| District I                                 |
|--|
| 1625 N. French Dr., Hobbs, NM 88240        |
| Phone:(575) 393-6161 Fax:(575) 393-0720    |
| District II                                |
| 811 S. First St., Artesia, NM 88210        |
| Phone:(575) 748-1283 Fax:(575) 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    |
|  |

ARTESIA; GLORIETA-YESO (O)

### State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

96830

Permit 126681

#### APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE 1. Operator Name and Address 2. OGRID Number APACHE CORP 873 303 Veterans Airpark Lane 3. API Number Midland, TX 79705 30-015-39267 5. Property Name 6. Well No. 4. Property Code 308712 D STATE 053 7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| J        | 35      | 17S      | 28E   | J       | 2310      | S        | 2310      | E        | EDDY   |

#### 8. Pool Information

| 9. Work Type    | 10. Well Type      | Additional Well Inform            | 12. Lease Type | 13. Ground Level Elevation        |
|-----------------|--------------------|-----------------------------------|----------------|-----------------------------------|
| New Well        | OIL                |                                   | State          | 3675                              |
| 14. Multiple    | 15. Proposed Depth | 16. Formation 17. Contractor      |                | 18. Spud Date                     |
| N               | 6100               | Yeso Formation                    |                |                                   |
| Depth to Ground | l water            | Distance from nearest fresh water | well           | Distance to nearest surface water |

#### 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           | 350             |               |
| Prod | 7.875     | 5.5         | 17               | 6100          | 990             |               |

#### 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 ab<br>of my knowledge and belief.<br>I further certify that the drilling pit will |                                | OIL CONSERVATION DIVISION   |                           |  |  |  |
|---|--------------------------------|-----------------------------|---------------------------|--|--|--|
| NMOCD guidelines , a general permit OCD-approved plan .   | , or an (attached) alternative | Approved By: Randy Dade     |                           |  |  |  |
| Printed Name: Electronically filed by   | Bobby Smith                    | Title: District Supervisor  |                           |  |  |  |
| Title:  |                                | Approved Date: 8/9/2011     | Expiration Date: 8/9/2013 |  |  |  |
| Email Address: bobby.smith@apach  | ecorp.com                      |                             |                           |  |  |  |
| Date: 8/9/2011 Phone: 432-818-1020  |                                | Conditions of Approval Atta | ached                     |  |  |  |

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District I

District II

District III

District IV

### State of New Mexico Energy, Minerals and Natural Resources **Oil Conservation Division** 1220 S. St Francis Dr.

# Santa Fe, NM 87505

| 1. API Number | 2. Pool Code | 3. Pool Name               |              |  |
|---------------|--------------|----------------------------|--------------|--|
| 0-015-39267   | 96830        | ARTESIA; GLORIETA-YESO (O) |              |  |
| Property Code | 5. Property  |                            | 6. Well No.  |  |
| 308712        | D STA        |                            | 053          |  |
| 7. OGRID No.  | 8. Operator  |                            | 9. Elevation |  |
| 873           | APACHE       |                            | 3675         |  |

### **10. Surface Location**

| 1 | UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |  |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|--|
| 2 | J        | 35      | 17S      | 28E   |         | 2310      | S        | 2310      | E        | EDDY   |  |

#### 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 |
|----------|-------------|----------|---------------------|---------|-----------------------|----------|-----------|---------------|--------|
|          | cated Acres | 13. 1    | 13. Joint or Infill |         | 14. Consolidation Cod |          |           | 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: 8/9/2011

### 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: 1/18/2011

Certificate Number: 3239

## **Permit Comments**

Operator: APACHE CORP, 873 Well: D STATE #053

Well: D STATE #053 API: 30-015-39267

| Created<br>By | Comment   | Comment<br>Date |
|---------------|---|-----------------|
| SFLORES       | State A #41 (api: 30-015-01741) is recorded to be at 2310' FSL & 2310' FEL, Sec 35, T17S, R26E, But according to current survey, said well is P&A'd and is actually located at 2248' FSL & 2251' FEL of Sec. 35, which is approx 80' SE of the proposed location for the D State #53. | 6/29/2011       |

# **Permit Conditions of Approval**

Operator: APACHE CORP, 873 Well: D STATE #053

API: 30-015-39267

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