



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

March 26, 2004

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

**Apache Corporation**  
c/o **James Bruce**  
**P. O. Box 1056**  
**Santa Fe, New Mexico 87504**

## *Administrative Order NSL-4955-A (SD)*

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pMES0-408553292*) dated February 5, 2004 filed on behalf of the operator, Apache Corporation ("Apache"); (ii) your e-mail on Monday morning, February 23, 2004; (iii) our telephone conversation late Monday afternoon, February 23, 2004; (iv) Ms. Cindy McGee's e-mail with attachments on Tuesday, February 24, 2004 to supplement this application; (v) our e-mail correspondence on Wednesday, February 25, 2004; (vi) your e-mail on Tuesday morning March 23, 2004 checking on the status of Apache's remaining applications in this area; and (vii) the Division's records in Santa Fe, including the files on Division Administrative Orders NSL-4955 (SD) and NSL-4959 (SD): all concerning Apache Corporation's request for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SE/4 SE/4 (Unit P) of Section 9, Township 21 South, Range 37 East, NMPM, Penrose Skelly (Grayburg) Pool (50350), Lea County, New Mexico.

### **The Division Finds That:**

(1) All of Section 9 is within the Penrose Skelly (Grayburg) Pool; an oil pool governed under Division Rule 104.B (1), which provides for 40-acre oil spacing and proration units and requires wells be located no closer than 330 feet to the outer boundary of such unit.

(2) The 958.25-acre area in Lea County, New Mexico comprising the SW/4 NE/4 and NW/4 SW/4 of Section 13, Township 20 South, Range 37 East, NMPM; Lot 1 of Section 30, Township 20 South, Range 38 East, NMPM; and Lots 3 and 6 of Section 4, the NE/4 SE/4 and S/2 SE/4 of Section 6; the E/2 SW/4 and SE/4 of Section 8; and the E/2 NW/4 and S/2 of Section 9, all in Township 21 South, Range 37 East, NMPM, is a single federal lease (Hawk "B-1") issued by the U. S. Bureau of Land Management (U. S. government lease No. NM-90161) with common ownership in which: (i) Apache, Chevron U.S.A., Inc. ("Chevron"), and BP America Production Company ("BP") each own undivided operating rights; and (ii) Apache is the leasehold operator.

(3) This 40-acre Grayburg unit is currently simultaneously dedicated to Apache's Hawk "B-1" Well No. 27 (API No. 30-025-35806) located at a standard oil well location 830 feet from the South line and 900 feet from the East line of Section 9.

(4) By Division Administrative Order NSL-4955 (SD), dated October 31, 2003, Apache was granted authorization to drill its Hawk "B-1" Well No. 36 (API No. 30-025-36530) at an unorthodox infill oil well location 1310 feet from the South and East lines of Section 9 and to simultaneously dedicate this well to the subject 40-acre Grayburg unit.

(5) Apache now seeks to drill its Hawk "B-1" Well No. 35 at an unorthodox infill oil well location within this 40-acre Grayburg unit 160 feet from the South line and 1310 feet from the East line of Section 9.

(6) The NE/4 of Section 16, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico is a single state lease (Harry Leonard NCT-E) issued by the New Mexico State Land Office (State Lease No. B-1732-1) with common ownership in which Chevron is the lessee of record and leasehold operator. The two-affected standard 40-acre Grayburg oil spacing and proration units operated by Chevron to the south that Apache's proposed Hawk "B-1" Well No. 35 is encroaching are:

(a) the NE/4 NE/4 (Unit A) of Section 16 which is currently dedicated to Chevron's Harry Leonard NCT-E Well No. 6 (API No. 30-025-25198), located at a standard oil well location 330 feet from the North line and 600 feet from the East line of Section; and

(b) the NW/4 NE/4 (Unit B) of Section 16 which is currently dedicated to Chevron's Harry Leonard NCT-E Well No. 3 (API No. 30-025-06622), located at a standard oil well location 660 feet from the North line and 1980 feet from the East line of Section 16.

(7) This request is based on geologic and engineering reasons in that this location is approximately equidistance to other offsetting Penrose Skelly (Grayburg) oil producers within the immediate area.

(8) Apache, BP, Chevron, the New Mexico State Land Office, and the U. S. Bureau of Land Management have entered into a "cooperative lease/well agreement" providing for the allocation of proceeds of Penrose Skelly (Grayburg) oil production from Apache's proposed Hawk "B-1" Well No. 35 in the following manner:

(a) 56.56% to be attributed to the subject Hawk "B-1" federal lease (U. S. government lease No. NM-90161); and

(b) 43.44% attributed to Chevron's Harry Leonard NCT-E state lease (State lease No. B-1732-1).

(9) This allocation formula for the proceeds from Apache's proposed Hawk "B-1" Well No. 35 serves to benefit all mineral interests within the Penrose Skelly (Grayburg) Pool to be impacted by this well's drainage.

(10) Approval of this application is in the best interest of conservation, will serve to prevent waste, protects correlative rights, exhibits sound engineering practices, and allows for the recovery of additional reserves that might not otherwise be produced.

**It Is Therefore Ordered That:**

(1) Pursuant to Division Rule 104.F (2), of the New Mexico Oil Conservation Division's ("Division") Rules and Regulations, the administrative application of Apache Corporation (Apache") (*administrative application reference No. pMES0-408553292*) for its proposed Hawk "B-1" Well No. 35 to be drilled at an unorthodox infill oil well location 160 feet from the South line and 1310 feet from the East line (Unit P) of Section 9, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, and completed in the Penrose Skelly (Grayburg) Pool (50350), is hereby approved.

(2) For the Division's production reporting, prorationing, and well spacing purposes, Grayburg oil production from the above-described Hawk "B-1" Well No. 35 is to be simultaneously dedicated, with the following two wells, to the SE/4 SE/4 (Unit P) of Section 9, being a standard 40-acre oil spacing and proration unit in the Penrose Skelly (Grayburg) Pool:

(a) Apache's existing Hawk "B-1" Well No. 27 (API No. 30-025-35806) located at a standard oil well location 830 feet from the South line and 900 feet from the East line of Section 9; and

(b) Apache's proposed Hawk "B-1" Well No. 36 (API No. 30-025-36530) to be located at an unorthodox infill oil well location [approved by Division Administrative Order NSL-4955 (SD), dated October 31, 2003] 1310 feet from the South and East lines of Section 9.

(3) The distribution of proceeds from Penrose Skelly (Grayburg) oil production from Apache's proposed Hawk "B-1" Well No. 35 are to be allocated in the following manner:

(a) 56.56% attributed to the subject Hawk "B-1" federal lease (U. S. government lease No. NM-90161); and

(b) 43.44% attributed to Chevron's Harry Leonard NCT-E state lease (State lease No. B-1732-1).

