

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

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 277545

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address APACHE CORPORATION 303 Veterans Airpark Ln Midland, TX 79705		2. OGRID Number 873
		3. API Number 30-015-46661
4. Property Code 317303	5. Property Name PALMILLO 14 15 STATE	6. Well No. 101H

7. Surface Location

UL - Lot P	Section 15	Township 19S	Range 28E	Lot Idn	Feet From 470	N/S Line S	Feet From 150	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot P	Section 14	Township 19S	Range 28E	Lot Idn P	Feet From 330	N/S Line S	Feet From 50	E/W Line E	County Eddy
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9. Pool Information

PALMILLO;BONE SPRING, SOUTHWEST	96413
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3434
16. Multiple N	17. Proposed Depth 11789	18. Formation 1st Bone Spring Sand	19. Contractor	20. Spud Date 2/8/2020
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits**21. Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	285	0
Int1	12.25	9.625	36	3000	625	0
Prod	8.5	5.5	17	11789	935	6733
Prod	8.75	5.5	17	6733	500	2500

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	3000	1500	
Double Ram	3000	3000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Sorina Flores	Approved By: Raymond Podany	
Title: Supv of Drilling Services	Title: Geologist	
Email Address: sorina.flores@apachecorp.com	Approved Date: 1/31/2020	Expiration Date: 1/31/2022
Date: 1/23/2020	Phone: 432-818-1167	Conditions of Approval Attached

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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-015	¹ API Number	96413	² Pool Code	PALMILLO; BONE SPRING, SW	³ Pool Name
317303	⁴ Property Code	PALMILLO 14-15 STATE			⁶ Well Number 101H
873	⁷ OGRID NO.	APACHE CORPORATION			⁹ Elevation 3434'

¹⁰ 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	15	19S	28E		470	SOUTH	150	EAST	EDDY

¹¹ 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
P	14	19S	28E		330	SOUTH	50	EAST	EDDY

¹² Dedicated Acres 200	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>¹⁶ GEODETIC DATA NAD 83 GRID - NM EAST SURFACE LOCATION N: 602006.4 - E: 595832.6 LAT: 32.6548377° N LONG: 104.1562661° W KICK OFF POINT (KOP) 347' FSL-378' FEL (SEC.15) N 601881.4 - E 595604.8 LAT: 32.6544952° N LONG: 104.1570069° W MD: 5990.5 - TVD: 5972.5 PENETRATION POINT/ FIRST TAKE POINT (PP/FTP) 345' FSL-100' FWL (SEC.14) N 601883.6 - E 596082.3 LAT: 32.6544992° N LONG: 104.1554554° W MD: 6740.5 - TVD: 6450.0 LAST TAKE POINT (LTP) 330' FSL-100' FEL (SEC.14) N 601907.0 - E 601076.2 LAT: 32.6545393° N LONG: 104.1392292° W MD: 11739.1 - TVD: 6631.0</p>	<p>BOTTOM HOLE N 601907.2 - E 601126.1 LAT: 32.6545397° N LONG: 104.1390669° W MD: 11789.0 - TVD: 6632.0 CORNER DATA NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N 601487.4 - E 590787.6 B: FOUND BRASS CAP "1941" N 604120.4 - E 590796.6 C: FOUND BRASS CAP "1941" N 606757.2 - E 590806.5 D: FOUND BRASS CAP "1941" N 606785.9 - E 593400.0 E: FOUND BRASS CAP "1941" N 606815.2 - E 595993.1 F: FOUND BRASS CAP "1941" N 606837.6 - E 598589.8 G: FOUND BRASS CAP "1941" N 606860.6 - E 601187.3</p>	<p>H: FOUND BRASS CAP "1941" N 604227.7 - E 601181.4 I: FOUND BRASS CAP "1941" N 601577.6 - E 601175.4 J: FOUND BRASS CAP "1941" N 601556.9 - E 598579.0 K: FOUND BRASS CAP "1941" N 601537.8 - E 595981.6 L: FOUND BRASS CAP "1941" N 601514.2 - E 593387.0 CALCULATED POINTS 1: N 602844.2 - E 594687.3 2: N 602857.2 - E 595984.4 3: N 602902.7 - E 601178.4 4: N 601526.0 - E 594684.3</p>	<p>¹⁷ 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 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. Sorina L Flores 1/22/2020 Signature Date SORINA L. FLORES Printed Name sorina.flores@apachecorp.com E-mail Address</p>
<p>¹⁸ 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. 12-12-2019 Date of Survey Signature and Seal of Professional Surveyor 10034 Certificate Number DRILL PLAN - 01/20/20 Job No.: LS19121156DP</p>			<p>NEW MEXICO JEFFREY L. FANSLER 10034 PROFESSIONAL SURVEYOR</p>

