

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 APACHE CORP 6120 S. YALE TULSA , OK 74136 | | 2. OGRID Number 873 |
| | | 3. API Number 30-025-37712 |
| 4. Property Code 22503 | 5. Property Name NORTHEAST DRINKARD UNIT | 6. Well No. 338 |

7. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|
| UL - Lot P | Section 2 | Township 21S | Range 37E | Lot Idn P | Feet From 430 | N/S Line S | Feet From 1165 | E/W Line E | County LEA |
|---------------|--------------|-----------------|--------------|--------------|------------------|---------------|-------------------|---------------|---------------|

8. Pool Information

| | |
|-------------------------|-------|
| EUNICE,BLI-TU-DR, NORTH | 22900 |
|-------------------------|-------|

Additional Well Information

| | | | | |
|--|--|---------------------------|-----------------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type State | 13. Ground Level Elevation 3469 |
| 14. Multiple N | 15. Proposed Depth | 16. Formation Drinkard | 17. Contractor | 18. Spud Date 3/23/2006 |
| Depth to Ground water 72 | Distance from nearest fresh water well | | Distance to nearest surface water | |
| Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input checked="" type="checkbox"/> Fresh Water <input 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 | 1300 | 575 | |
| Prod | 7.825 | 5.5 | 17 | 7000 | 1100 | |

Casing/Cement Program: Additional Comments

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

Proposed Blowout Prevention Program

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

| | | |
|--|---|---------------------------------|
| 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 NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . | OIL CONSERVATION DIVISION | |
| | Approved By: Paul Kautz | |
| | Title: Geologist | |
| | Approved Date: 2/17/2006 | Expiration Date: 2/17/2007 |
| | Printed Name: Electronically filed by Lana Williams | |
| | Title: Sr. Department Clerk | |
| Email Address: lana.williams@apachecorp.com | | |
| Date: 2/16/2006 | 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

Form C-102
 Permit 23714

State of New Mexico
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 30-025-37712 | 2. Pool Code 22900 | 3. Pool Name EUNICE,BLI-TU-DR, NORTH |
| 4. Property Code 22503 | 5. Property Name NORTHEAST DRINKARD UNIT | 6. Well No. 338 |
| 7. OGRID No. 873 | 8. Operator Name APACHE CORP | 9. Elevation 3469 |

10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 2 | 21S | 37E | | 430 | S | 1165 | E | LEA |

11. Bottom Hole Location If Different From Surface

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|------------------------------|---------|---------------------|-------|------------------------|-----------|---------------|-----------|----------|--------|
| 12. Dedicated Acres 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

| | |
|--|--|
| | <p>OPERATOR CERTIFICATION</p> <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 Title: Sr. Department Clerk Date: 2/16/2006</p> |
| | <p>SURVEYOR CERTIFICATION</p> <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 Date of Survey: 5/31/2005 Certificate Number: 12641</p> |

Permit Comments

Operator: APACHE CORP , 873

Well: NORTHEAST DRINKARD UNIT #338

API: 30-025-37712

| Created By | Comment | Comment Date |
|------------|---|--------------|
| LWILLIAMS | THIS WELL COULD POSSIBLY USE OPEN PITS DEPENDING ON CLOSED LOOP EQUIPMENT AVAILABILITY. | 2/16/2006 |

Permit Conditions of Approval

Operator: APACHE CORP , 873

Well: NORTHEAST DRINKARD UNIT #338

API: 30-025-37712

| OCD Reviewer | Condition |
|-----------------|---|
| 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 |

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I

1625 N. FRANCES DR., BOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | |
|---------------|-------------------------------------|--------------------|
| API Number | Pool Code | Pool Name |
| Property Code | Property Name NEDU | Well Number 338 |
| OGRD No. | Operator Name APACHE CORPORATION | Elevation 3469' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 2 | 21-S | 37-E | | 430 | SOUTH | 1165 | EAST | LEA |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | 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