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



MICHAEL E. STOGNER  
Engineer/Hearing Officer

MS/mes

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
U. S. Bureau of Land Management - Roswell  
U. S. Bureau of Land Management - Carlsbad  
File: NSL-4955 (SD)

New Mexico Oil Conservation Division, District I  
1625 N. French Drive  
Hobbs, NM 88240

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
Do not use this form for proposals to drill or to re-enter an  
abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED  
OMB No. 1004-0135  
Expires January 31, 2004

5. Lease Serial No.	NMNM90161
6. If Indian, Allottee or Tribe Name	
7. If Unit or CA/Agreement, Name and/or No.	
8. Well Name and No.	HAWK B-1 #35
9. API Well No.	30-025-38662
10. Field and Pool, or Exploratory Area	PENROSE SKELLY; GRAYBURG
11. County or Parish, State	LEA, NM

**SUBMIT IN TRIPLICATE - Other Instructions on reverse side**

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator APACHE CORPORATION
3a. Address 6120 S. YALE, STE. 1500 TULSA, OK 74136-4334	3b. Phone No. (include area code) 918-491-4980
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) AT SURFACE SESE 160 FSL & 1310 FEL AT PROPOSED PROD. ZONE SESE 160 FSL & 1310 FEL	9-215-37E

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other SPUD, SURF. CSG., TD, LOG, PROD. CSG.
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-5 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

5/8/2004 SPUD 12 1/4" HOLE - DRILL TO 220 SURVEY @ 190 = 0.25 DRILL 220-425 SURVEY @ 285 = 0.75 POH W/ BIT RIH 10 JTS. 428.53' 8 5/8" 24# J55 ST&C CSG. W/ 5 CENTRALIZERS BJ CMT. SHOE @ 425 W/ 325 SX CLASS C + 2% CACL + 1/8# CF = 78 BBLS. 14.8# SLURRY W/ 1.35 YIELD - DISPLACE PLUG TO 395 W/ 25 BFW - CIRC. 103 SX. CMT. TO PIT

5-9-2004- DRILL & SURVEY FROM 425-4350. DRILL 4236-4350 CIRCULATE FOR LOGS SURVEY @ 4314 = 1.75 POH W/ BIT HALLIBURTON RAN DUAL LATEROLOG MICRO GUARD 4344-3300; COMPENSATED SONIC LOG 4298-3300; DUAL-SPACED NEUTRON SPECTRAL DENSITY 4272-200; RIH 96 JTS. 4357.14' 5 1/2" 17# K55 LT&C CSG. W/ 18 CENTRALIZERS BJ CMT. SHOE @ 4350 - FC @ 4301 W/ 650 SX 50:50 POZ W/ 10% GEL + 5% SALT + 1/8# CF = 282 BBLS. 11.8# SLURRY W/ 2.44 YIELD & 350 SX 50:50 POZ W/ 2% GEL + 5% SALT = 80 BBLS. 14.2# SLURRY W/ 1.29 YIELD - PLUG BUMPED & HELD - CIRC. 130 SX. CMT. TO PIT - DISPLACED W/ 2% KCL WATER ND BOP - SET SLIPS - CUT OFF CSG. -

RELEASE RIG @ 1:45 AM 5-13-2004

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Signature Lana Williams

Title Drilling Clerk  
Date 6/8/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title

Office

Date

GARY GOURLEY  
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

N.M. Oil Cons. Division  
1625 N. French Dr.  
Hobbs, NM 88240

Form 3160-4  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

FORM APPROVED  
OMB NO. 1004-1037  
Expires: November 30, 2000

1a. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other						5. Lease Serial No. <b>NM-90161</b>			
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Workover <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resvr. <input type="checkbox"/> Other						6. If Indian, Allottee or Tribe Name			
2. Name of Operator <b>Apache Corporation</b>						7. Unit or CA Agreement Name and No.			
3. Address <b>6120 S. Yale, Suite 1500, Tulsa, OK 74136</b>				3a. Phone No. (include area code) <b>918-491-4957</b>		8. Lease Name and Well No. <b>Hawk B-1 #35</b>			
4. Location of Well (Report location clearly and in accordance with Federal requirements)* At surface: <b>160' FSE, 1310' FEL, Unit P (SE/4, SE/4)</b>						9. API Well No. <b>30-025-36662</b>			
At top prod. interval reported below						10. Field and Pool, or Exploratory <b>Penrose Skelly, Grayburg</b>			
At total depth						11. Sec., T., R., M., or Block and Survey or Area <b>Sec. 9, T-21S, R37E</b>			
14. Date Spudded <b>5/7/2004</b>		15. Date T.D. Reached <b>5/12/2004</b>		16. Date Completed <input type="checkbox"/> D & A <input checked="" type="checkbox"/> Ready to Produce <b>05/27/04</b>		17. Elevations (DF, RKB, RT, GL) * <b>3471' GL</b>			
18. Total Depth: MD <b>4350'</b> TVD		19. Plug Back T.D.: MD <b>4301'</b> TVD		20. Depth Bridge Plug Set: MD TVD					
21. Type Electric & Other Mechanical Logs Run (Submit copy of each) <b>CSL, DSN-SDL</b>				22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)					
23. Casing and Liner Record (Report all strings set in well)									
Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sls. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12-1/4	8-5/8	24#	0	425		325	78	Ci to surf	
7-7/8	5-1/2	17#	0	4350		1000	362	Ci to surf	
24. Tubing Record									
Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	
2-7/8	4042								
25. Producing Intervals									
Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Part Status			
Penrose Skelly, Grayburg	3802	3876	3802 - 3876	4"	25	Producing			
26. Perforation Record									
27. Acid, Fracture, Treatment, Cement Squeeze, Etc.									
Depth Interval	Amount and Type of Material								
3802-3876	Acidized w/ 2,500 gals 15% HCL								
3802-3876	Frac'd w/ 47,544 gals gel & 100,000# 20/40 sand								
28. Production - Interval A									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
5/27/04	6/9/2004	24	→	155	231	224	38.8		Pumping
Choke Size	Tubing Pressure Flwg. SI	Casing Pressure	24 Hour Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→				1490		Producing
28a. Production - Interval B									
Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tubing Pressure Flwg. SI	Casing Pressure	24 Hour Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

(See instructions and spaces for additional data on reverse side)

ACCEPTED FOR RECORD  
JUL 13 2004  
GAYLE GOURLEY  
PETROLEUM ENGINEER

KZ

## 28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tubing Pressure Flwg. SI	Casing Pressure	24 Hour Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

## 28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tubing Pressure Flwg. SI	Casing Pressure	24 Hour Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
			→						

## 29. Disposition of Gas (Sold, used for fuel, vented, etc.)

Sold

## 30. Summary of Porous Zones (include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

## 31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, Etc.	Name	Top Measured Depth
				Rustler	1285
				Yates	2640
				Seven Rivers	2857
				Queen	3424
				Grayburg	3733
				San Andres	3977

## 32. Additional remarks (include plugging procedure):

## 33. Mark enclosed attachments:

- ☒ Electrical/Mechanical Logs (1 full set req'd.)
 ☐ Geologic Report
 ☐ DST Report
 ☐ Directional Survey
- ☐ Sundry Notice / Plugging / Cement Verification
 ☐ Core Analysis
 ☒ Other Deviation Rpt/NM-OCDC-104

## 34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Kara CodayTitle Sr. Engineering Tech.Signature Kara CodayDate 6/21/2004

Title 18 U.S.C. Section 1001 and title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious fraudulent statements or representations as to any matter within its jurisdiction.

