<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(505) 393-6161 Fax:(505) 393-0720

State of New Mexico

Form C-101 Permit 104417

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 | |
|------------------|------------------------------|-------------------------------|--|
| 63.076.77 | 0 S. YALE A , OK 74136 | 3. API Number 30-025-39556 | |
| 4. Property Code | 5. Property Name | 6. Well No. | |
| 306608 | MARSHALL B | 012 | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| L | 27 | 218 | 37E | L | 2205 | S | 725 | W | LEA |

8. Pool Information

| PENROSE SKELLY:GRAYBURG | 50350 |
|--|-------|
| The state of the s | |

Additional Well Information

| 9. Work Type New Well | 10. Well Type OIL | 11. Cable/Rotary | 12. Lesse Type Private | 13. Ground Level Elevation 3417 | |
|---|-------------------------|-------------------------------|--|------------------------------------|--|
| 14. Multiple N | 15. Proposed De 4400 | oth 16. Formation Grayburg | 17. Contractor | 18. Spud Date | |
| Depth to Ground 25 | Water | Distance from nearest from | esh water well | Distance to nearest surface water | |
| it: Liner: Synthetic Closed Loop System | mils t | nick Clay Pit Volume: | bbls Drilling Method: Fresh Water X Brine | 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 | 1700 | 750 | 0 |
| Prod | 7.875 | 5.5 | 17 | 4400 | 750 | 0 |

Casing/Cement Program: Additional Comments

Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|-----------|------------------|---------------|--------------|
| DoubleRam | 2000 | 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: Paul Kautz | | | | |
| Printed Name: Electronically filed by Lana Williams | Title: Geologist | | | | |
| Title: Engineering Tech | Approved Date: 10/26/2009 | Expiration Date: 10/26/2011 | | | |
| Email Address: lana.williams@apachecorp.com | | ** 40 | | | |
| Date: 10/25/2009 Phone: 918-491-4900 | | | | | |

District I

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

1301 W. Grand Ave., Artesia, NM 88210 Phone:(505) 748-1283 Fax:(505) 748-9720

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 104417

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 30-025-39556 | 2. Pool Code 50350 | 3. Pool Name PENROSE SKELLY; GRAYBURG |
|-------------------------------|-----------------------|---------------------------------------|
| 4. Property Code 306608 | 5. Proper MARSH | |
| 7. OGRID No. 873 | 8. Operat APACHI | |

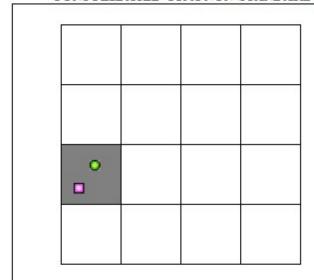
10. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| L | 27 | 218 | 37E | L | 2205 | S | 725 | W | 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 |
|----------|-------------|----------|----------------|---------|-------------------|----------|---------------|----------|--------|
| L | 27 | 218 | 37E | L | 1700 | S | 380 | W | LEA |
| | cated Acres | 13. J | oint 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: 10/25/2009

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: Gary Jones Date of Survey: 10/2/2009 Certificate Number: 7977

Permit Comments

Operator: APACHE CORP , 873 Well: MARSHALL B #012

API: 30-025-39556

| Created By | Comment | Comment Date |
|------------|--|--------------|
| DMULL | OCD received form C-144, "Pit Registration". OCD Permit Number P1-01425. | 10/26/2009 |