of Access Road

"SEE EXHIBIT 5 "

PLANS FOR SURFACE RECLAMATION

A. Reserve Pit Cleanup

Not applicable. Closed Loop System will be used.

B. Restoration Plans (Production Developed) “SEE EXHIBIT 6”

Those areas not required for production will be graded to blend with the surrounding topography. Topsoil from the soil pile will be loaded over the disturbed area to the extent possible and will be seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. This may need to be modified in certain circumstances to prevent inundation of the locations' pad and surface facilities. Due to the topography of the area, no problems are anticipated and no erosion or other detrimental effects are expected as a result of this operation. Following depletion and abandonment of the site, restoration procedures will be those that follow under “ITEM C” of “PLANS FOR SURFACE RECLAMATION”.

C. Restoration Plans (No Production Developed)

With no production developed, the entire surface disturbed by construction of the well site will be restored as closely as possible to its pre-operation appearance, including re-vegetation. The site will be contoured to blend with the surrounding topography with provisions made to minimize erosion. The topsoil, as available, shall be placed in a uniform layer and seeded according to the Bureau of Land Management's stipulations. Due to the topography of the area, no problems are anticipated and no erosion or other detrimental effects are expected as a result of this operation.

D. Rehabilitation's Timetable

Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

SURFACE OWNERSHIP

A. Surface Ownership of drill site & access routes

Surface is state owned by the State of New Mexico and is leased to William Paige McNeill, PO Box 1092, Hobbs, NM, 88241. The surface has multiple uses with the primary use of the region for the grazing of livestock and the production of oil & gas.

OTHER INFORMATION

A. Terrain, Soil, Vegetation, Wildlife, Surface Use

The vegetation at the well site is grassland. The topsoil is very sandy in nature. Plants are sparse which may include Plains Lovegrass and Sand Dropseed. No wildlife was observed but it is likely that deer, rabbits, coyotes & rodents traverse the area, which are all typical of the semi-arid desert land. There are no ponds or streams in the proximity of the location. No dwelling within 1.5 miles of location.

B. Surface Water

There are no ponds, lakes, streams or rivers within several miles of the proposed location.

C. Water Wells

No known water wells within 1-1/2 miles of the proposed location.

D. Residences and Buildings

No dwellings within the immediate vicinity of the proposed location.

E. Historical Sites

None observed.

F. Archeological Resources

An archeological survey has been performed and submitted to the BLM by Boone Archeological Services LLC, NMCRIS #122041. Any location or construction conflicts will be resolved before construction begins.

G. Well Signs

Well signs will be in compliance per State requirements and specifications.

H. Drilling Contractor

Pending

OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use)

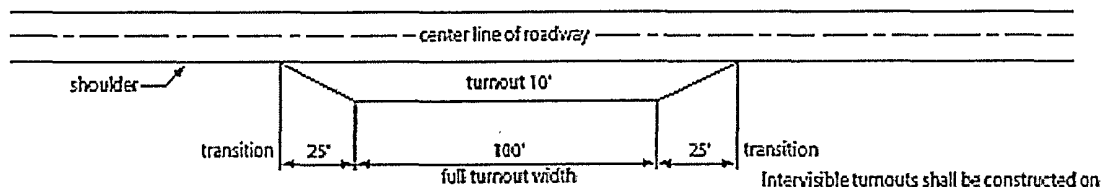
DRILLING

Danny Laman
Drilling Superintendent
303 Veterans Airpark Ln #3000
Midland, TX 79705
432-818-1022 - office
432-634-0288 – cell

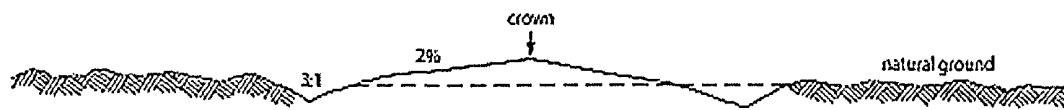
PRODUCTION

Travis Carnes
Sr. Production Foreman
2350 W. Marland Blvd
Hobbs, NM 88240
575-393-2144 – w
432-425-2962 – c

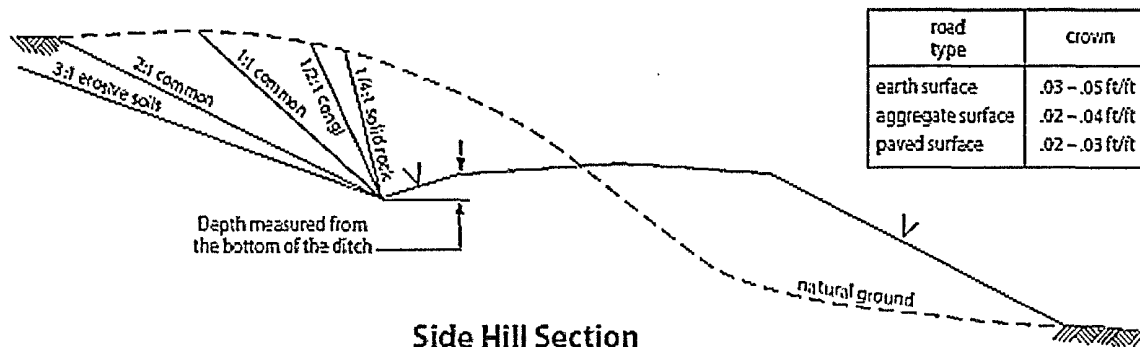
Cross Sections and Plans for Typical Road Sections



