

DHC-HOB

Order Number

406

API Number

30055-39654

Operator

Apache Corporation

County

Lea

Order Date

9-21-10

Well Name

Merit

Number

3

Location

0

UL

11

Sec

205

T (+Dir)

38E

R (+Dir)

Pool 1

33230

House Blinebry

Oil %

29%

Gas %

41%

Pool 2

78760

House Tubb

16%

31%

Pool 3

33250

House Drinkard

55%

28%

Pool 4

Comments:

Posted R B OMS

9-22-10

CH

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Apache Corporation

PROPERTY NAME: Merit

WNULSTR: #3-0-11-205-38E

DHC-HOB-406
30-025-39654

SECTION I:

POOL NO. 1 House Blinebry ALLOWABLE AMOUNT 142 284 MCF

POOL NO. 2 House Tubb 142 284 MCF

POOL NO. 3 House Drinkard 142 284 MCF

POOL NO. 4 _____ MCF

POOL TOTALS 426 852

SECTION II:

POOL NO. 1 House Blinebry Oil Gas
29% 41%

POOL NO. 2 House Tubb 16% 31%
28%

POOL NO. 3 House Drinkard 55% X 426 =
234.3

POOL NO. 4 _____ <234>

OIL

GAS

SECTION III:

55% ÷ 142 = 258.18

<258>

SECTION IV:

29% X 258 = 74.82 <75>

16% X 258 = 41.28 <41>

55% X 258 = 141.9 = <142>

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OIL CONSERVATION DIVISION

SEP 20 2010 220 South St. Francis Dr.

HOBBS CO Santa Fe, NM 87505

WELL API NO. /
30-025-39654

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

Merit

8. Well Number 003

9. OGRID Number 873

10. Pool name or Wildcat

House;Blaine-House;Tubb-House;Drinkard

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

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

2. Name of Operator

Apache Corporation

3. Address of Operator

303 Veterans Airpark Ln. Midland, TX 79705

4. Well Location

Unit Letter 0 : 37 feet from the S line and 2260 feet from the E line

Section 11 Township 20S Range 38E NMPM County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3572'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
 TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
 PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
 DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
 COMMENCE DRILLING OPNS. ☐ P AND A ☐
 CASING/CEMENT JOB ☐

OTHER: Request DHC Blaine/Tubb/Drinkard ☒OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. R-11363

Apache intends to downhole commingle as follows:

Pool Names:

House-Blaine-Pool 33230
 House-Tubb-Pool 78760
 House-Drinkard-Pool 33250

Actual Perforations:

6055'-6430'
 6519'-6858'
 6932'-7110'

The allocation method will be as follows based on offset production (See attached application for exception to Rule 303-C)

	Oil	Gas	Water
Blaine:	29%	41%	55%
Tubb:	16%	31%	12%
Drink:	55%	28%	33%

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

Spud Date: 7/15/2010

Rig Release Date: 7/27/2010

DHC-HOB-406

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Katie Kauffman TITLE Engineering Tech

DATE: 9/10/10

Type or print name Katie Kauffman

E-mail address: katie.kauffman@apachecorp.com

PHONE: 432.818.1065

For State Use Only

APPROVED BY: [Signature]

TITLE PETROLEUM ENGINEER

DATE SEP 21 2010

Conditions of Approval (if any):

DISTRICT I
1625 N. FRENCH DR., HOHES, NM 87540

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 87210

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

11885 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30 025-39054	Pool Code 33250	Pool Name House-Drinkard-Pool
Property Code 303223	Property Name MERIT	Well Number 3
OGRID No. 813	Operator Name APACHE CORPORATION	Elevation 3572'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	11	20-S	38-E		37	SOUTH	2260	EAST	LEA

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
0	11	20-S	38-E		330	SOUTH	2310	EAST	LEA

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

<p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION</p> <p>Y=576995.2 N X=874495.2 E</p> <p>LAT.=32.580384° N LONG.=103.117582° W</p> <p>LAT =32°34'49.38"N LONG.=103°07'03.29"W</p> <p>BOTTOM HOLE LOCATION</p> <p>Y=577287.5 N X=874442.1 E</p> <p>GRID AZ.=349°41'32" HORIZ. DIST.=297.2'</p> <p>B.H. S.L. 37' 330' 2310' 2260'</p>	<p>OPERATOR CERTIFICATION</p> <p>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.</p> <p><i>Katie Kauffman</i> 9/13/10 Signature Date <i>Katie Kauffman</i> Printed Name</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MAY 20 2010</p> <p>Date Surveyed Signature & Seal of Professional Surveyor <i>Gary G. Eidson</i> 5/25/10 10.11.0769</p> <p>Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239</p>
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DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 83240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

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OIL CONSERVATION DIVISION

11885 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-391054	Pool Code 187100	Pool Name House-Tubb-Pool
Property Code 303223	Property Name MERIT	Well Number 3
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3572'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	11	20-S	38-E		37	SOUTH	2260	EAST	LEA

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0	11	20-S	38-E		330	SOUTH	2310	EAST	LEA

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2003

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CONSERVATION DIVISION

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DISTRICT IV
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WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

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Property Code 303223	Property Name MERIT	Well Number 3
OGRID No. 873	Operator Name APACHE CORPORATION	Elevation 3572'

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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