Form 3160-3
(August 1999)

OPER. OGRID NO. 873
PROPERTY NO. 24430
POOL CODE 50350
EFF. DATE
API NO. 30-025-36661

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

EC

APPLICA

5. Lease Serial No.
NMLC032096A

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☒ DRILL ☐ REENTER

CONFIDENTIAL

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

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☒ Multiple Zone

8. Lease Name and Well No.
LOCKHART A-17 9

2. Name of Operator
APACHE CORPORATION

Contact: BONNIE JONES
E-Mail: bonitaj@cableone.net

9. API Well No.
30-025-36661

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

10. Field and Pool, or Exploratory
PENROSE SKELLY

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*

SUBJECT TO LIKE APPROVAL BY STATE

At surface NENE 110FNL 80FEL

At proposed prod. zone NENE 110FNL 80FEL Unit A

11. Sec., T., R., M., or Blk. and Survey or Area
Sec 17 T21S R37E Mer NMP
SME: FEE

14. Distance in miles and direction from nearest town or post office*
3.5 MILES NORTHWEST OF EUNICE, NM

12. County or Parish
LEA

13. State
NM

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
80'

16. No. of Acres in Lease
640.00

17. Spacing Unit dedicated to this well
40.00

18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.
799.4'

19. Proposed Depth
4150 MD
4150 TVD

20. BLM/BIA Bond No. on file

21. Elevations (Show whether DF, KB, RT, GL, etc.
3497 GL

22. Approximate date work will start
12/15/2003

23. Estimated duration
7 DAYS

RECEIVED
DEC 2003
OCD

Capitan Controlled Water Basin

24. Attachments

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

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. 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)
/S/ JOE G. LARA

Name (Printed/Typed)
/S/ JOE G. LARA

Date
DEC 15 2003

Title
ACTING FIELD MANAGER

Office
CARLSBAD FIELD OFFICE

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 #25160 verified by the BLM Well Information System
For APACHE CORPORATION, sent to the Hobbs
Committed to AFMSS for processing by ARMANDO LOPEZ on 11/17/2003 (04AL0040AE)

APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

DECLARED WATER BASIN
CEMENT BEHIND THE 8 5/8" CASING MUST BE CIRCULATED
CEMENT BEHIND THE 5 1/2" CASING MUST BE CIRCULATED

K2

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 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-1

Sub

State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-025-36661	50350	Penrose Skelly; Grayburg

Property Code	Property Name	Well Number
24430	LOCKHART A-17	9

OGRID No.	Operator Name	ELEVATION
873	APACHE CORPORATION	3497'

Surface Location

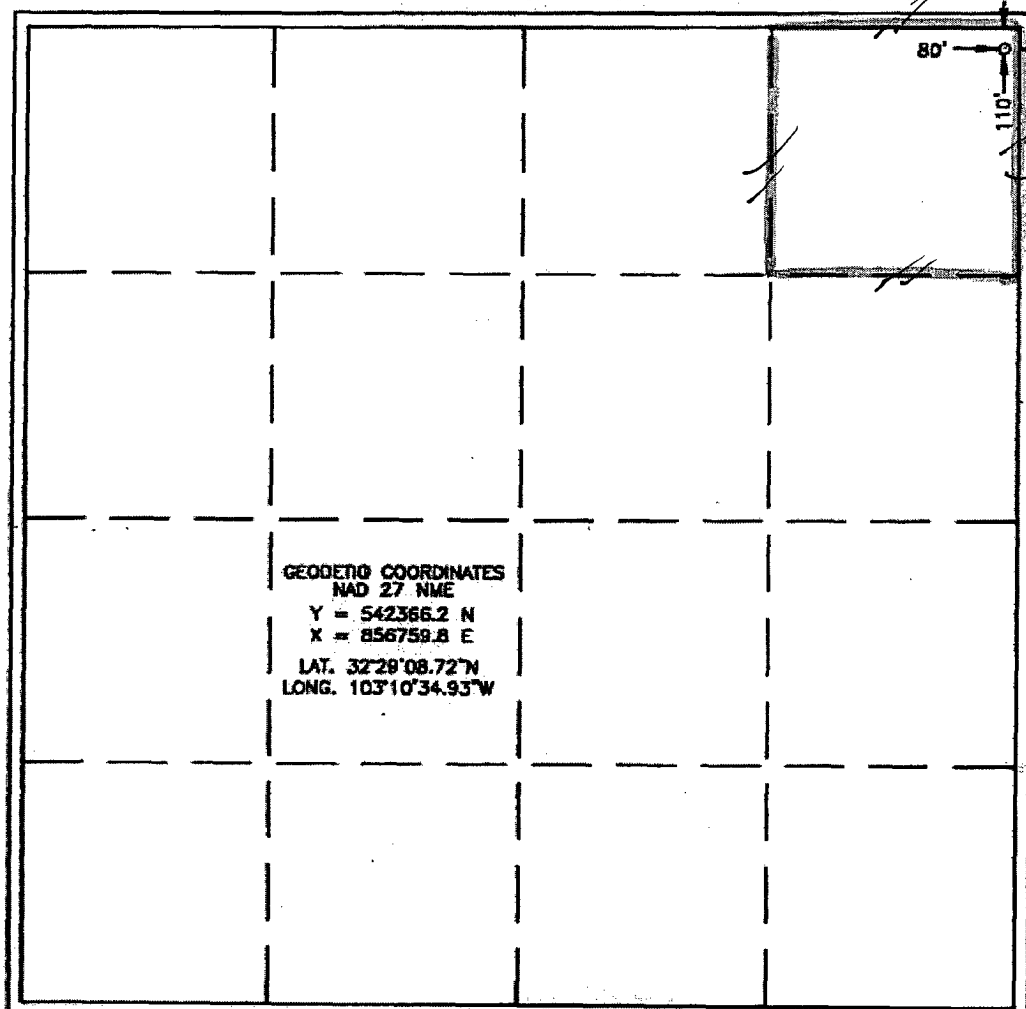
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	17	21-S	37-E		110'	NORTH	80'	EAST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40.00			NSL-5024 (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



