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 Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

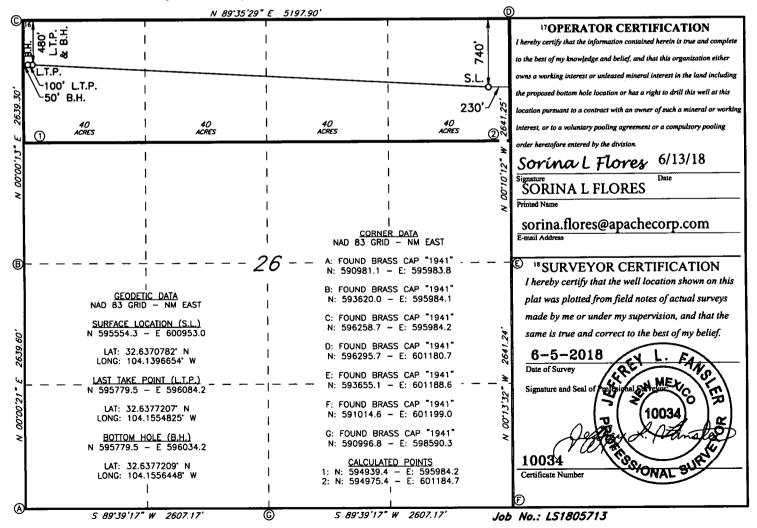
State of New Mexico Form C-102 Revised August 1, 2011 Energy, Minerals & Natural Resources Department Submit one copy to appropriate OIL CONSERVATION DI DISIONSERVATION **District Office** 1220 South St. Francis ABITESIA DISTRICT Santa Fe, NM 87505 AMENDED REPORT JUN 1 4 2018

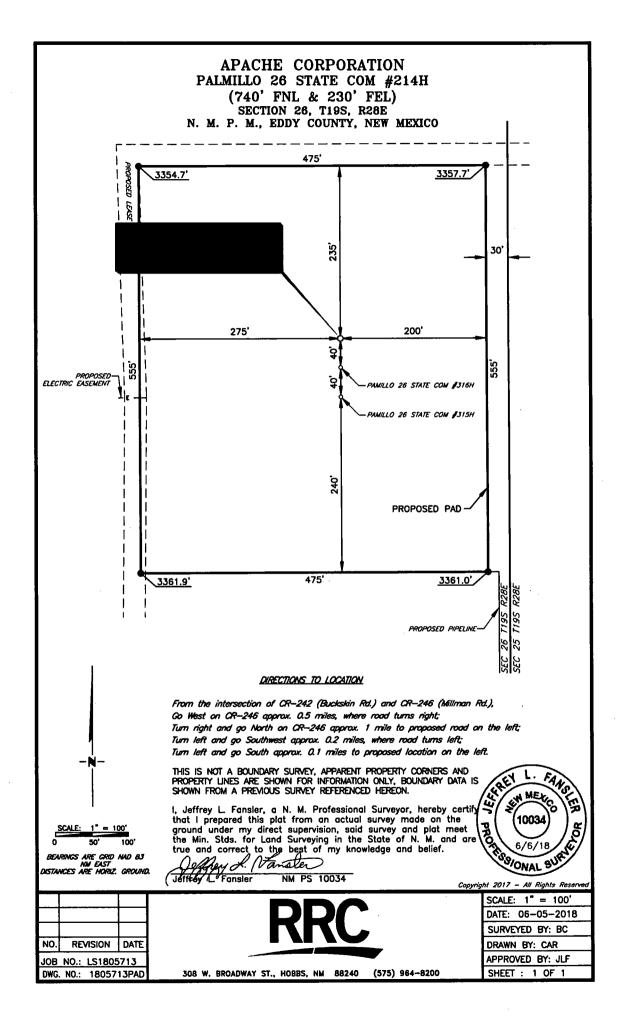
WELL LOCATION AND ACREAGE DEDRECEIVEDI AT