District I  
1625 N. French Dr., Hobbs, NM 88240

District II  
811 South First, Artesia, NM 88210

District III  
1000 Rio Brazos Rd., Aztec, NM 87410

District IV  
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-104  
Revised June 1, 2000

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

Submit to Appropriate District Office  
5 Copies

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

Operator Name and Address APACHE CORPORATION 6120 S YALE, SUITE 1500 TULSA, OK 74136		OGRID Number 000873
API Number 30-025-36662		Reason for Filing Code / Effective Date NW-5/27/04
Property Code 24427	Pool Name Penrose Skelly Grayburg	Pool Code 50350
	Property Name Hawk B-1	Well Number 35

II. Surface Location									
U or lot no. M-P	Section 9	Township 21S	Range 37E	Lot. Idn.	Feet from the 1310	North/South line South	Feet from the 1280	East/West line E West	County Lea
Bottom Hole Location									
U or lot no.	Section	Township	Range	Lot. Idn.	Feet from the	North/South line	Feet from the	East/West line	County
Lea Code F	Producing Method Code P	Gas Connection Date 5/27/2004	C-129 Permit Number	C-129 Effective Date	C-129 Expiration Date				

III. Oil and Gas Transporters				
Transporter OGRID	Transporter Name and Address	POD	O/G	POD ULSTR Location and Description
037480	EOTT ENERGY PIPELINE LP P O BOX 4666 HOUSTON, TX 77210-4666	0768710	O	K, Sec. 9, T21S, R37E
024650	DYNEGY MIDSTREAM SERVICES 1000 LOUISIANA, SUITE 5800 HOUSTON, TX 77002	0768730	G	K, Sec. 9, T21S, R37E

IV. Produced Water	
POD 0768750	POD ULSTR Location and Description K, Sec. 9, T21S, R37E

V. Well Completion Data					
Spud Date 5/7/2004	Ready Date 5/27/2004	ID 4350'	PBTD 4301'	Perforations 3802-3876	Drill Bit 3802-3876
Hole Size 12-1/4	Casing & Tubing Size 8-5/8	Depth Set 425	325 sx 7/8" circ to surface		
7-7/8	5-1/2	4350	1000 sx 7/8" circ to surface		
2-7/8		4042			

VI. Well Test Data					
Date New Oil 5/27/04	Gas Delivery Date 5/27/04	Test Date 6/9/2004	Test Length 24	Tbg. Pressure 231	Csg. Pressure 224
Choke Size 155	Oil	Water	Gas	AOF	Test Method Pumping

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: Kara Coday	Approved by: Paul E. Kuntz	Title: PETROLEUM ENGINEER	
Printed Name: Kara Coday	Approval Date: SEP 01 2004		
Title: Sr. Engineering Technician			
Date: 6/21/2004	Phone: (918) 491-4957		
If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature:	Printed Name	Title	Date

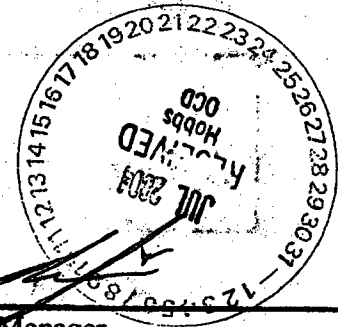


Apache Corporation  
6120 S. Yale Ste 1500  
Tulsa, OK 74136

Hawk B-1 # 35  
Lea County New, Mexico

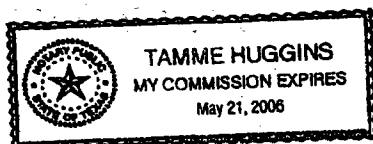
P - 9.215-37e  
160/5 & 1310/E  
30-025-36662

190	1.90	1/4	0.44	0.83	0.83
395	2.05	3/4	1.31	2.69	3.52
797	4.02	3/4	1.31	5.28	8.80
1299	5.02	3/4	1.31	6.59	15.39
1674	3.75	1 1/4	2.19	8.20	23.59
2168	4.94	1 3/4	3.06	15.13	38.72
2478	3.10	2 1/4	3.94	12.21	50.93
2978	5.00	1	1.75	8.75	59.68
3529	5.51	1	1.75	9.64	69.32
4033	5.04	1	1.75	8.82	78.14
4350	3.17	1 1/4	2.19	6.93	85.07



Michael Roghair - General Manager

The attached instrument was acknowledged before me on the 28th day of May 2004 by  
Michael Roghair - General Manager, CapStar Drilling, L.P.



*Tamme Huggins*  
Notary Public

*KZ*

N.M. Oil Cons. Division  
1625 N. French Dr.  
Hobbs, NM 88240

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well  
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator **APACHE CORP**

3a. Address  
6120 S. YALE, STE 1500 TULSA, OK 74136

3b. Phone No. (include area code)  
918-491-4900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

5. Lease Serial No.  
NMNM90161

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
HAWK B-1 #35

9. API Well No.  
30-025-36662

10. Field and Pool, or Exploratory Area  
PENROSE SKELLY; GRAYBURG

11. County or Parish, State  
LEA, NM

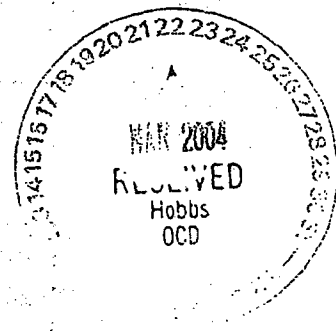
AT SURFACE SESE 160FSL 1310FEL  
AT PROPOSED PROD. ZONE SESE 160 FSL 1310FEL

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other ADD POOL
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

ADD PROPOSED POOL: HARE; SAN ANDRES (GAS) (78080)



14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Michelle Hanson

Title Engineering Tech., Drlg. Dept.

Signature

*Michelle Hanson*

Date 3/11/2004

**APPROVED THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by (ORIG. SGD.) DAVID R. GLASS

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 48 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

N.M. Oil Cons. Division  
1625 N. French Dr.  
Hobbs, NM 88240

Form 3160-5  
(September 2001)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0135  
Expires January 31, 2004

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

APACHE CORP.

3a. Address

6120 S. YALE, STE 1500 TULSA, OK 74136

3b. Phone No. (include area code)

918-491-4900

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

AT SURFACE SESE 160FSL 1310FEL  
AT PROPOSED PROD. ZONE SESE 160FSL 1310FEL

5. Lease Serial No.

NMNM90161

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

HAWK B-1 #35

9. API Well No.

30-025-36662

10. Field and Pool, or Exploratory Area

PENROSE SKELLY, Grayburg

11. County or Parish, State

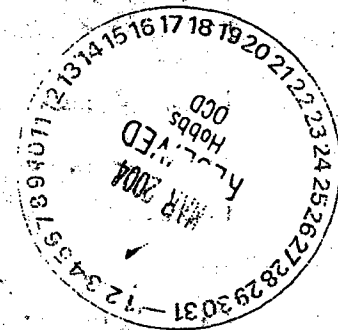
LEA, NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input checked="" type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

EXTEND TOTAL DEPTH FROM 4125' TO 4800'.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Michelle L. Hanson

Title Engineering Tech., Drilling Dept.