OPERATOR CERTIFICATION

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

Michelle Hanson
Signature

Michelle Hanson
Printed Name

Drilling Technician
Title

9/22/03
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 supervison, and that the same is true and correct to the best of my belief.

August 06, 2003
Date Surveyed A.W.B.

Signature & Seal of Professional Surveyor

RONALD J. EIDSON
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR

Ronald J. Eidson 8/15/03
03.11.0857

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 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

Fee Lease - 5 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name

Property Code	Property Name	Well Number
	LOCKHART A-17	9
OGRID No.	Operator Name	ELEVATION
	APACHE CORPORATION	3497'

Surface Location

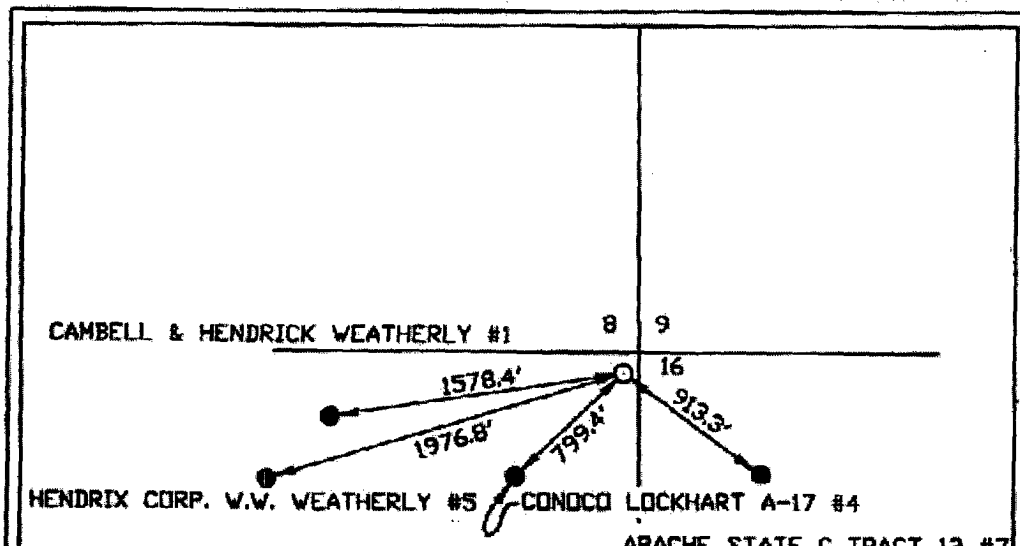
Ul or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	17	21-S	37-E		110'	NORTH	80'	EAST	LEA

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

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 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 supervison, and that the same is true and correct to the best of my belief.

August 06, 2003

Date Surveyed A.W.B.