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------------------|---|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|-----------|-----------|-----------|-----------|--|--|---|
| <table border="1"> <tr> <td>LOT 4</td> <td>LOT 3</td> <td>LOT 2</td> <td>LOT 1</td> </tr> <tr> <td>37.42 AC. LOT 5</td> <td>37.32 AC. LOT 6</td> <td>37.24 AC. LOT 7</td> <td>37.14 AC. LOT 8</td> </tr> <tr> <td>40.00 AC. LOT 12</td> <td>40.00 AC. LOT 11</td> <td>40.00 AC. LOT 10</td> <td>40.00 AC. LOT 9</td> </tr> <tr> <td>40.00 AC. LOT 13</td> <td>40.00 AC. LOT 14</td> <td>40.00 AC. LOT 15</td> <td>40.00 AC. LOT 16</td> </tr> <tr> <td>40.00 AC.</td> <td>40.00 AC.</td> <td>40.00 AC.</td> <td>40.00 AC.</td> </tr> </table> | LOT 4 | LOT 3 | LOT 2 | LOT 1 | 37.42 AC. LOT 5 | 37.32 AC. LOT 6 | 37.24 AC. LOT 7 | 37.14 AC. LOT 8 | 40.00 AC. LOT 12 | 40.00 AC. LOT 11 | 40.00 AC. LOT 10 | 40.00 AC. LOT 9 | 40.00 AC. LOT 13 | 40.00 AC. LOT 14 | 40.00 AC. LOT 15 | 40.00 AC. LOT 16 | 40.00 AC. | 40.00 AC. | 40.00 AC. | 40.00 AC. | <p>GEODETIC COORDINATES NAD 27 NME</p> <p>Y=548364.2 N X=871446.3 E</p> <p>LAT.=32°30'06.46" N LONG.=103°07'42.70" W</p> | | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Lana Williams</i> Signature</p> <p>Lana Williams Printed Name</p> <p>Sr. Dept. Clerk Title</p> <p>2/16/06 Date</p> |
| | LOT 4 | LOT 3 | LOT 2 | LOT 1 | | | | | | | | | | | | | | | | | | | |
| | 37.42 AC. LOT 5 | 37.32 AC. LOT 6 | 37.24 AC. LOT 7 | 37.14 AC. LOT 8 | | | | | | | | | | | | | | | | | | | |
| | 40.00 AC. LOT 12 | 40.00 AC. LOT 11 | 40.00 AC. LOT 10 | 40.00 AC. LOT 9 | | | | | | | | | | | | | | | | | | | |
| | 40.00 AC. LOT 13 | 40.00 AC. LOT 14 | 40.00 AC. LOT 15 | 40.00 AC. LOT 16 | | | | | | | | | | | | | | | | | | | |
| 40.00 AC. | 40.00 AC. | 40.00 AC. | 40.00 AC. | | | | | | | | | | | | | | | | | | | | |
| | | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 31, 2005</p> <p>Date Surveyed _____ LA</p> <p>Signature & Seal of Professional Surveyor <i>Gary E. Eudson</i> 6/6/05 05.11.0815</p> <p>Certificate No. GARY E. EUDSON 12841</p> | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| <p>SCALE - 1"=2000'</p> | | | | | | | | | | | | | | | | | | | | | | | |

State of New Mexico

Energy, Minerals and Natural Resources Department

DISTRICT I
1825 N. FRENCH DR., HOBBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

| | | | |
|---------------|-------------------------------------|-----------|--------------------|
| API Number | | Pool Code | Pool Name |
| Property Code | Property Name NEDU | | Well Number 338 |
| OGRID No. | Operator Name APACHE CORPORATION | | Elevation 3469' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| P | 2 | 21-S | 37-E | | 430 | SOUTH | 1165 | EAST | LEA |