Signature

*Michelle L. Hanson*

Date 2/23/2004

APPROVED THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

(CHIC. SGD. T. J. GLASS)

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 49 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on reverse)

OPER. OGRID NO. 873  
PROPERTY NO. 24427  
POOL CODE 50350  
EFF. DATE \_\_\_\_\_  
APPLI API NO. 30-025-36662FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

EC

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		<b>CONFIDENTIAL</b>	5. Lease Serial No. NMNM90161
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple-Zone			6. If Indian, Allottee or Tribe Name
2. Name of Operator APACHE CORPORATION		Contact: BONNIE JONES E-Mail: bonitaj@cableone.net	7. If Unit or CA Agreement, Name and No.
3a. Address 6120 SOUTH YALE, SUITE 1500 TULSA, OK 74136-4224		3b. Phone No. (include area code) Ph: 505.624.9799 Fx: 505.624.9799	8. Lease Name and Well No. HAWK B-1 35
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SESE 160FSL 1310FEL At proposed prod. zone SESE 160FSL 1310FEL		9. API Well No. <u>30-025-36662</u>	
14. Distance in miles and direction from nearest town or post office* 2.5 MILES NORTHWEST OF EUNICE, NM		10. Field and Pool, or Exploratory PENROSE SKELLY	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 160"		11. Sec., T., R., M., or Blk. and Survey or Area Sec 9 T21S R37E Mer NMP SME: FEE	
16. No. of Acres in Lease 958.25		12. County or Parish LEA	
17. Proposed Depth 4125 MD 4125 TVD		13. State NM	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 722.7'		14. Spacing Unit dedicated to this well 40.00	
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3471 GL		22. BLM/BIA Bond No. on file	
22. Approximate date work will start 12/15/2003		23. Estimated duration 7 DAYS	

## 24. Attachments

**Carbon Controlled Water Basin**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) BONNIE JONES	Date 11/17/2003
Title AGENT		
Approved by (Signature) <u>/S/ JOE G. LARA</u>	Name (Printed/Typed) <u>/S/ JOE G. LARA</u>	Date DEC 15 2003
Title <u>FIELD MANAGER</u>	Office <u>CARLSBAD FIELD OFFICE</u>	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.**APPROVAL FOR 1 YEAR**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #25166 verified by the BLM Well Information System  
For APACHE CORPORATION, sent to the Hobbs  
Committed to AFMSS for processing by LINDA ASHONG on 11/17/2003 (04LA0017AE)**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED****DECLARED WATER BASIN**CEMENT BEHIND THE 8 3/4"  
CASING MUST BE CIRCULATEDCEMENT BEHIND THE 5 1/2"  
CASING MUST BE CIRCULATED

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

KZ

**DISTRICT IV**  
P.O. BOX 2002, SANTA FE, N.M. 87504-0002

**State of New Mexico**  
**Energy, Minerals and Natural Resources Department**

**OIL CONSERVATION DIVISION**

**P.O. Box 2088**  
**Santa Fe, New Mexico 87504-2088**

**EXHIBIT D-1**

For Lease - 3 Copies

# WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number <b>30-025-36662</b>	Pool Code <b>50350</b>	Pool Name <b>Penrose Skelly; Grayburg</b>
Property Code <b>24427</b>	Property Name <b>HAWK B-1</b>	Well Number <b>35</b>
OWNER No. <b>873</b>	Operator Name <b>APACHE CORPORATION</b>	ELEVATION <b>3471'</b>

### Surface Location

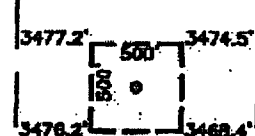
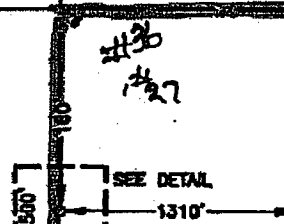
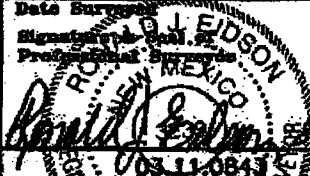
Tr. or Lot No.	Section	Township	Range	Lot 16n	Feet from the	North/South line	Feet from the	East/West line	County
P	9	21-S	37-E		160'	SOUTH	1310'	EAST	LEA

### Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 124	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 40.00	Joint or Infill	Consolidation Code	Order No. NSL-4955-A (SD)
--------------------------	-----------------	--------------------	------------------------------

**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.**

<div style="border: 1px dashed black; height: 400px; margin-bottom: 20px;"></div> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <b>GEODETIC COORDINATES</b>  NAD 27 NME  Y = 542575.4 N  X = 880814.7 E  LAT. 32°29'11.35"W  LONG. 103°09'47.55"W </div> <div style="text-align: center; margin-top: 20px;">  <p>DETAIL</p> </div> <div style="text-align: right; margin-top: 20px;">  <p>SEE DETAIL 1310'</p> </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>OPERATOR CERTIFICATION</b>  <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Michelle Hanson</u> Signature</p> <p><u>Michelle Hanson</u> Printed Name</p> <p><u>Drilling Tech</u> Title</p> <p><u>9/22/03</u> Date</p> </div> <div style="border: 1px solid black; padding: 5px;"> <b>SURVEYOR CERTIFICATION</b>  <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 style="text-align: right;">August 06, 2003</p> <p>Date Surveyed _____ A.W.B.</p> <p>Signature of Surveyor _____</p> <p>Professional Surveyor _____</p> <div style="text-align: center;">  </div> <p>Certified by _____ Surveyor License No. _____</p> </div>
---	--

DISTRICT I  
P.O. Box 1888, Santa Fe, NM 87504-2088

DISTRICT II  
P.O. Box 1888, Santa Fe, NM 87504-2088

DISTRICT III  
1600 El Alamo Blvd., Santa Fe, NM 87504

DISTRICT IV  
P.O. Box 1888, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

EXHIBIT D-2

Submit 1

State Lease - 4 Copies  
Fee Lease - 2 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Well Code	Well Name
Property Code	Property Name <b>HAWK B-1</b>	Well Number <b>33-35</b>
OWNER No.	Operator Name <b>APACHE CORPORATION</b>	ELEVATION <b>3471'</b>

Surface Location

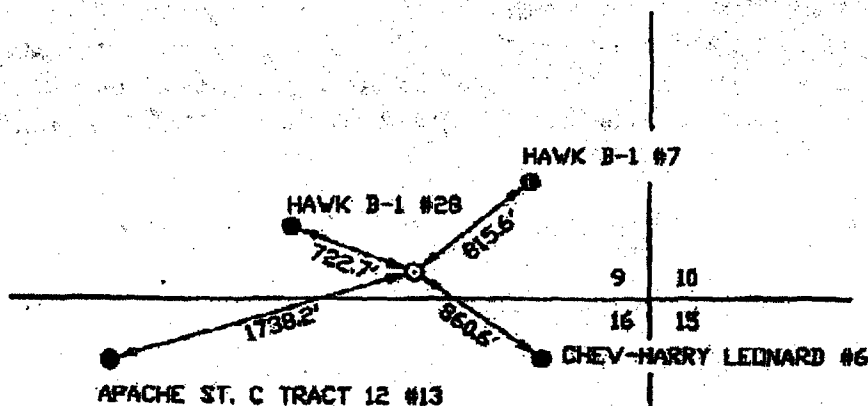
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South Line	Feet from the	East/West line	County
P	9	21-S	37-E		160'	SOUTH	1310'	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	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 the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Title

Date

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.