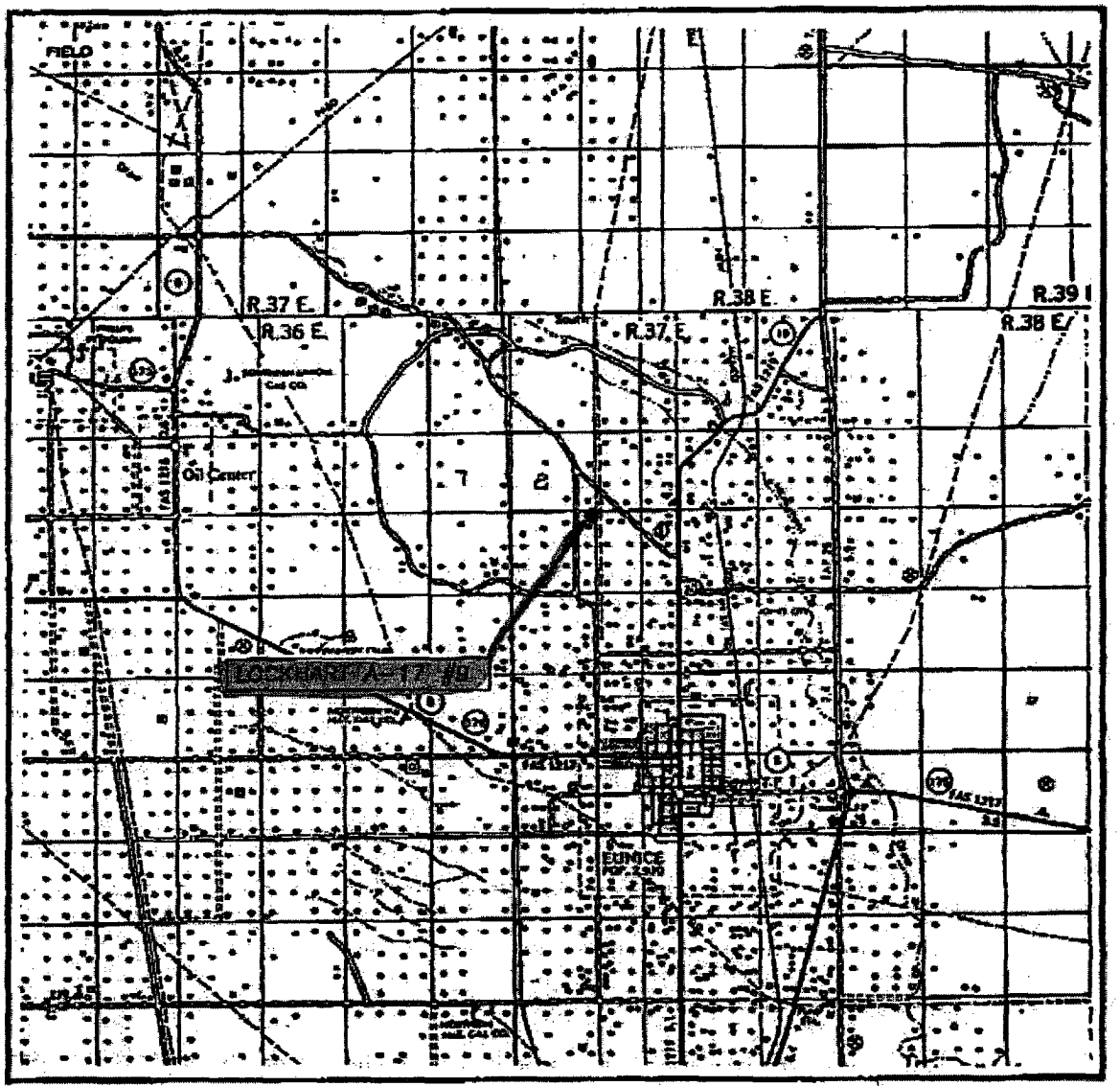
Signature & Seal of Professional Surveyor

03.11.0857

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

EXHIBIT E-1

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 17 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 110' FNL & 80' FEL

ELEVATION 3497'

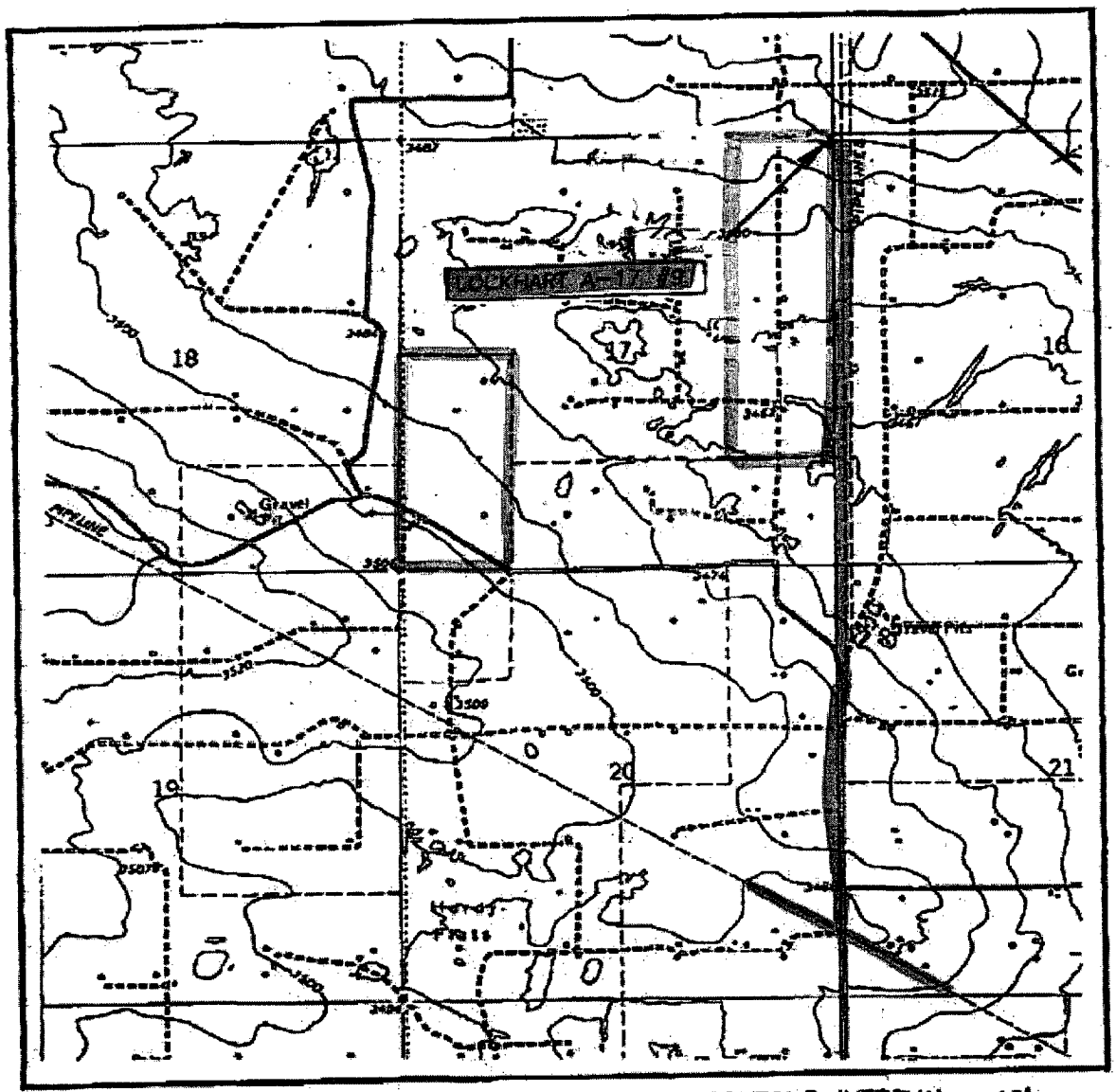
OPERATOR APACHE CORPORATION

LEASE LOCKHART A-17

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. 17 TWP. 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 110' FNL & 60' FEL

ELEVATION 3497'

OPERATOR APACHE CORPORATION

LEASE LOCKHART A-17

U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.

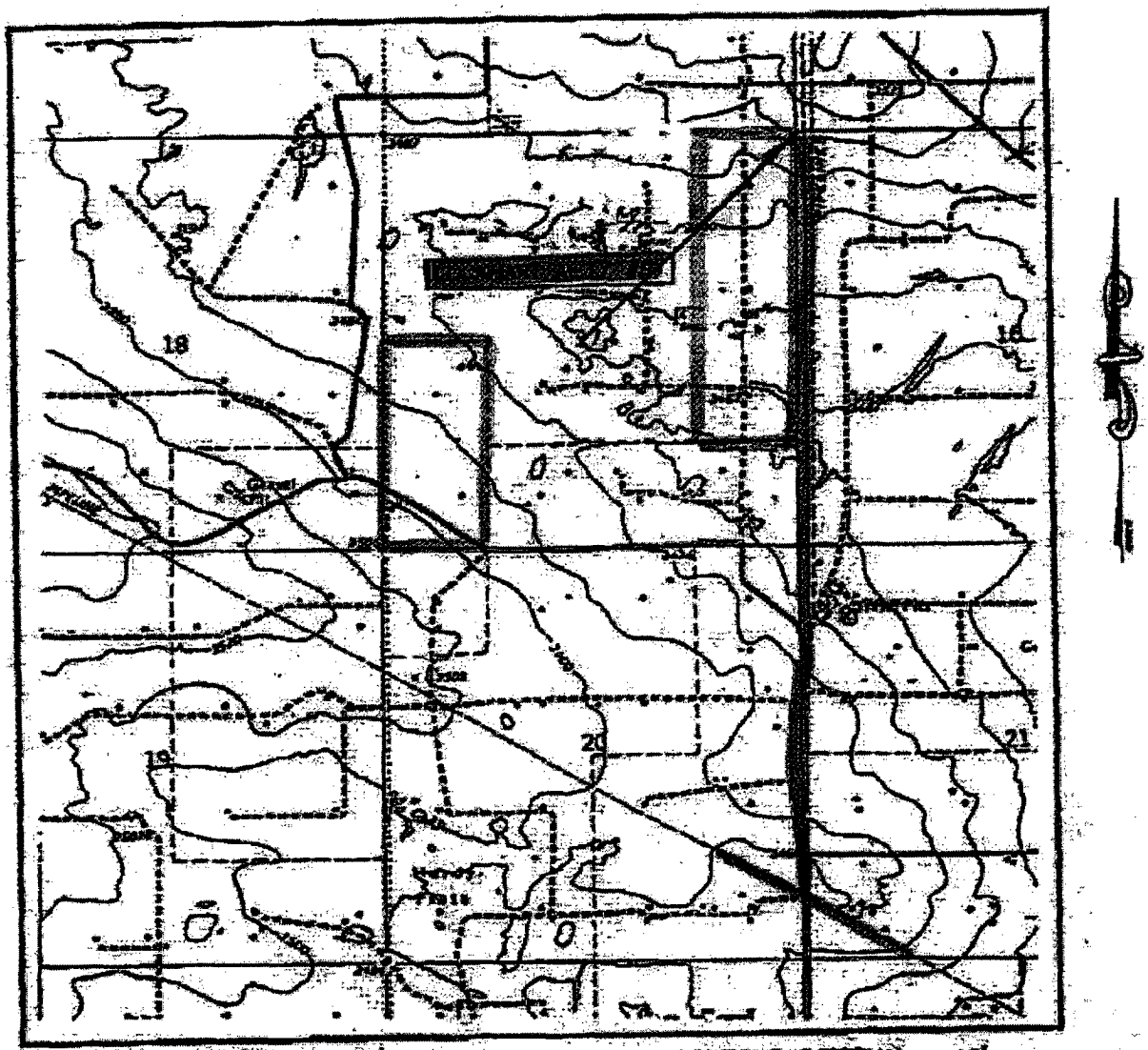
JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

ACCESS

LEASE BOUNDARY

LOCATION VERIFICATION MAP

EXHIBIT E-3



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'
EUNICE, N.M.

5500'
Flow line

Flow-line Route

SEC. 17 TWP. 21-S RGE. 37-E
SURVEY N.M.P.M.
COUNTY LEA
DESCRIPTION 110' FNL & 80' FEL
ELEVATION 3497'
OPERATOR APACHE CORPORATION
LEASE LOCKHART A-17
U.S.G.S. TOPOGRAPHIC MAP
EUNICE, N.M.

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

ACCESS [redacted]

LEASE BOUNDARY [redacted]

EXHIBIT "A"
LOCKHART A-17 #9

DRILLING PROGRAM

I. The geological surface formation is recent Permian with quaternary alluvium and other surficial deposits.

II. Estimated Tops of Geological Markers:

FORMATION	DEPTH
Quaternary alluvials	Surface
Rustler	1283'
Yates	2682'
Grayburg	3728'
San Andres	3991'
TD	4150'

III. Estimated depths at which water, oil, gas, or other mineral-bearing formations are expected to be encountered:

SUBSTANCE	DEPTH
Oil	Penrose at 3557'
	Grayburg at 3728'
Gas	None anticipated
Fresh Water	None anticipated

All fresh water and prospectively valuable minerals (as described by BLM) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows within zones of correlative rights will be tested to determine commercial potential.

IV. A. Proposed Casing Program:

HOLE SIZE	CASING SIZE OD	CASING SIZE ID	GRADE	WEIGHT PER FOOT	DEPTH	SACKS CEMENT	ESTIMATED TOC - REMARKS
12 ¼"	8 5/8"	8.097	J55 STC	24#	400' **(Pursuant to Lea County Alternative Casing Program)**	325	TOC - Surface 8.34 ppg Water-based Mud; 83° F Est. Static Temp; 80° F Est. Circ. Temp.
7 7/8"	5 ½"	4.892	J55 LTC	17#	4150'	755	TOC – Surface Float Collar set @ 4110'/ 10.20 ppg Water-based Mud; 118° F Est. Static Temp; 101° F Est. Circ. Temp.

B. Proposed Cement Program:

CASING	SLURRY	DISPLACEMENT
8 5/8"	325 sacks Class C Cement + 2% bwoc Calcium Chloride + 0.125 lbs/sack Cello Flake + 56.3% Fresh Water 437 Vol. Cu Ft 1.35 Vol. Factor Slurry Weight (ppg) 14.8 Slurry Yield (cf/sack) 1.35 Amount of Mix Water (gps) 6.35; Estimated Pumping Time – 70 BC (HH:MM)-3:00;	22.9 bbls Fresh Water @ 8.34 ppg

8 5/8" Casing: Volume Calculations:

400 ft	x	0.4127 cf/ft	with	156% excess	=	423.0 cf
40 ft	x	0.3576 cf/ft	with	0% excess	=	14.3 cf (inside pipe)
		TOTAL SLURRY VOLUME			=	437.3 cf
					=	78 bbls

Spacer 30.0 bbls Water @ 8.3 ppg

CASING	LEAD SLURRY	TAIL SLURRY	DISPLACEMENT
5 ½"	505 sacks (50:50) Poz (Fly Ash): Class C Cement + 5% bwow Sodium Chloride + 0.125 lbs/sack Cello Flake + 0.003 gps FP-6L + 10% bwoc Bentonite + 139.7% Fresh Water; 1405 Vol. Cu Ft 2.44 Vol. Factor Slurry Weight (ppg) 11.8 Slurry Yield (cf/sack) 2.44 Amount of Mix Water (gps) 14.07; Amount of Mix Fluid (gps) 14.07 Estimated Pumping Time – 70 BC (HH:MM)-4:00;	250 sacks (50:50) Poz (Fly Ash):Class C Cement + 5% bwow Sodium Chloride +0.003 gps FP-6L + 2% bwoc Bentonite + 58.7% Fresh Water 323 Vol. Cu Ft 1.29 Vol. Factor Slurry Weight (ppg) 14.2 Slurry Yield (cf/sack) 1.29 Amount of Mix Water (gps) 5.91; Amount of Mix Fluid(gps) 5.91; Estimated Pumping Time – 70 BC (HH:MM)-3:00;	94.8 bbls Fresh Water @ 8.34 ppg

5 ½" Casing: Volume Calculations:

400 ft	x	0.1926 cf/ft	with	0% excess	=	77.0 cf
2915 ft	x	0.1733 cf/ft	with	150% excess	=	1262.9 cf
835 ft	x	0.1733 cf/ft	with	120% excess	=	318.2 cf
40 ft	x	0.1305 cf/ft	with	0% excess	=	5.2 cf(inside pipe)
		TOTAL SLURRY VOLUME			=	1663.3 cf
					=	296 bbls

All slurries will be tested prior to loading to confirm thickening times and a lab report furnished to Apache. Fluid loss will be tested and reported on slurries with fluid loss additives. Lab test report will be furnished prior to pumping cement.