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Santa Fe, NM 87505

GAS CAPTURE PLAN

Date: 1/31/2020

☒ Original

Operator & OGRID No.: [873] APACHE CORPORATION

☐ Amended - Reason for
Amendment: _____

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomple to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

Well(s)/Production Facility – Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	API	Well Location (ULSTR)	Footages	Expected MCF/D	Flared or Vented	Comments
PALMILLO 14 15 STATE #101H	30-015-46661	P-15-19S-28E	0470S 0150E	1400	None	

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated to Lucid Artesia Company and will be connected to Lucid Artesia Company Low Pressure gathering system located in Eddy County, New Mexico. It will require 2000' of pipeline to connect the facility to Low Pressure gathering system. APACHE CORPORATION provides (periodically) to Lucid Artesia Company a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, APACHE CORPORATION and Lucid Artesia Company have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at Lucid Artesia Company Processing Plant located in Sec. 07, Twn. 18S, Rng. 28E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

Flowback Strategy

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on Lucid Artesia Company system at that time. Based on current information, it is APACHE CORPORATION's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

Alternatives to Reduce Flaring

Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation – On lease
 - Only a portion of gas is consumed operating the generator, remainder of gas will be flared
- Compressed Natural Gas – On lease
 - Gas flared would be minimal, but might be uneconomical to operate when gas volume declines
- NGL Removal – On lease
 - Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines

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Form APD Comments

Permit 277545

PERMIT COMMENTS

Operator Name and Address: APACHE CORPORATION [873] 303 Veterans Airpark Ln Midland, TX 79705	API Number: 30-015-46661
	Well: PALMILLO 14 15 STATE #101H

Created By	Comment	Comment Date
sflores	Apache respectfully request approval to utilize a spudder rig to pre-set surface casing. Detailed operations attached.	1/23/2020
sflores	The Gas Capture Plan is attached. Gas Capture Plan dedicated to DCP MIDSTREAM not Lucid Energy. DCP Midstream not available in pick list provided online. Please see corrected GCP attached.	1/23/2020

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Form APD Conditions

Permit 277545

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: APACHE CORPORATION [873] 303 Veterans Airpark Ln Midland, TX 79705		API Number: 30-015-46661
		Well: PALMILLO 14 15 STATE #101H

OCD Reviewer	Condition
rpodany	Will require a directional survey with the C-104
rpodany	Cement is required to circulate on both surface and intermediate1 strings of casing
rpodany	Must pressure test each string of casing 30min. and report on C103.

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Submit Original
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GAS CAPTURE PLAN

☒ Original Operator: Apache Corporation OGRID No: 873 Date: 12/18/2019
☐ Amended Date: _____
Reason for Amendment: _____

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Palmillo 14-15 State 101H		Sec 15 T19S R28E		1400	Flared	Flared only in emergency

Gathering System and Pipeline Notification

Well(s) will be connected to a production facility after flowback operations are complete if gas transporter system is in place. The gas produced from production facility is dedicated to **DCP MIDSTREAM LP** and will be connected to **DCP MIDSTREAM'S LOW** pressure gathering system located in **EDDY** County, New Mexico. It will require **2,000** ft of pipeline to connect the facility to **LOW** pressure gathering system. Apache Corporation provides (periodically) to **DCP MIDSTREAM, LP** a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Apache Corporation and **DCP MIDSTREAM, LP** have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at **DCP ARTESIA** Processing Plant located in **Sec. 7, Twp 18S, Rng 28E, EDDY County**, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

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