Bottom Hole Location If Different From Surface

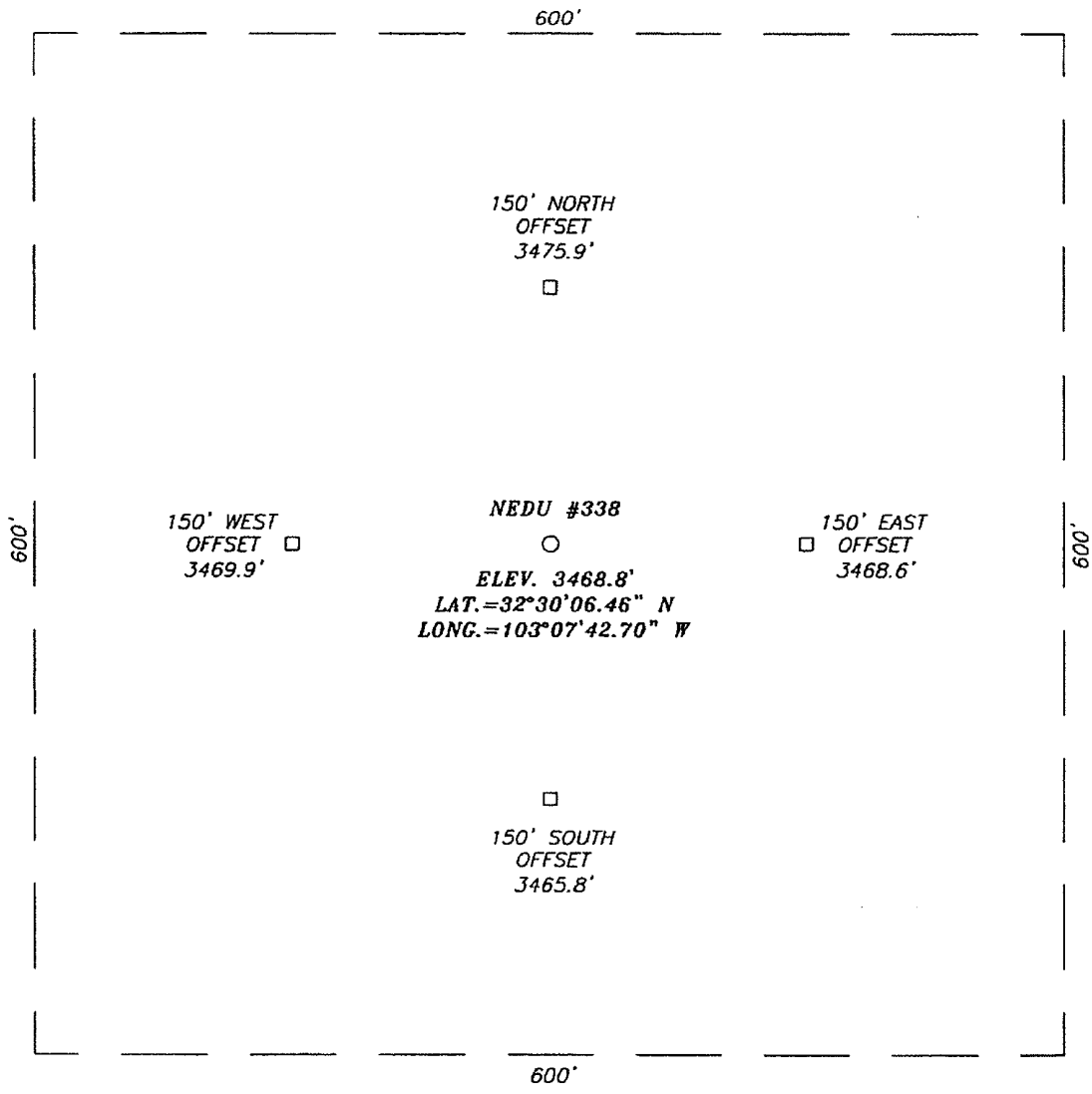
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| | | | |
|-----------------|-----------------|--------------------|-----------|
| Dedicated Acres | Joint or Infill | Consolidation Code | 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

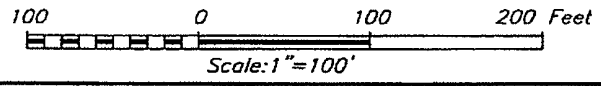
| | |
|--|--|
| | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Lana Williams</i> Signature</p> <p>Lana Williams Printed Name</p> <p>Sr. Dept. Clerk Title</p> <p>2/16/06 Date</p> |
| | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 31, 2005</p> <p>Date Surveyed LA</p> <p>Signature & Seal of Professional Surveyor</p> |
| | <p>05.11.0814</p> |
| | <p>Certificate No. GARY EIDSON 12641</p> |


SECTION 2, TOWNSHIP 21 SOUTH, RANGE 7 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO



DRIVING DIRECTIONS:

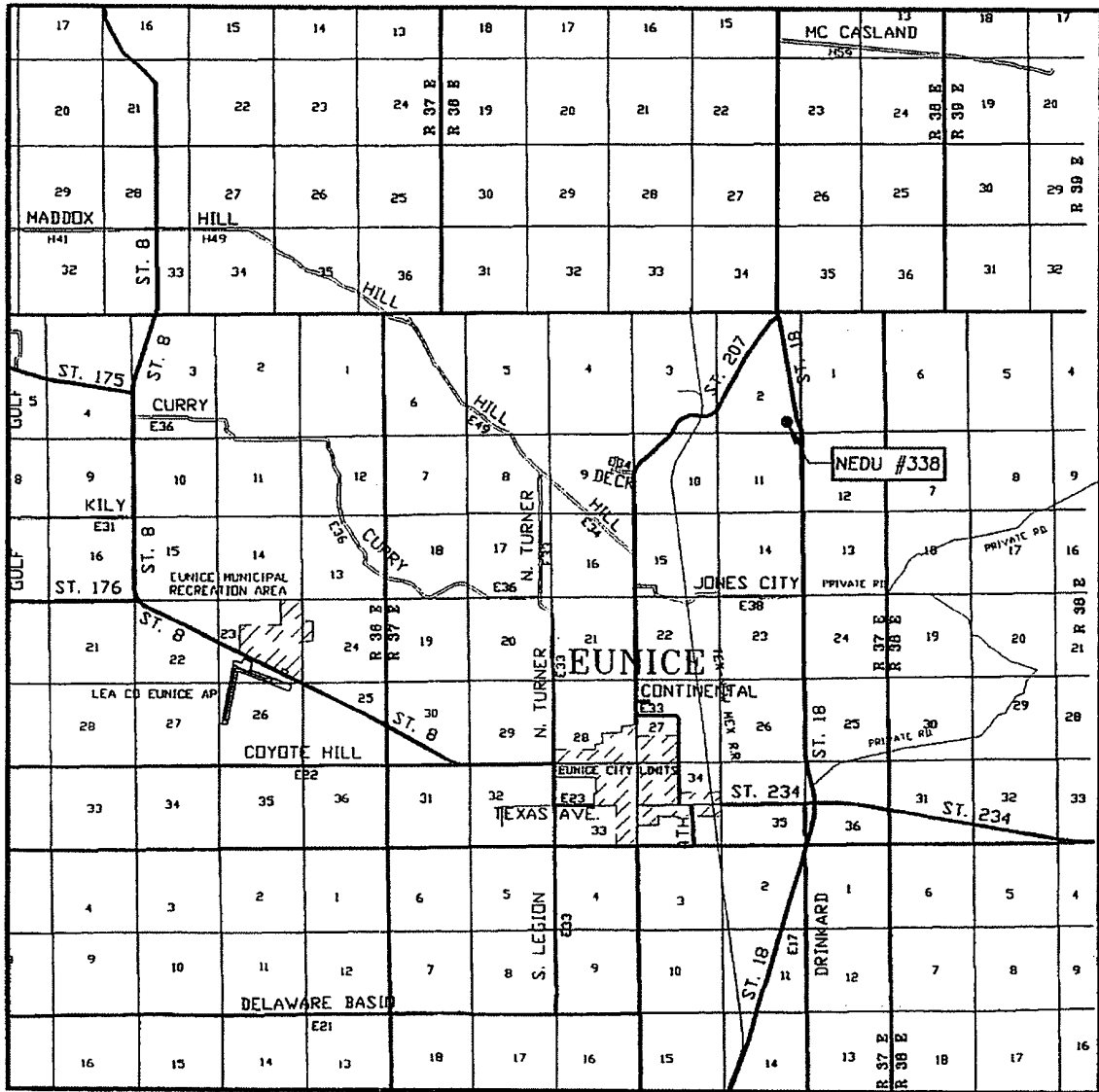
FROM THE INTERSECTION OF ST. HWY. #18 (EUNICE HWY. AND APACHE RD #24 TURN WEST-NORTHWEST ON ROAD #24 AND GO APPROX. 0.2 MILES TO A CALICHE ROAD ON THE LEFT. TURN LEFT AND GO SOUTH 0.3 MILES TO A "T" INTERSECTION. THIS LOCATION IS APPROX. 450' SOUTH.




 PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

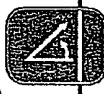
| | | | |
|--|---------------------|-----------|----------------|
| APACHE CORPORATION | | | |
| NEDU #338 WELL LOCATED 430 FEET FROM THE SOUTH LINE AND 1165 FEET FROM THE EAST LINE OF SECTION 2, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO. | | | |
| Survey Date: 5/31/05 | Sheet 1 of 1 Sheets | | |
| W.O. Number: 05.11.0815 | Dr By: LA | Rev 1:N/A | |
| Date: 6/2/05 | Disk: CD#4 | 05110815 | Scale: 1"=100' |

