

Submit 1 Copy To Appropriate District Office  
District I - (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
District II - (575) 748-1283  
811 S. First St., Artesia, NM 88210  
District III - (505) 334-6178  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV - (505) 476-3460  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources

Form C-103  
Revised August 1, 2011

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

WELL API NO. <b>30-015-39027</b>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name <b>PALMILLO 14 STATE</b>
8. Well Number <b>#1H</b>
9. OGRID Number <b>873</b>
10. Pool name or Wildcat <b>PALMILLO;BONESPRING, SW</b>
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3454'</b>

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 <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>	
2. Name of Operator <b>APACHE CORPORATION</b>	
3. Address of Operator <b>303 VETERANS AIRPARK LN #3000 MIDLAND, TX 79705</b>	
4. Well Location Unit Letter <b>L</b> : <b>2080</b> feet from the <b>SOUTH</b> line and <b>330</b> feet from the <b>WEST</b> line Section <b>14</b> Township <b>19S</b> Range <b>28E</b> NMPM County <b>EDDY</b>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <b>3454'</b>	

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

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.

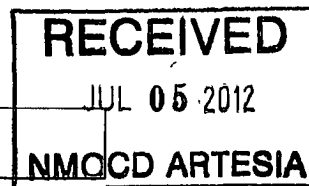
7/5/12:

After drilling the planned 8-3/4" pilot hole as per the approved APD, Apache requests approval to change the planned setting of 7" 26# casing at 7000' (above the KOP) to a contingency string that will be set in the pilot hole to TD (9000'), if hole problems are encountered. However, if the pilot hole is stable, a cement kick-off plug will be set in open hole from 7800' to 6800' (approx. 450sx). Then an 8-3/4" curve will be drilled. If hole problems are encountered in the curve, then the 7" 26# casing will be set at the bottom of the curve and cemented back to about 2000' from surface. However, if no hole problems are seen, then a 7-7/8" lateral will be drilled as opposed to the planned 6-1/8" hole. Then 5-1/2" 17# casing will be ran from TD back to surface and cemented to about 2000' from surface.

In the event that the 7" contingency string is set in the well, then a 6-1/8" hole will be drilled after that point and a 4-1/2" 11.6# liner will be set.

Spud Date:

Rig Release Date:



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

SIGNATURE *Lennie R. Flors* TITLE SUPV OF DRILLING SERVICES DATE 7/5/12

Type or print name *C. Shepard* E-mail address: *cshepard@apache.com* PHONE:

For State Use Only

APPROVED BY: *C. Shepard* TITLE *Geologist* DATE 7/5/2012

Conditions of Approval (if any):