August 06, 2003

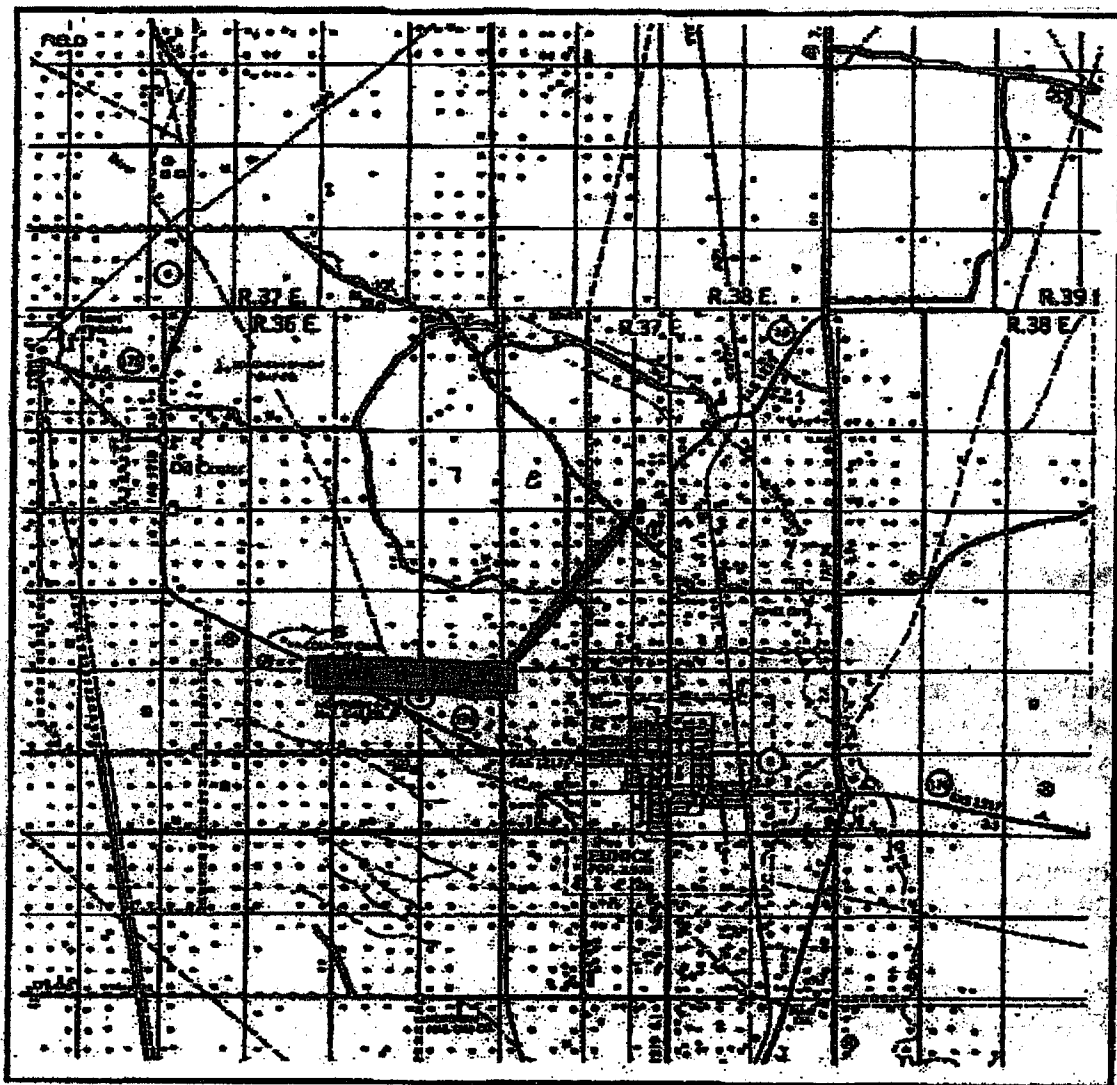
Date Surveyed  
Signature & Seal of Professional Surveyor