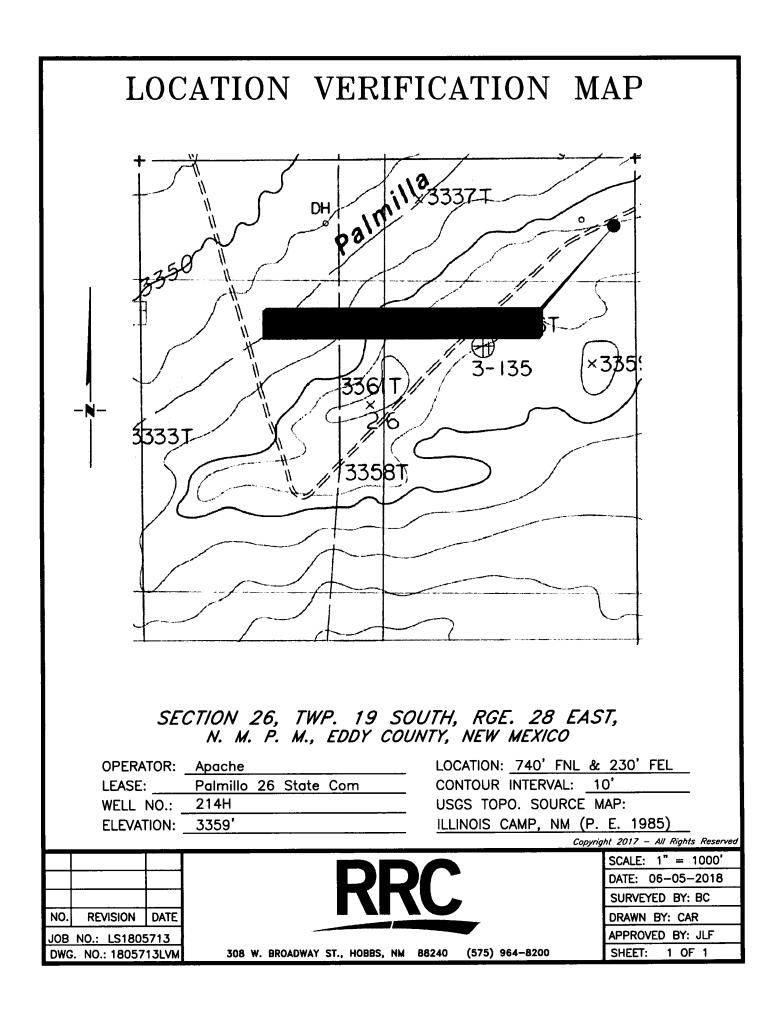
30-015- 4		650	² Pool Code 10	WI	NCHESTER; B	ne G				
⁴ Property Co 321281	· · · · · · · · · · · · · · · · · · ·	⁵ Property Name PALMILLO 26 STATE COM							⁶ Well Number 214H	
⁷ OGRID NO. 873				⁹ Elevation 3359'						
	•				¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West	ine County	
A	26	19S	28E		740	NORTH	230	EAST	EDDY	
	•		Ξ	Bottom H	lole Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West 1	ine County	
n	26	195	28E		480	NORTH	50	WEST	EDDY	