V. A. Proposed Mud Program

DEPTH	MUD PROPERTIES	REMARKS
0 – 400'	Weight: 8.6 – 9.2 ppg Viscosity: 32 – 50 sec/qt Plastic Viscosity: 2-10 cps Yield Point: 6-15 lbs/100' pH: 9-10 Filtrate: NC Solids: <4 % volume Chloride: <4,000 mg/L	Spud with Fresh Water AQUAGEL EZ-Mud, LCM, Lime. Add AQUAGEL and LIME to Fresh Water to build desired viscosity for hole cleaning, restricting system to steel pits. Additions of Fresh Water at the flowline will aid in controlling viscosity. HY-SEAL "sweeps" as needed for extra hole cleaning, seepage and severe losses. Should total circulation loss be encountered, add up to 20 ppb. LCM (BARO-SEAL = Maxiseal); (HY-SEAL = Drilling Paper); (PLUG-GIT = Cedar Fiber) and spot in loss zone. If returns cannot be established, then "dry-drill" to set surface casing.
400' – 4000'	Weight: 9.2 ppg Viscosity: 30 – 32 sec/qt Plastic Viscosity: 0-1 cps Yield Point: 0-1 lbs/100' pH: 9-10 Filtrate: NC Solids: <1 % volume Chloride: < 30K mg/L	Drill out from under the surface casing with Fresh Water. HY-SEAL should be added at 2 bags after every 100' drilled, if you have and drag or torque on connections. Begin adding 10 # Brine 100' before drilling salt formation for 9.7 + weight. LIME applications should be continued during this interval for a pH of 9.0-10.0, in addition, to flocculate solids and to minimize corrosion. Additions of CAUSTIC SODA may be needed to maintain pH at 9-10.
4000' – 4150'	Weight: 9.1 – 10.3 ppg Viscosity: 30 – 32 sec/qt Plastic Viscosity: 3-10 cps Yield Point: 4-6 lbs/100' pH: 9-10 Filtrate: 10-15 cm/30 min Solids: <2-4 % volume Chloride: < 170K mg/L	From 4000' to Total Depth, it is recommended the system be restricted to the steel pits, and, with Brine, mud up as follows: while circulating through the steel pits, add 3-4 #/bbl IMPERMX (starch) to lower fluid loss below 15 cc. If lost circulation is encountered, mix a viscous pit of mud and add 15 ppb LCM (Add 5#/bbl of the following: BARASEAL, HYSEAL & PLUG-GIT) and continue to drill. Sweep the hole with a viscous pill prior to coming out of the hole to log

VI. Proposed Control Equipment:

Will install on the 8 5/8" surface casing a 9" x 3000 psi WP Double Ram BOP and will test before drilling out of surface casing. **As expected pressures will not exceed 2000 psi, we request a waiver of the remote control requirement on the accumulator of the 3M BOP and a**

variance to run a 2M BOP, if available, and to test to 1500 psi using rig pumps. See Exhibit "H" for BOP layout.

VII. Auxiliary Equipment:

9" x 3000 psi double BOP/blind & pipe ram **(2M BOP if available)**
41/2" x 3000 psi Kelly valve
9" x 3000 psi mud cross – H_2S detector on production hole
Gate-type safety valve 3" choke line from BOP to manifold
2" adjustable chokes – 3" blowdown line

VIII A. Testing Program: None planned

B. Logging Program: The following logs may be run:
CNL, LDT, GR, CAL, DLL, MSFL, NGT from TD-2400'
CNL, GR from TD-Surface

C. Coring Program: None planned

IX. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, however, the proposed mud program will be modified to increase the mud-weight. The estimated maximum bottom hole pressure is 1980 psi.

EXHIBIT "B"
LOCKHART A-17 #9

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

No H_2S is anticipated.

EXHIBIT "C"

SURFACE USE AND OPERATIONS PLAN
CULTURAL RESOURCES SURVEY
APPROXIMATE REHABILITATION SCHEDULE

LOCALITY: **LOCKHART A-17 #9**
OPERATOR: **APACHE CORPORATION**

LOCATION: NE¼NE¼ OF SECTION 17, 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 2ND 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. l, 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:
   NE¼NE¼ of Section 17, Township 21 South, Range 37 East, N.M.P.M.
   Lea County, New Mexico
   110' FNL, 80' FEL, Unit A
   See attached Exhibits "D" and "E"
2) Bottom Hole Location:
   NE¼NE¼ of Section 17, Township 21 South, Range 37 East, N.M.P.M.
   Lea County, New Mexico
   110' FNL, 80' FEL, Unit A
   See attached Exhibits "D" and "E"
3) Leases Issued: NMLC-032096-A
4) Record Lessee:

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

5) Acres in Lease:

Township 21 South, Range 37 East, NMPM
Section 17: W½SW¼, E½NE¼, NE¼SE¼
Section 27: N½
Section 35: NW¼NW¼, E½NW¼

Total Acres: 640.00

6) Acres Dedicated to Well:

There are 40.00 acres dedicated to this well, which takes in the NE¼NE¼ of Section 17, 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 ±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: Existing lease/access roads will be used to the well site. 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 Samantha Gaskins, P. O. Box 1861, Eunice, NM 88231, 505-394-2091. A Surface Damage Release agreement for this tract has been executed by the Ms. Gaskins 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 LOCKHART A-17 #9 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
      Suite 1500 – Two Warren Place
      6120 South Yale Avenue
      Tulsa, Oklahoma 74136
      (918) 491-4800

Project (Operations Engineer):

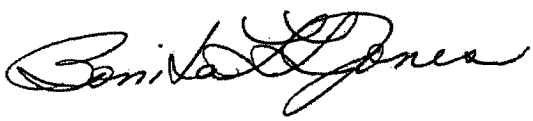
Kevin Mayes
Apache Corporation
Suite 1500 – Two Warren Place
6120 South Yale Avenue
Tulsa, Oklahoma 74136
(918) 491-4972

Drilling Operations (Operations Engineer):

Glenn Bone
Apache Corporation
Suite 1500 – Two Warren Place
6120 South Yale Avenue
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.