03.11.0843

Certificate No. RONALD J. HUBBARD 2222  
GARY HUBBARD 12544

# VICINITY MAP

EXHIBIT E-1



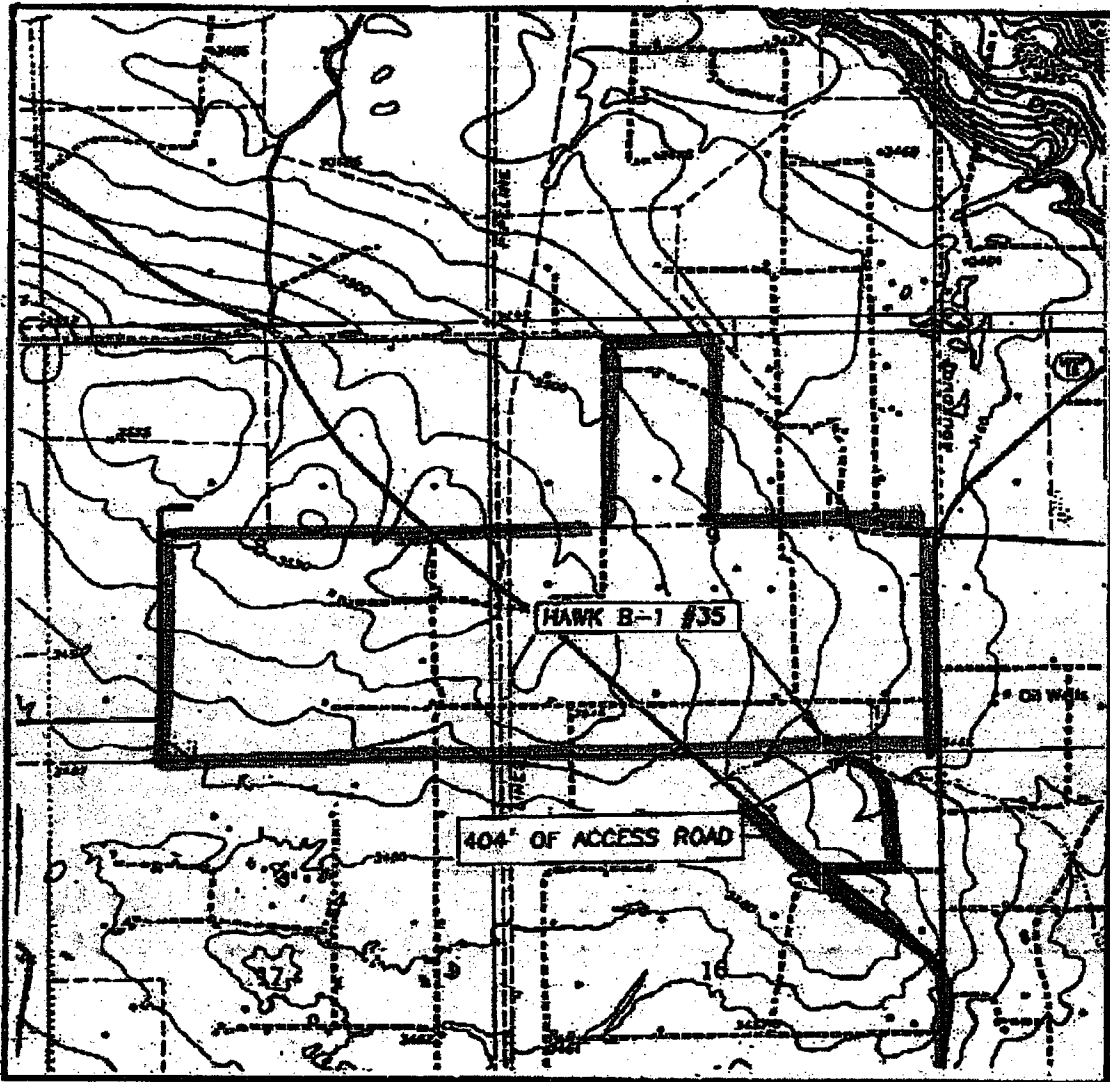
SCALE: 1" = 2 MILES

SEC. 9 TWP. 21-S. RGE. 37-E  
 SURVEY N.M.P.M.  
 COUNTY LEA  
 DESCRIPTION 150' FSL & 1310' FEL  
 ELEVATION 3471'  
 OPERATOR APACHE CORPORATION  
 LEASE HAWK B-1

JOHN WEST SURVEYING  
 HOBBS, NEW MEXICO  
 (505) 393-3117

# LOCATION VERIFICATION MAP

EXHIBIT E-2



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'  
EUNICE, N.M.

SEC. 9 TWP. 21-S RGE. 37-E  
SURVEY N.M.P.M.  
COUNTY LEA  
DESCRIPTION 180' FSL & 1310' FEL  
ELEVATION 3471'  
OPERATOR APACHE CORPORATION  
LEASE HAWK B-1  
U.S.G.S. TOPOGRAPHIC MAP  
EUNICE, N.M.

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

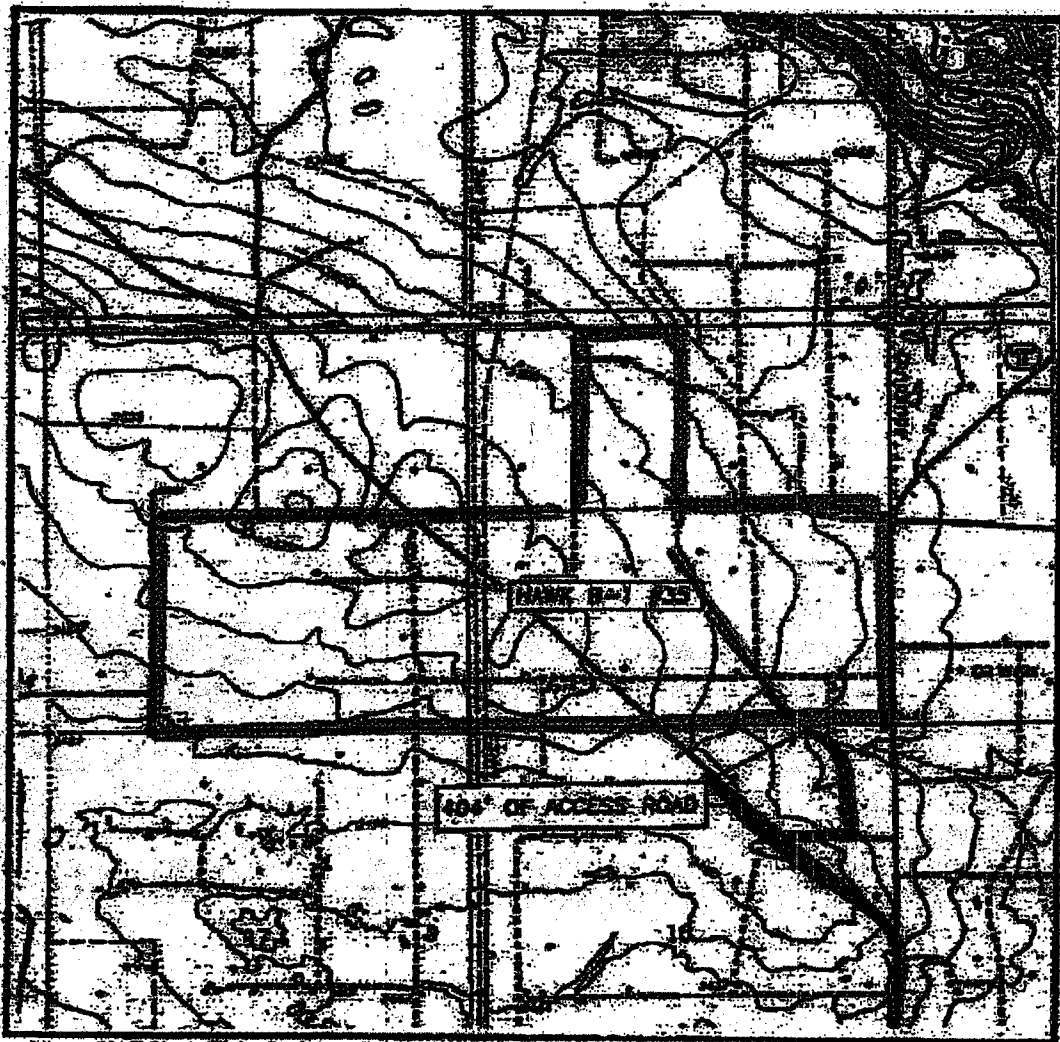
ACCESS 

LEASE BOUNDARY 



# LOCATION VERIFICATION MAP

EXHIBIT E-3



SCALE 1" = 2000'

COUNTY INTERVAL 10'  
EUNICE, N.M.

SEC. 9 - TWP. 21-S. RGE. 57-E

SURVEY N.M.P.M.

COUNTY LSA

DESCRIPTION 100' x 1310' PL

ELEVATION 1400'

OPERATOR ARACHE CORPORATION

LEASE HAWK H-1

USGS TOPOGRAPHIC MAP  
EUNICE, N.M.