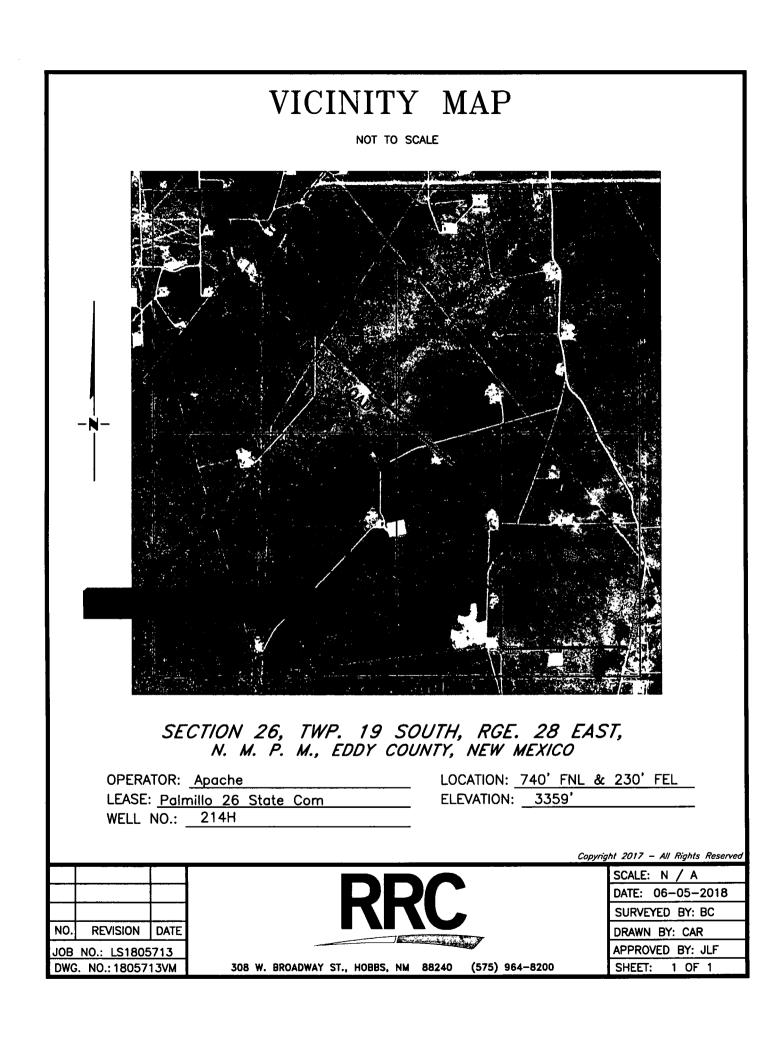
2		100		202		100	 		· · · · · · · · · · · · · · · · · · ·
12 Dedicated Acres	s 13 Joint	or Infill	14 Co	onsolidation	Code	15 Order No.			
160							 		

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.









Apache Corp respectfully requests approval for the following changes and additions to the drilling plan:

- 1. Utilize a spudder rig to pre-set surface casing.
- 2. Description of Operations
 - 1. Spudder rig will move in their rig to drill the surface hole section and pre-set surface casing on the Palmillo 26 State COM 214H.) 30-015-4504/
 - a. After drilling the surface hole section, the rig will run casing and cement following all of the applicable rules and regulations (19.15.16 NMAC Drilling and Production).
 - b. Rig will utilize fresh water based mud to drill 17-1/2" surface hole to TD. Solids control will be handled entirely on a closed loop basis.
- 2. The wellhead (page 3) will be installed and tested once the 13-3/8" surface casing is cut off and the WOC time has been reached.
- 3. A blind flange with the same pressure rating as the wellhead will be installed to seal the wellbore. Pressure will be monitored with a pressure gauge installed on the wellhead.
 - a. A means for intervention will be maintained while the drilling rig is not over the well.
- 4. Spudder rig operations is expected to take 1-2 days on a single well pad.
- 5. The NMOCD will be contacted and notified 24 hours prior to commencing spudder rig operations.
- 6. Drilling operations will be performed with the drilling rig. At that time an approved BOP stack will be nippled up and tested on the wellhead before drilling operations commences on each well.
 - a. The NMOCD will be contacted / notified 24 hours before the drilling rig moves back on to the pad with the pre-set surface casing.
- 7. Apache Corp will have supervision over the rig to ensure compliance with all NMOCD regulations and to oversee operations.
- 8. Once the rig is removed, Apache Corp will secure the wellhead area by placing a guard rail around the cellar area.