Bonita L. L. Jones, RPL, Consulting Landman
Agent for Apache Corporation
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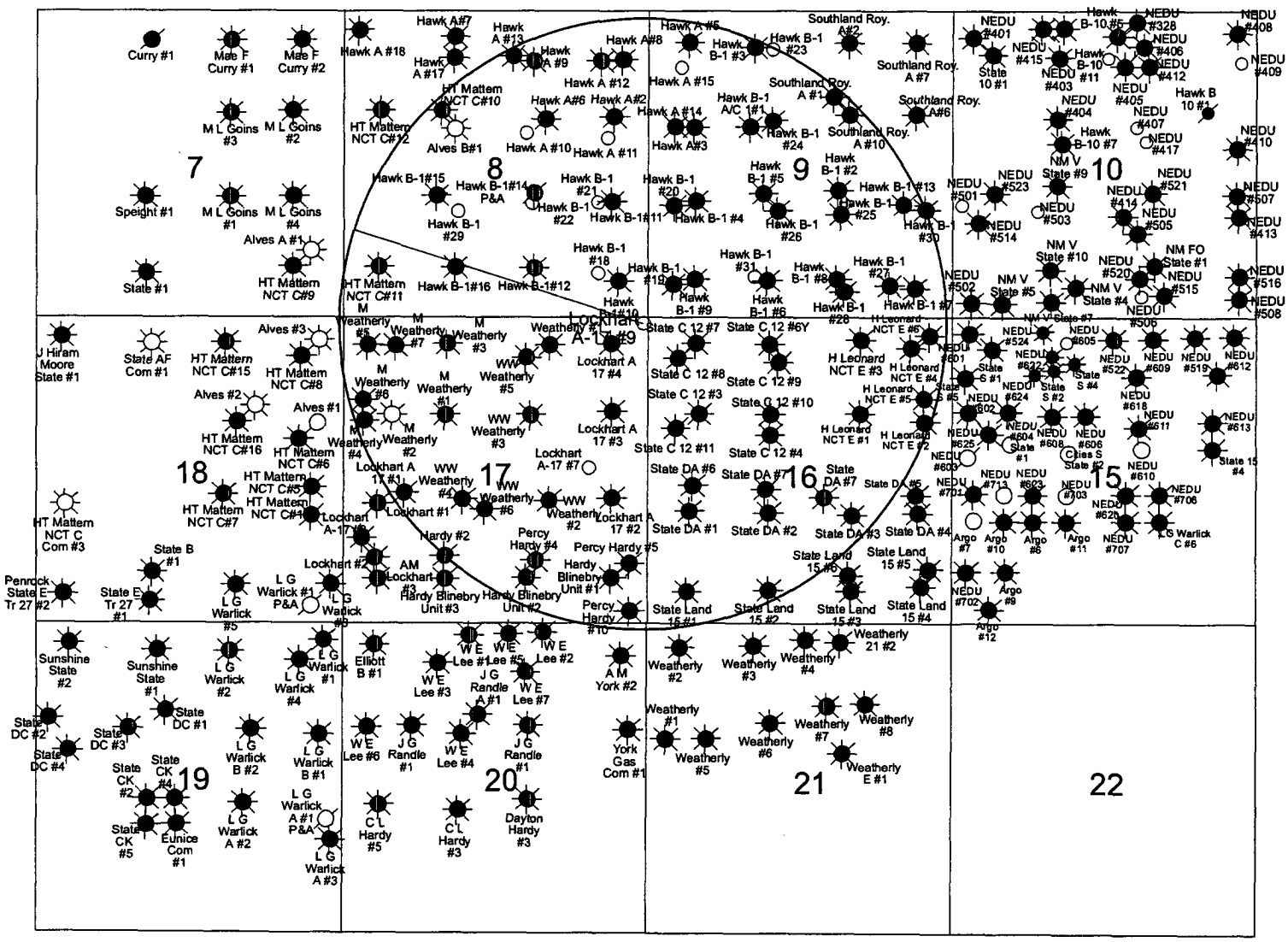
Roswell, New Mexico 88202-8309
(505) 624-9799 FAX (505) 624-9799
E-Mail: bonitaj@cableone.net