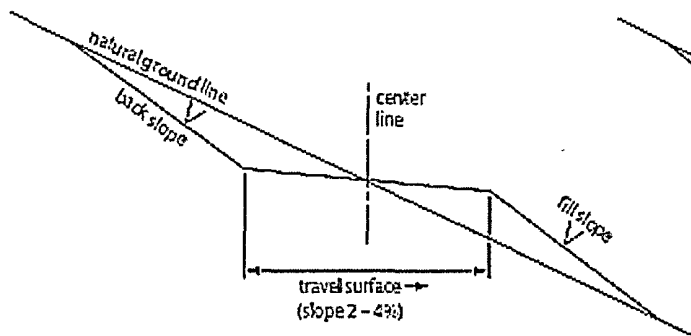
Typical Turnout Plan



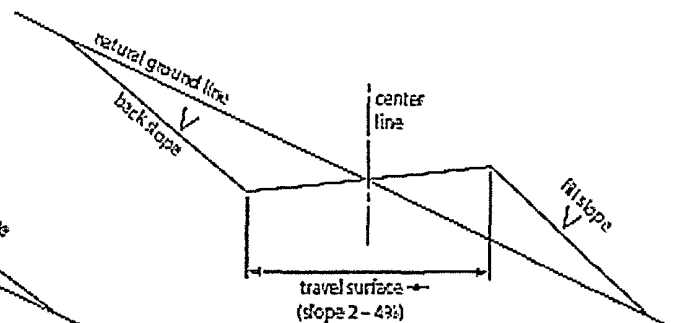
Level Ground Section



Side Hill Section



Typical Outsloped Section



Typical Insloped Section

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

OPERATOR CERTIFICATION

I HEARBY CERTIFY THAT I, OR SOMEONE UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE DRILL SITE AND ACCESS ROUTE PROPOSED HEREIN; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH CURRENTLY EXIST; THAT I HAVE FULL KNOWLEDGE OF STATE AND FEDERAL laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 24 day of October, 2011

