<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720 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

1220 S. St Francis Dr., Santa Fe, NM 87505

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

Form C-101 August 1, 2011

Permit 184612

| | | APPLICATIO | N FOR PERMI | IT TO DRILL, RE-E | ENTER, DEI | EPEN, PLUGBA | CK, OR AL | DAZO | NE | | |
|--|---|-----------------------|-------------------|---|-------------------|-------------------------------|---------------|----------------------------------|---------------------|--------|-----|
| | me and Address | | | , | , | | , | | ID Number 873 | | |
| APACHE CORP 303 Veterans Airpark Lane | | | | | | | | 3. API Number | | | |
| Midland, TX 79705 | | | | | | 3. API Number 30-025-41782 | | | 2 | | |
| 4. Property Code 5. Property Name | | | | | | 8. Well No. | | | | | |
| 306 | 616 | | MCDONALD | STATE AC 2 | | | | 039 | | | |
| | | | | 7. Surfa | ce Location | | | | | | |
| UL - Lot J | AT A STATE OF THE PARTY OF THE | | Range 36E | Lot Idn | Feet From 2230 | N/S Line S | Feet Fron | 1710 | E/W Line | County | Lea |
| | | | | 8. Proposed Bo | ottom Hole Lo | cation | | | | | |
| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | n | E/W Line | County | |
| J | 13 | 228 | 36E | J | 223 | 0 S | | 1710 | E | | Lea |
| | | | | 9. Pool | Information | | | | | | |
| WANTZ;ABO | | | | | | 627 | 00 | | | | |
| | | | | Additional | Well Informati | ion | | | | | |
| 11. Work Type | A SHEET | 12. Well Type | | 13. Cable/Rotary | 14 | 14. Lease Type | | 15. Ground Level Elevation | | | |
| | | OIL | 9-4 | | | State | | 3470 | | | |
| 16. Multiple 17. Proposed De | | | 18. Formation | 19 | 19. Contractor | | 20. Spud Date | | | | |
| N 7600 Depth to Ground water | | | | Abo Distance from nearest | | | | istance to nearest surface water | | | |
| | | | | | | | | | | | |
| We will be | using a closed-loo | p system in lieu of | lined pits | | | | | | | | |
| | | | | 21. Proposed Casin | ng and Cemen | nt Program | | | | | |
| Type | Hole Size | Casing Size | | Casing Weight/ft | Sett | ting Depth | Sacks | Sacks of Cement Estimated TOC | | | ОС |
| Surf | 11 | | 8.625 | | 1203 | | | 420 | | 0 | |
| Prod | 7.875 | 5.5 | | 17 | 7600 | | 1 | 1040 0 | | | |
| | | | C | Casing/Cement Progr | am: Additiona | al Comments | | | | | |
| | | | | | 11100 | | | | | | |
| | | | | 22. Proposed Blow | out Preventio | n Program | | | | | |
| Type Working Pi | | orking Pressure | | Test Pressure | 9 | | Manufac | turer | | | |
| Hydril 3000 | | | | 2000 | | | L | | | | |
| | | | | | | | | | | | |
| 23. I hereby o knowledge a | | mation given above | is true and compl | lete to the best of my | | | OIL CONSE | VATION D | DIVISION | | |
| _ | | d with 19.15.14 9 (4 | NMAC Mand/o | r 19.15.14.9 (B) NMA | c | | | | | | |
| X, if applical | | u with 10.10.14.0 (| , mine za una/o | 10.10.14.0 (D) NIIIA | | | | | | | |
| | | | | | | | | | | | |
| Signature: | | | | | 8 | | | | | | |
| Printed Name: | Electronica | lly filed by Bobby Sr | nith | | Approved B | Approved By: Paul Kautz | | | | | |
| Title: | | | | | Title: | Geologist | | | | | |
| | mail Address: bobby.smith@apachecorp.com | | | Approved Date: 4/15/2014 Expiration Date: 4/15/2016 | | | | | | | |
| Email Address: | bobby.smit 4/15/2014 | h@apachecorp.con | 1 | | Approved D | ate: 4/15/2014 | | Ex | piration Date: 4/15 | /2016 | |

DISTRICT 1
1625 N. French Dr., Hobbs, NM 88240
Phone; (575) 393-6161 Fax: (575) 393-0720
DISTRICT III
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
DISTRICT III
1000 Rio Brazos Road, Azlec, NM 87410
Phone: (305) 334-6178 Fax: (505) 334-6170
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Pax: (505) 476-3462