VICINITY MAP



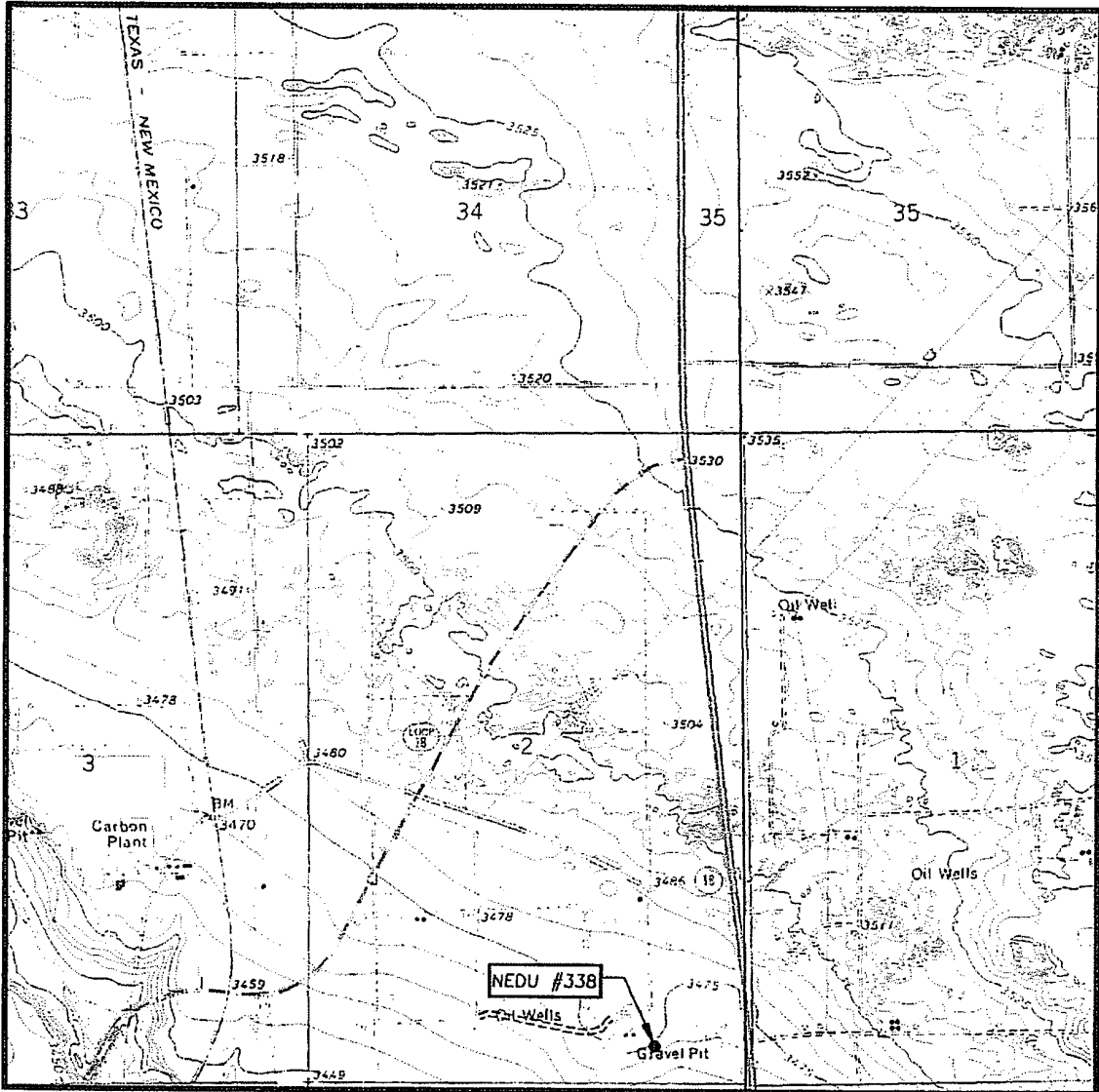
SCALE: 1" = 2 MILES

SEC. 2 TWP. 21-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 430' FSL & 1165' FEL
 ELEVATION 3469'
 OPERATOR APACHE CORPORATION
 LEASE NEDU



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 MORRIS, N.M. 88240
 (505) 383-3117

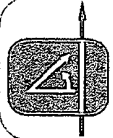
LOCATION VERIFICATION MAP




SCALE: 1" = 2000'

CONTOUR INTERVAL:
EUNICE, N.M. - 10'

SEC. 2 TWP. 21-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA
 DESCRIPTION 430' FSL & 1165' FEL
 ELEVATION 3469'
 OPERATOR APACHE CORPORATION
 LEASE NEDU
 U.S.G.S. TOPOGRAPHIC MAP
 EUNICE, N.M.



PROVIDING SURVEYING SERVICES
SINCE 1948
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 333-3117

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD **Sent:** Fri 2/17/2006 8:22 AM
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

They are okay

From: Mull, Donna, EMNRD
Sent: Friday, February 17, 2006 6:32 AM
To: Phillips, Dorothy, EMNRD
Subject: Financial Assurance Requirement

Operator's has APD's in District I for approval:

Apache Corp (873)
COG Operating LLC (229137)
Marbob Energy Corp (14049)