Well: LOCKHART B 12 #12

Operator Name: APACHE CORPORATION

Signature: Jeremy Ward Printed Name: JEREMY WARD

Title: Drilling Engineer Date: 10/24/2011

Email (optional): jeremy.ward@apachecorp.com

Street or Box: 303 Veterans Airpark Ln., Ste. 3000

City, State, Zip Code: Midland, TX 79705

Telephone: 432-818-1024

Field Representative (if not above signatory): _____

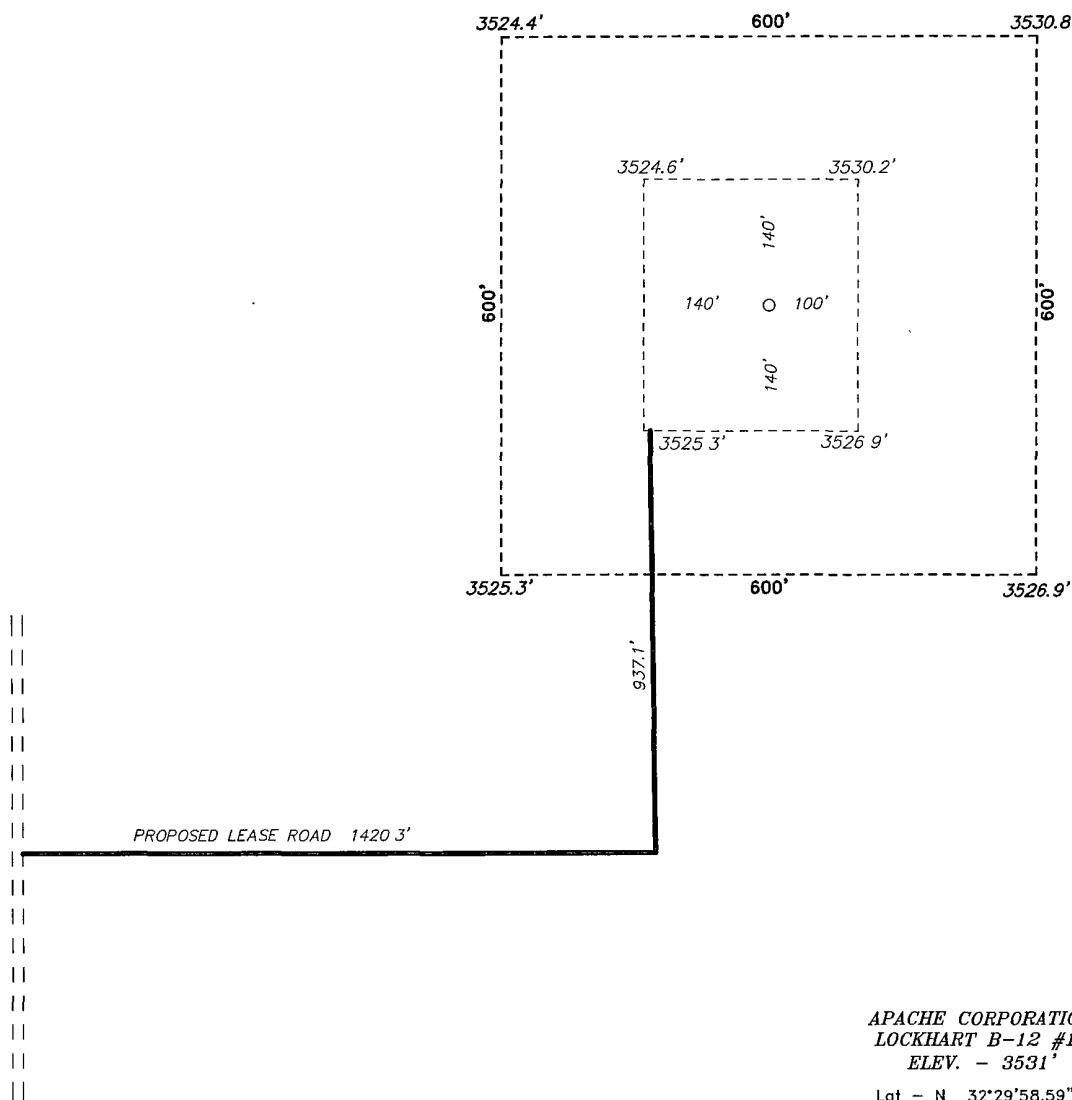
Address (if different from above): _____

Telephone (if different from above): _____

Email (optional): _____

Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

SECTION 9, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



APACHE CORPORATION
LOCKHART B-12 #12
ELEV. - 3531'

Lat - N 32°29'58.59"
Long - W 103°06'36.89"
NMSPCE- N 547650.54
E 918421.86
(NAD-83)

Lat - N 32°29'58.16"
Long - W 103°06'35.19"
NMSPCE- N 547591.380
E 877237.972
(NAD-27)

200 0 200 400 FEET
SCALE: 1" = 200'

Directions to Location:

FROM THE MILE MARKER 36 OF HWY 18; GO SOUTH
0.5 MILES TO LEASE ROAD, ON LEASE ROAD GO
EAST 0.3 MILES TO LEASE ROAD, ON LEASE ROAD
GO NORTH 0.3 MILES THENCE TURNING EAST AGAIN
FOR 0.3 MILES TO LEASE ROAD, ON LEASE ROAD GO
NORTH 0.1 MILES TO PROPOSED LEASE ROAD

APACHE CORPORATION

REF: LOCKHART B-12 #12 / WELL PAD TOPO

THE LOCKHART B-12 #12 LOCATED 415'

FROM THE NORTH LINE AND 660' FROM THE EAST LINE OF
SECTION 12, TOWNSHIP 21 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

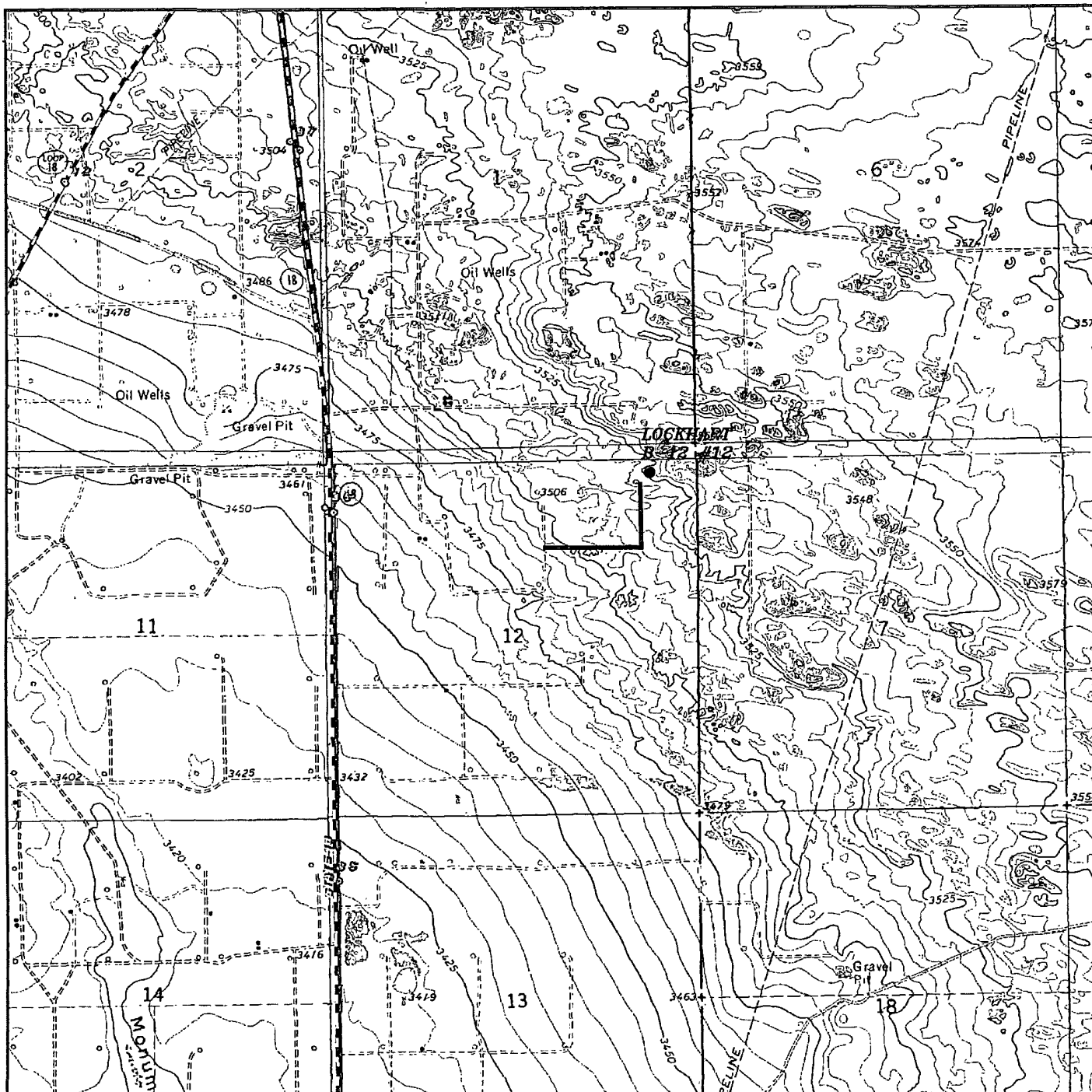
BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 24880 Drawn By: J. SMALL

Date: 07-26-2011 Disk: JMS 24880

Survey Date: 07-19-2011

Sheet 1 of 1 Sheets



LOCKHART B-12 #12
 Located 415' FNL and 660' FEL
 Section 12, Township 21 South, Range 37 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 24880

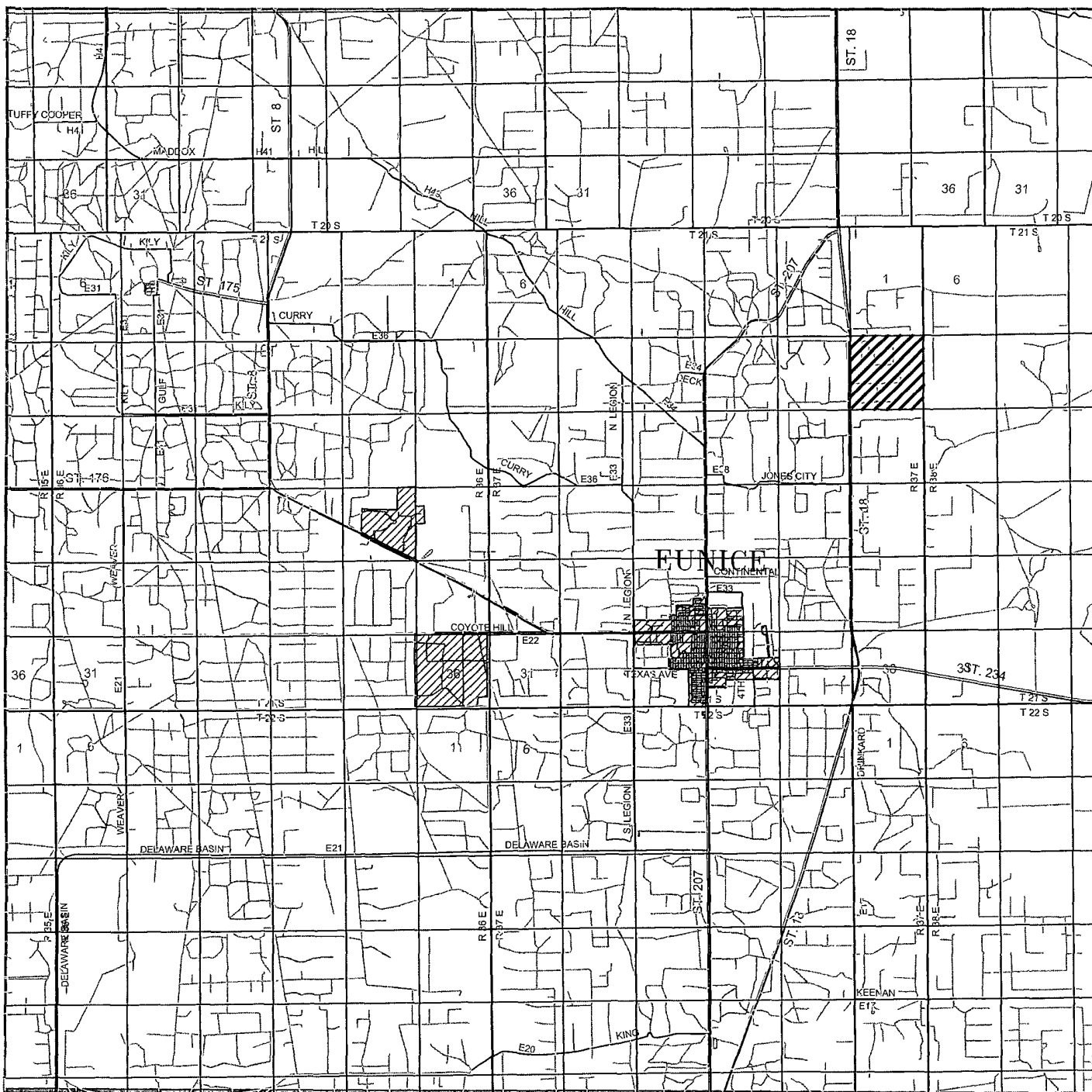
Survey Date: 07-19-2011

Scale: 1" = 2000'

Date: 07-26-2011



APACHE
 CORPORATION



LOCKHART B-12 #12

Located 415' FNL and 660' FEL

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N.M.P.M., Lea County, New Mexico.

basin
surveys
focused on excellence
in the oilfield

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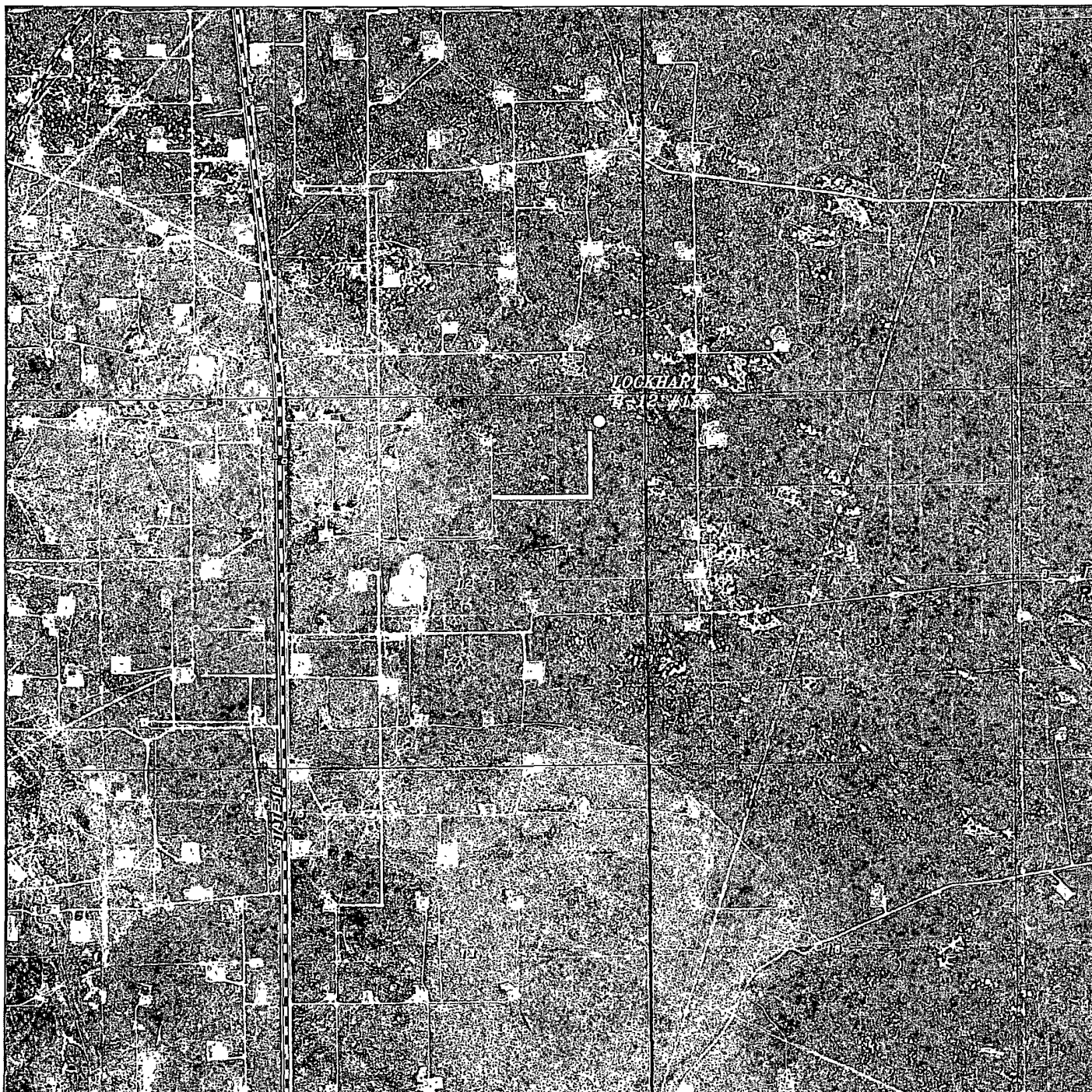
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Scale: 1" = 2 Miles

Date: 07-26-2011

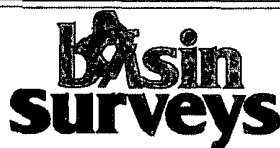
APACHE
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Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND



APACHE
CORPORATION

APACHE CORPORATION

Lockhart B-12 #12

UL: A Sec: 12 T21S R37E Lea Co

415' FNL & 660' FEL

1 MILE RADIUS

POSTED WELL DATA

Well Number ●

nearest well ~ 775'

- WELL SYMBOLS**
- Abandoned Oil Well
 - BTD LOCATION
 - Dry Hole
 - Deeper Exploratory
 - Location Only
 - Non Apache
 - Oil Well
 - Plugged & Abandoned Oil Well
 - Proposed Loc, Not Approved
 - Temporarily Abandoned
 - Plugged and Abandoned
 - Active Producer
 - Producing Oil Shut In
 - Temporarily Abandoned Oil Well
 - Plugged Injection
 - Active Injection

0 1,833 3,666
FEET

September 29, 2011

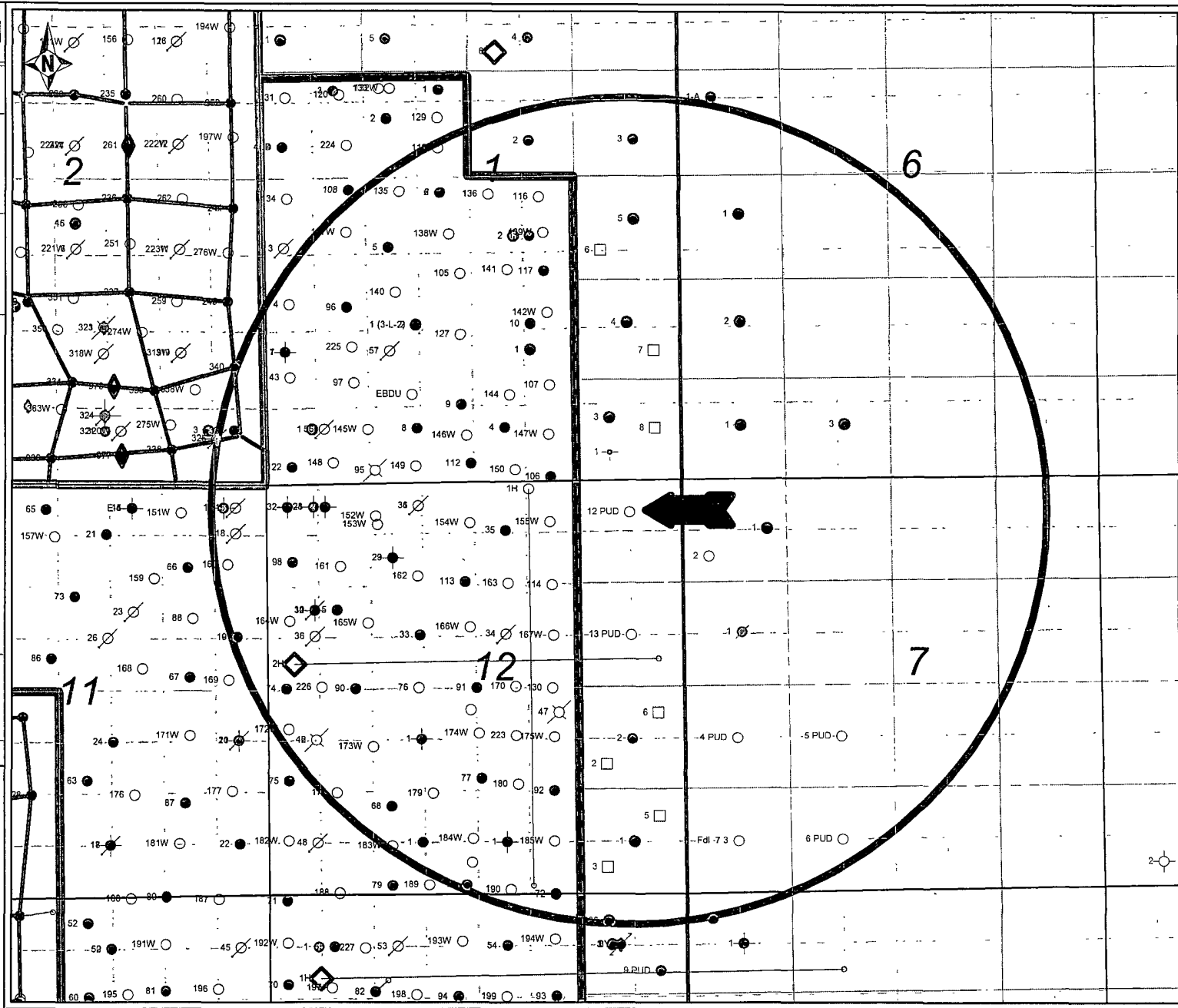


Exhibit 1

SECTION 9, TOWNSHIP 20 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

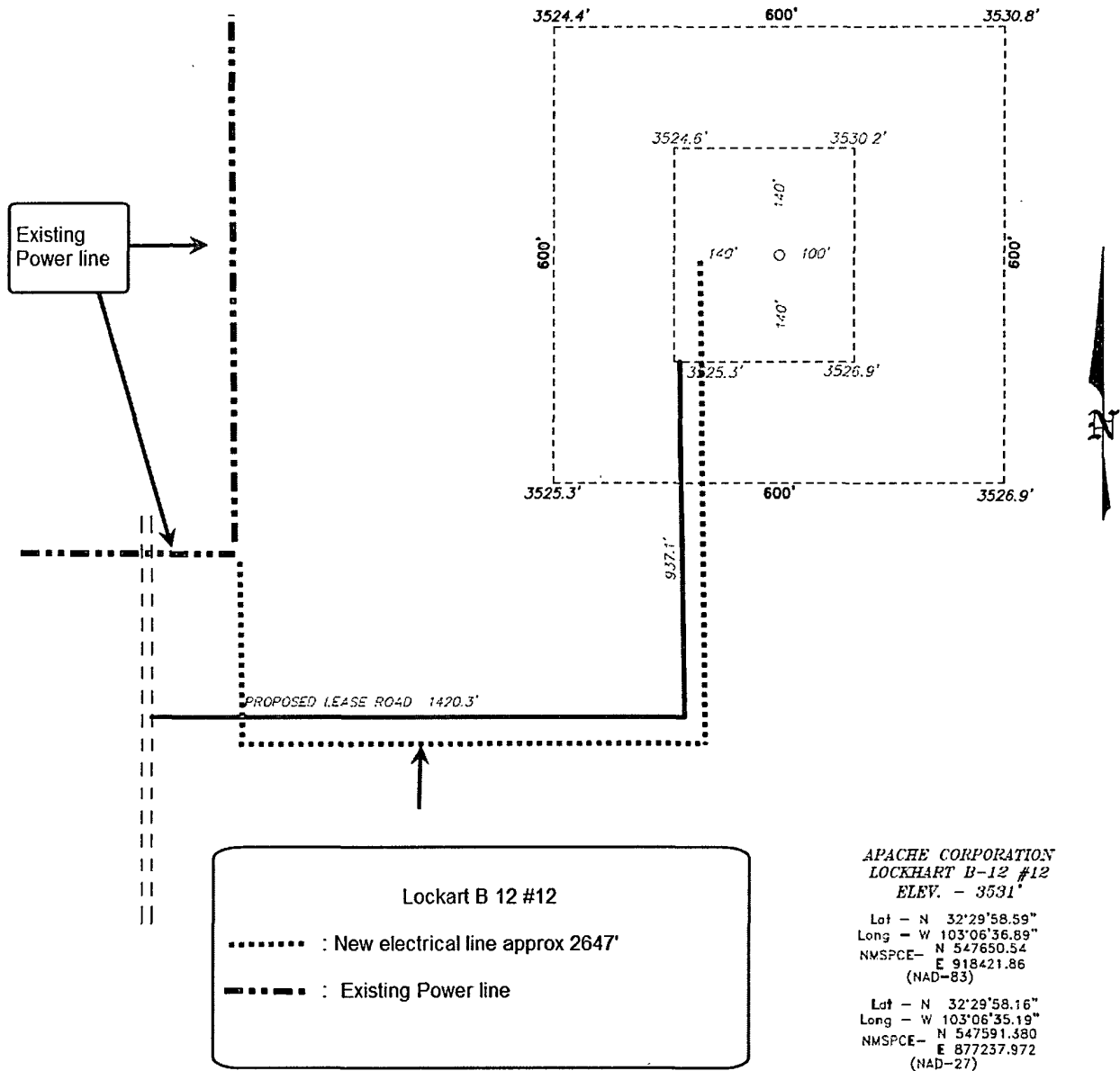
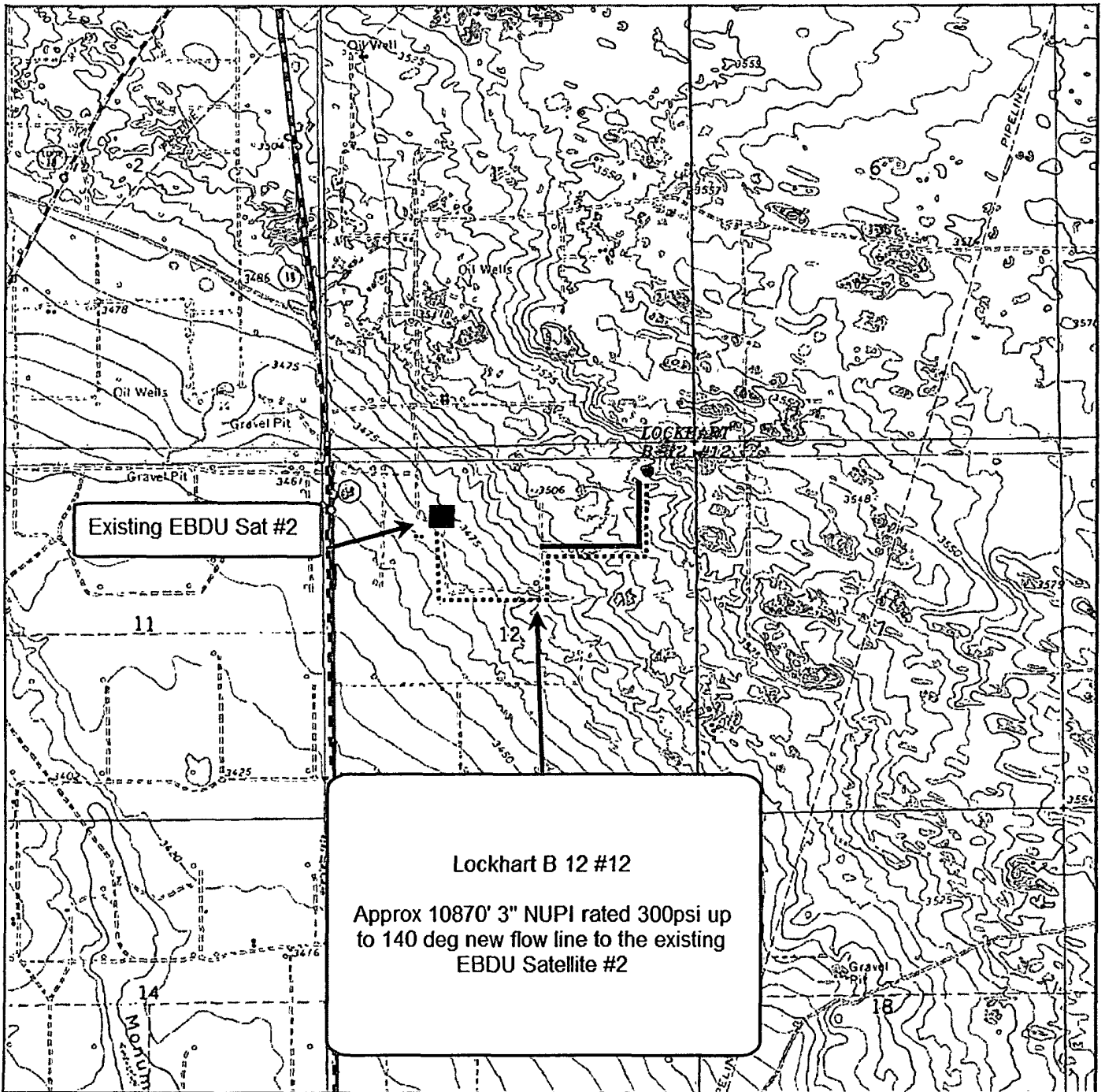


Exhibit 1A



LOCKHART B-12 #12
Located 415' FNL and 660' FEL
Section 12, Township 21 South, Range 37 East,
N.M.P.M., Lea County, New Mexico.