3750'  
Flowline

Flow-line Route

JOHN WEST SURVEYING  
HOBBS, NEW MEXICO  
(505) 393-3117

ACCESS

LEASE BOUNDARY

The map displays the following bird species and their locations:

- Curry #1**, **Curry #2**, **Curry #3**, **Curry #4**, **Curry #5**, **Curry #6**, **Curry #7**, **Curry #8**, **Curry #9**, **Curry #10**, **Curry #11**, **Curry #12**, **Curry #13**, **Curry #14**, **Curry #15**, **Curry #16**, **Curry #17**, **Curry #18**, **Curry #19**, **Curry #20**, **Curry #21**, **Curry #22**, **Curry #23**, **Curry #24**, **Curry #25**, **Curry #26**, **Curry #27**, **Curry #28**, **Curry #29**, **Curry #30**, **Curry #31**, **Curry #32**, **Curry #33**, **Curry #34**, **Curry #35**, **Curry #36**, **Curry #37**, **Curry #38**, **Curry #39**, **Curry #40**, **Curry #41**, **Curry #42**, **Curry #43**, **Curry #44**, **Curry #45**, **Curry #46**, **Curry #47**, **Curry #48**, **Curry #49**, **Curry #50**, **Curry #51**, **Curry #52**, **Curry #53**, **Curry #54**, **Curry #55**, **Curry #56**, **Curry #57**, **Curry #58**, **Curry #59**, **Curry #60**, **Curry #61**, **Curry #62**, **Curry #63**, **Curry #64**, **Curry #65**, **Curry #66**, **Curry #67**, **Curry #68**, **Curry #69**, **Curry #70**, **Curry #71**, **Curry #72**, **Curry #73**, **Curry #74**, **Curry #75**, **Curry #76**, **Curry #77**, **Curry #78**, **Curry #79**, **Curry #80**, **Curry #81**, **Curry #82**, **Curry #83**, **Curry #84**, **Curry #85**, **Curry #86**, **Curry #87**, **Curry #88**, **Curry #89**, **Curry #90**, **Curry #91**, **Curry #92**, **Curry #93**, **Curry #94**, **Curry #95**, **Curry #96**, **Curry #97**, **Curry #98**, **Curry #99**, **Curry #100**, **Curry #101**, **Curry #102**, **Curry #103**, **Curry #104**, **Curry #105**, **Curry #106**, **Curry #107**, **Curry #108**, **Curry #109**, **Curry #110**, **Curry #111**, **Curry #112**, **Curry #113**, **Curry #114**, **Curry #115**, **Curry #116**, **Curry #117**, **Curry #118**, **Curry #119**, **Curry #120**, **Curry #121**, **Curry #122**, **Curry #123**, **Curry #124**, **Curry #125**, **Curry #126**, **Curry #127**, **Curry #128**, **Curry #129**, **Curry #130**, **Curry #131**, **Curry #132**, **Curry #133**, **Curry #134**, **Curry #135**, **Curry #136**, **Curry #137**, **Curry #138**, **Curry #139**, **Curry #140**, **Curry #141**, **Curry #142**, **Curry #143**, **Curry #144**, **Curry #145**, **Curry #146**, **Curry #147**, **Curry #148**, **Curry #149**, **Curry #150**, **Curry #151**, **Curry #152**, **Curry #153**, **Curry #154**, **Curry #155**, **Curry #156**, **Curry #157**, **Curry #158**, **Curry #159**, **Curry #160**, **Curry #161**, **Curry #162**, **Curry #163**, **Curry #164**, **Curry #165**, **Curry #166**, **Curry #167**, **Curry #168**, **Curry #169**, **Curry #170**, **Curry #171**, **Curry #172**, **Curry #173**, **Curry #174**, **Curry #175**, **Curry #176**, **Curry #177**, **Curry #178**, **Curry #179**, **Curry #180**, **Curry #181**, **Curry #182**, **Curry #183**, **Curry #184**, **Curry #185**, **Curry #186**, **Curry #187**, **Curry #188**, **Curry #189**, **Curry #190**, **Curry #191**, **Curry #192**, **Curry #193**, **Curry #194**, **Curry #195**, **Curry #196**, **Curry #197**, **Curry #198**, **Curry #199**, **Curry #200**, **Curry #201**, **Curry #202**, **Curry #203**, **Curry #204**, **Curry #205**, **Curry #206**, **Curry #207**, **Curry #208**, **Curry #209**, **Curry #210**, **Curry #211**, **Curry #212**, **Curry #213**, **Curry #214**, **Curry #215**, **Curry #216**, **Curry #217**, **Curry #218**, **Curry #219**, **Curry #220**, **Curry #221**, **Curry #222**, **Curry #223**, **Curry #224**, **Curry #225**, **Curry #226**, **Curry #227**, **Curry #228**, **Curry #229**, **Curry #230**, **Curry #231**, **Curry #232**, **Curry #233**, **Curry #234**, **Curry #235**, **Curry #236**, **Curry #237**, **Curry #238**, **Curry #239**, **Curry #240**, **Curry #241**, **Curry #242**, **Curry #243**, **Curry #244**, **Curry #245**, **Curry #246**, **Curry #247**, **Curry #248**, **Curry #249**, **Curry #250**, **Curry #251**, **Curry #252**, **Curry #253**, **Curry #254**, **Curry #255**, **Curry #256**, **Curry #257**, **Curry #258**, **Curry #259**, **Curry #260**, **Curry #261**, **Curry #262**, **Curry #263**, **Curry #264**, **Curry #265**, **Curry #266**, **Curry #267**, **Curry #268**, **Curry #269**, **Curry #270**, **Curry #271**, **Curry #272**, **Curry #273**, **Curry #274**, **Curry #275**, **Curry #276**, **Curry #277**, **Curry #278**, **Curry #279**, **Curry #280**, **Curry #281**, **Curry #282**, **Curry #283**, **Curry #284**, **Curry #285**, **Curry #286**, **Curry #287**, **Curry #288**, **Curry #289**, **Curry #290**, **Curry #291**, **Curry #292**, **Curry #293**, **Curry #294**, **Curry #295**, **Curry #296**, **Curry #297**, **Curry #298**, **Curry #299**, **Curry #300**, **Curry #301**, **Curry #302**, **Curry #303**, **Curry #304**, **Curry #305**, **Curry #306**, **Curry #307**, **Curry #308**, **Curry #309**, **Curry #310**, **Curry #311**, **Curry #312**, **Curry #313**, **Curry #314**, **Curry #315**, **Curry #316**, **Curry #317**, **Curry #318**, **Curry #319**, **Curry #320**, **Curry #321**, **Curry #322**, **Curry #323**, **Curry #324**, **Curry #325**, **Curry #326**, **Curry #327**, **Curry #328**, **Curry #329**, **Curry #330**, **Curry #331**, **Curry #332**, **Curry #333**, **Curry #334**, **Curry #335**, **Curry #336**, **Curry #337**, **Curry #338**, **Curry #339**, **Curry #340**, **Curry #341**, **Curry #342**, **Curry**

**EXHIBIT "C"**

**SURFACE USE AND OPERATIONS PLAN  
CULTURAL RESOURCES SURVEY  
APPROXIMATE REHABILITATION SCHEDULE**

**LOCALITY: HAWK B-1 #35  
OPERATOR: APACHE CORPORATION**

**LOCATION: SE $\frac{1}{4}$ SE $\frac{1}{4}$  OF SECTION 9, T21S-R37E, N.M.P.M.  
LEA COUNTY, NEW MEXICO**

**SUBMITTED TO:**

**UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ROSWELL DISTRICT OFFICE  
2909 WEST 2<sup>ND</sup> STREET  
ROSWELL, NEW MEXICO 88201  
TELEPHONE (505) 627-0272**

This plan is submitted to provide permitting agencies with information necessary to allow an appraisal of the environmental effects associated with the proposed drilling operations. Within the context of typical drilling operations, this plan provides for protection of surface resources and other environmental components. This plan has been developed in conformity with the United States Geological Survey NTL-6 guidelines, Bureau of Land Management Oil and Gas Order No. 1, and in connection and consultation with the private surface owner of record, if other than the United States of America, as well as the Roswell District Office for the Bureau of Land Management and the United States Department of the Interior personnel.