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, New Mexico 87505

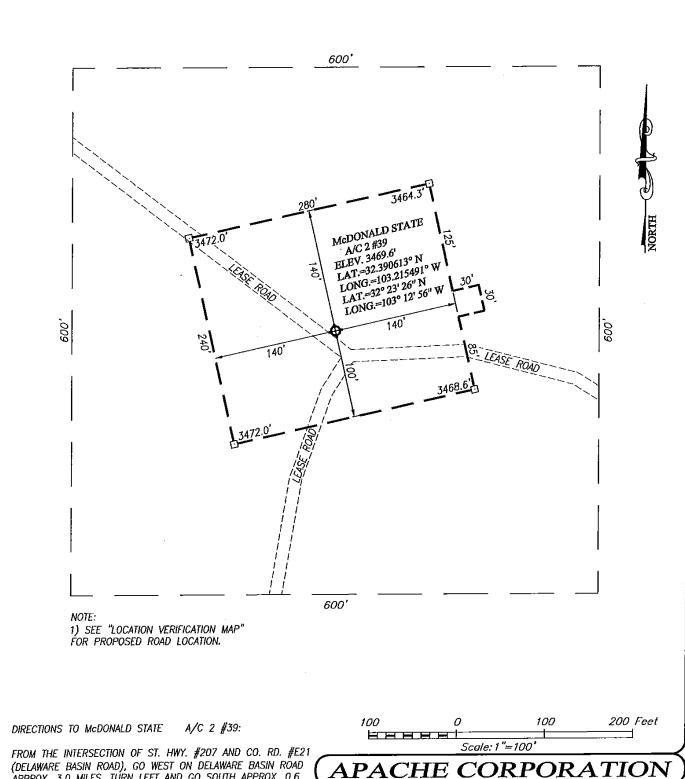
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

□AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | | | | Pool Code | | | Pool Nam | ie , | 1 | |
|-------------------|-----------------------------------|----------------|----------------------|-----------------|-------------------|--------------------|------------------|--------------------|-------------------|--|
| 30- | -025- 22900 Eunice, BLT-TU-DR, No | | | | | Vorth | | | | |
| Properly Code | | | Property Name | | | | We | Well Number | | |
| | | | McDONALD STATE A/C 2 | | | | | | 39 | |
| OGRID | No. | | · | | Operator Nam | ne | | E | levation | |
| 873 | | | APACHE CORPORATION | | | | | 3470' | | |
| | | | | | Surface Locat | ion | | | | |
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County | |
| Ј | 13 | 22-S | 36-E | | 2230 | SOUTH | 1710 | EAST | LEA | |
| | | <u> </u> | | Bottom Hole | Location If Diffe | erent 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 C | onsolidation C | ode Orde | er No. |] | • | | | |
| 40 | | | | | | | | | | |
| NALIOWARIE WI | LL BE ASSIG | NED TO THIS CO | MPLETION UN | ITII. ALL INTEI | RESTS HAVE BREN C | ONSOLIDATED OR A N | ON-STANDARD LINI | T HAS BEEN APPROVE | D BY THE DIVISION | |
| THE THE TEN | | 10 1110 00 | | | | OKIT | | | | |
| | | | • | | | | OPER | ATOR CERTIFIC | CATION | |

| 4 | | | |
|---|-------|-------|---|
| | | | OPERATOR CERTIFICATION I hereby certify that the information 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 or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. |
| GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=507623.3 N X=845057.5 E LAT.=32.390613' N LONG.=103.215491' W LAT.=32' 23' 26" N LONG.=103' 12' 56" W | 5.1.0 | 1710' | Signature Michelle Cooper Date Michelle Cooper Dapachecorp Email Address 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. MARCH 17, 2014 Date of Survey Supervision Striveyors ME 3239 AME Certificate Nymber Inn Gary & Sidson 3239 DSS JWSC W.O.: 1411,0287 |



FROM THE INTERSECTION OF ST. HWY. #207 AND CO. RD. #E21 (DELAWARE BASIN ROAD), GO WEST ON DELAWARE BASIN ROAD APPROX. 3.0 MILES. TURN LEFT AND GO SOUTH APPROX. 0.6 MILES. TURN RIGHT AND GO WEST APPROX. 0.2 MILES. TURN RICHT AND GO NORTHWEST APPROX. 700 FEET TO THIS LOCATION.

PROVIDING SURVEYING SERVICES SINCE 1946

JOHN WEST SURVEYING COMPANY 412 N. DAL PASO HOBBS, N.M. 88240 (575) 393-3117 www.jwsc.biz TBPLS# 10021000 McDONALD STATE: A/C 2 #39 WELL
LOCATED 2230 FEET FROM THE SOUTH LINE
AND 1710 FEET FROM THE EAST LINE OF SECTION 13,
TOWNSHIP 22 SOUTH, RANGE 36 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO

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Permit 184612

Form APD Comments

PERMIT COMMENTS

| | Company of the Compan |
|----------------------------|--|
| Operator Name and Address: | API Number: |
| APACHE CORP [873] | 30-025-41782 |
| 303 Veterans Airpark Lane | Well: |
| Midland, TX 79705 | MCDONALD STATE AC 2 #039 |
| | |

Created By Comment Comment Date

Form APD Conditions

District I 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 Fax:(575) 393-0720 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

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Permit 184612

PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address: | API Number: | | |
|----------------------------|--------------------------|--|--|
| APACHE CORP [873] | 30-025-41782 | | |
| 303 Veterans Airpark Lane | Well: | | |
| Midland, TX 79705 | MCDONALD STATE AC 2 #039 | | |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string |
| pkautz | SURFACE & PRODUCTION CASING - Cement must circulate to surface |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |