

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 30-025-38383 |
| 4. Property Code 23108 | 5. Property Name LIVINGSTON | 6. Well No. 023 |

7. Surface Location

| | | | | | | | | | |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot A | Section 4 | Township 21S | Range 37E | Lot Idn 9 | Feet From 2875 | N/S Line N | Feet From 400 | E/W Line E | County LEA |
|---------------|--------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|

8. Pool Information

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|-------------------------|-------|
| PENROSE SKELLY;GRAYBURG | 50350 |
|-------------------------|-------|

Additional Well Information

| | | | | |
|--|----------------------|--|---------------------------|------------------------------------|
| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lease Type Private | 13. Ground Level Elevation 3469 |
| 14. Multiple N | 15. Proposed Depth | 16. Formation Grayburg | 17. Contractor | 18. Spud Date 5/5/2007 |
| Depth to Ground water 46 | | 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 | 11 | 8.625 | 24 | 400 | 300 | |
| Prod | 7.875 | 5.5 | 17 | 4175 | 950 | |

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

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

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|--|---------------------------|----------------------------|
| 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 NMOCB guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCB-approved plan <input type="checkbox"/> . | OIL CONSERVATION DIVISION | |
| | Approved By: Paul Kautz | |
| | Title: Geologist | |
| | Approved Date: 4/11/2007 | Expiration Date: 4/11/2008 |
| | | |
| Printed Name: Electronically filed by Lana Williams | | |
| Title: Sr. Department Clerk | | |
| Email Address: lana.williams@apachecorp.com | | |
| Date: 4/10/2007 Phone: 918-491-4900 | | |

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

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Form C-102
 Permit 50939

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---------------------------------|---|
| 1. API Number 30-025-38383 | 2. Pool Code S0350 | 3. Pool Name PENROSE SKELLY,GRAYBURG |
| 4. Property Code 23108 | 5. Property Name LIVINGSTON | 6. Well No. 023 |
| 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 |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| A | 4 | 21S | 37E | 9 | 2875 | N | 400 | 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

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| | <p align="center">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, 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.</i></p> <p>E-Signed By: Lana Williams Title: Sr. Department Clerk Date: 4/10/2007</p> |
| | <p align="center">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: RONALD EIDSON Date of Survey: 3/27/2007 Certificate Number: 3239</p> |