**PART #1:**

- 1) **Surface Location:**  
SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 9, Township 21 South, Range 37 East, N.M.P.M.  
Lea County, New Mexico  
160' FSL, 1310' FEL, Unit P  
See attached Exhibits "D" and "E"
- 2) **Bottom Hole Location:**  
SE $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 9, Township 21 South, Range 37 East, N.M.P.M.  
Lea County, New Mexico  
160' FSL, 1310' FEL, Unit P  
See attached Exhibits "D" and "E"
- 3) **Leases Issued:** NM-90161
- 4) **Record Lessee:**

Apache Corporation	50%
BP America Production Co.	25%
Chevron USA Inc.	25%

- 5) Acres in Lease:  
Township 20 South, Range 37 East, NMPM  
Section 13: SW $\frac{1}{4}$ /NE $\frac{1}{4}$ , NW $\frac{1}{4}$ /SW $\frac{1}{4}$   
Township 20 South, Range 38 East, NMPM  
Section 30: Lot 1  
Township 21 South, Range 37 East, NMPM  
Section 4: Lots 3, 6  
Section 6: NE $\frac{1}{4}$ /SE $\frac{1}{4}$ , S $\frac{1}{2}$ /SE $\frac{1}{4}$   
Section 8: SE $\frac{1}{4}$ , E $\frac{1}{2}$ /SW $\frac{1}{4}$   
Section 9: S $\frac{1}{2}$ , E $\frac{1}{2}$ /NW $\frac{1}{4}$

Total Acres: 958.25

- 6) Acres Dedicated to Well:  
There are 40.00 acres dedicated to this well, which takes in the SE $\frac{1}{4}$ /SE $\frac{1}{4}$  of Section 9, Township 21 South, Range 37 East, N.M.P.M., Lea County, New Mexico.

PART #2:

- 1) Existing Roads:  
Exhibits "E-1" & "E-2" comprise maps showing the proposed well site in relation to existing roads and State Highway 18. The well is  $\pm$ 2.5 miles northwest of Eunice, New Mexico. From Eunice, go north approximately 2.5 miles on State Highway 18. Turn northwest on existing lease roads to location as illustrated on Exhibit "E-2".
- 2) Planned Access:  
A. Length and Width: A new 404' access road, 20' wide, will be constructed from the existing lease/access road to the well site. Extra width may be needed in the turns. Application for a buried pipeline will be made if it becomes necessary.  
B. Construction: The existing roads will be lightly graded and topped with compacted caliche as needed.  
C. Turnouts: None required.  
D. Culverts: None required.  
E. Cuts and Fills: As needed.  
F. Gates and Cattleguards: None required.
- 3) Location of Existing Wells:  
Exhibit "F" shows existing wells within a 1-mile radius of the proposed well.
- 4) Location of Existing and/or Proposed Facilities:  
A. There are production facilities within the area of the Northeast Drinkard Unit, which is adjacent to the wellsite.  
B. If the oil well proves to be commercial, any necessary production facilities will be installed on the drilling pad, and flow lines will be installed along the proposed and existing roads to the production facilities and storage tanks. See Exhibit "E-3" for flow-line route.
- 5) Location and Type of Water Supply:  
Apache Corporation plans to drill the proposed well with fresh and brine water which will be transported by truck over proposed and existing access roads.
- 6) Source of Construction Materials:  
Caliche for surfacing access roads and the wellsite pad will be obtained from the location itself or from BLM pits in the area.
- 7) Method of Handling Waste Material:  
A. Drill cuttings will be disposed of in the reserve pits.  
B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.  
C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.  
D. Water produced during operations will be collected in tanks until hauled to an approved disposal system.  
E. Oil produced during operation will be stored in tanks until sold.

F. Apache Corporation will comply with current laws and regulations pertaining to the disposal of human waste.

G. All waste materials will be contained to prevent scattering by the wind and will be removed from the well site within 30 days after drilling and/or completion operations are finished.

8) Ancillary Facilities: None planned.

9) Well Site Layout:

A. Exhibit "G" shows the relative location and dimensions of the well pad, reserve pits, and major rig components. The pad and pit area have been staked and flagged.

B. Mat Size: 140' x 200' plus reserve pits as shown on Exhibit "G".

C. Cut & Fill: Only minor leveling of the drilling site is anticipated.

D. The surface will be topped with compacted caliche and the reserve pits will be lined with 6 mil plastic.

10) Plans for Restoration of the Surface:

A. After completion of drilling and/or completion operations, all equipment and other material, not needed for operations, will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.

B. Any unguarded pits containing fluids will be fenced until they are filled.

C. If the proposed well is non-productive, Apache Corporation will comply with all rehabilitation and/or vegetation requirements of the Bureau of Land Management, and such rehabilitation will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11) Other Information:

A. Topography: The wellsite and access road are located in the Querecho Plains and are relatively flat.

B. Soil: The proposed location, access road and production facilities consist of sandy soil. Slope in the proposed area ranges from zero (0) to five (5) degrees.

C. Flora and Fauna: Vegetation is one of a grassland environment and a scrub-grass, scrub disclimax community. The wildlife consists of rabbits, coyotes, rattlesnakes, lizards, dove, quail and other wildlife typical of the semi-arid desert land.

D. Ponds and Streams: There are no ponds, lakes, streams or feeder creeks in the immediate area.

E. Residences and Other Structures: There are no occupied residences or other structures on or near the proposed location.

F. Land Use: The land is used for grazing cattle.

G. Surface Ownership: The surface is owned by the Trustee of the Millard Deck Estate, c/o Tim Wolters, Bank of America, P. O. Box 270, Midland, TX 79702, 915-685-2864. A Surface Damage Release agreement for this tract has been executed by the Millard Deck Estate and Apache Corporation.

H. Archaeological, Historical, and Other Cultural Sites:

Don Clifton, Archaeological Consultant, of Pep, New Mexico, will be conducting an archaeological survey of the proposed HAWK B-1 #35 well which covers the drilling location, production facilities, and access road, including a corridor along said access road for power and flow lines. His report will be filed under separate cover.

I. Senior Representative (Manager, Engineering & Production):

Jim McKinney  
Apache Corporation  
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(918) 491-4800

Project (Operations Engineer):

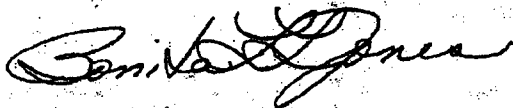
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Drilling Operations (Operations Engineer):

Glenn Bone  
Apache Corporation  
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Tulsa, Oklahoma 74136  
(918) 491-4907

CERTIFICATION

I hereby certify that Apache Corporation has inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Apache Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



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Date: 11-3-03