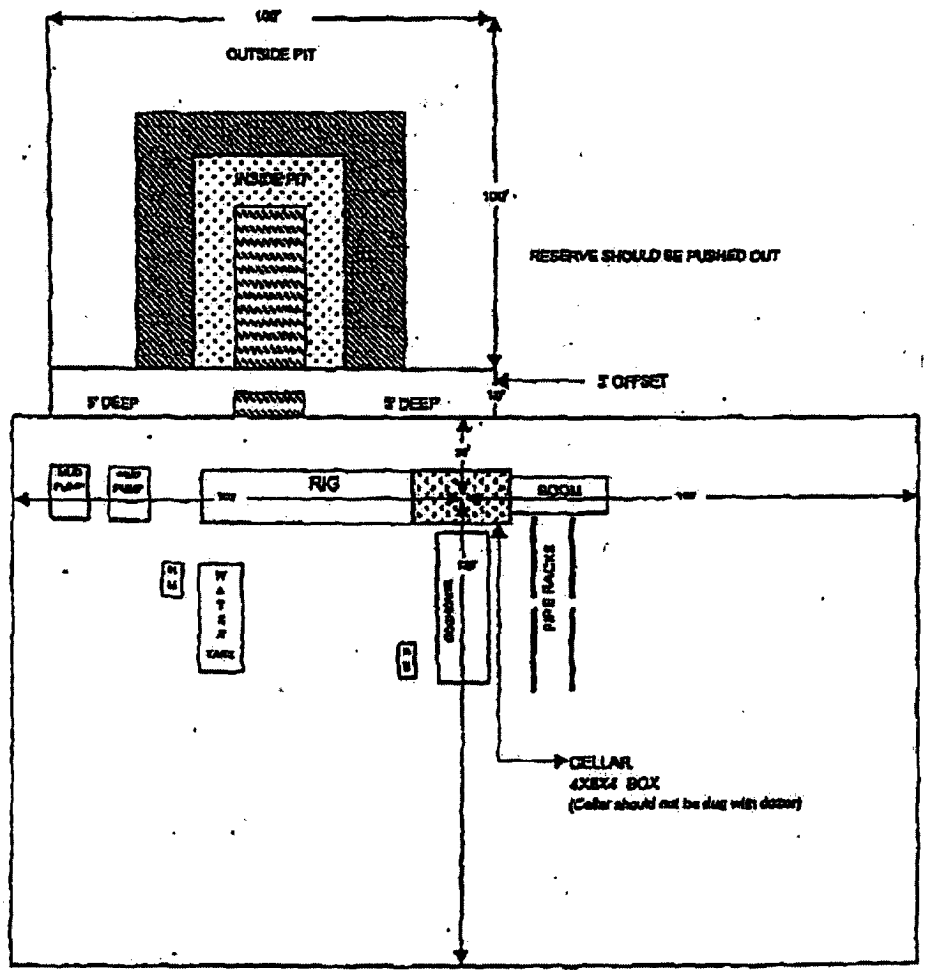
Date: 11-3-03

EXHIBIT "F"
Lockhart A-17 #9
110' FNL & 80' FEL, Sec. 17, T21S-R37E
Lea County, NM



CapStar Drilling, Inc.
LOCATION SPECIFICATIONS AND RIG LAYOUT
FOR EARTH PITS

EXHIBIT G

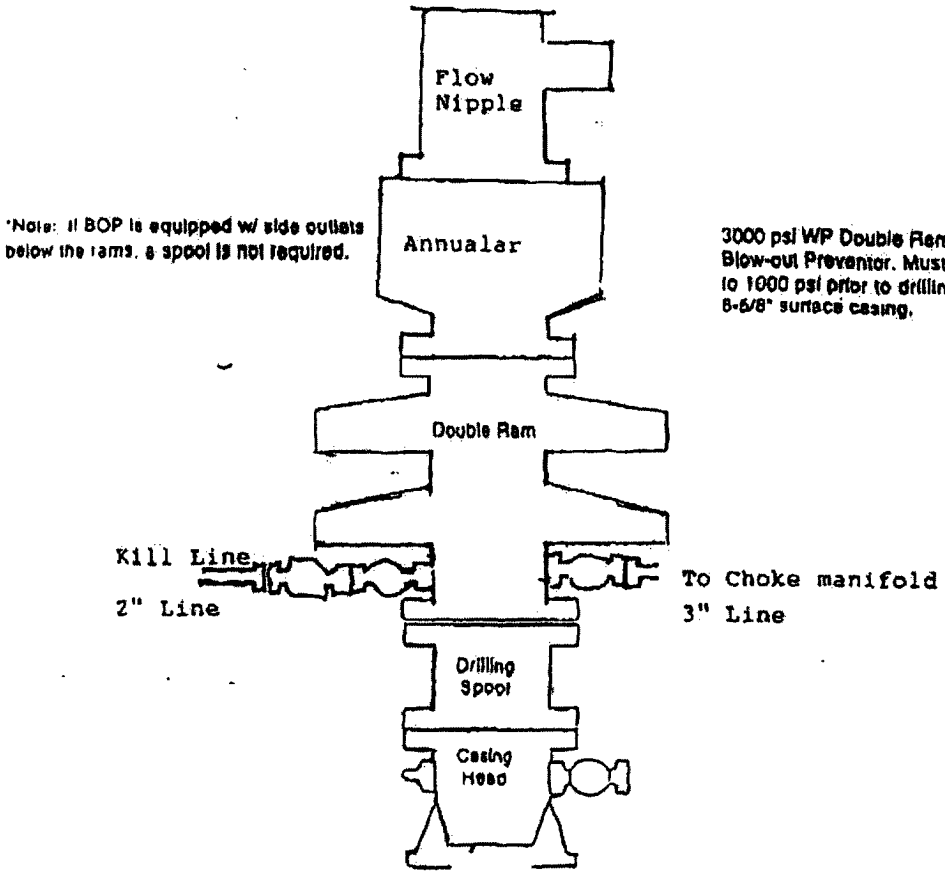


Cellar can be 4X4X4 if using a screw-on wellhead
Working Pits dug 5' below ground level

CAPSTAR DRILLING INC

BOP SCHEMATIC
9" X 3000 psi

EXHIBIT "H"



*Note: If BOP is equipped w/ side outlets below the rams, a spool is not required.

3000 psi WP Double Ram Blow-out Preventor. Must be tested to 1000 psi prior to drilling out 8-5/8" surface casing.

Choke Manifold Schematic