

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-101
Permit 13310

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address APACHE CORP 6120 S. Yale, Suite 1500 Tulsa, OK 74136-4224		OGRID Number 873
		API Number 30-025-37365
Property Code 34938	Property Name STATE LAND 15	Well No. 008

Surface Location

UL or Lot N	Section 16	Township 21S	Range 37E	Lot Idn N	Feet From 330	N/S Line S	Feet From 1650	E/W Line W	County Lea
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Proposed Pools

HARE;SAN ANDRES (GAS) 78080 PENROSE SKELLY;GRAYBURG 50350
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Work Type New Well	Well Type GAS	Cable/Rotary	Lease Type State	Ground Level Elevation 3452
Multiple Y	Proposed Depth 4425	Formation San Andres	Contractor	Spud Date 07/25/2005

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	400	325	
Prod	7.875	5.5	17	4425	950	

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	3000	

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

Electronically Signed By: Lana Williams

Title: Drilling Clerk

Date: 07/15/2005

Phone: 918-491-4900

OIL CONSERVATION DIVISION

Electronically Approved By: Paul Kautz

Title: Geologist

Approval Date: 07/15/2005

Expiration Date: 07/15/2006

Conditions of Approval:

There are conditions. See Attached.

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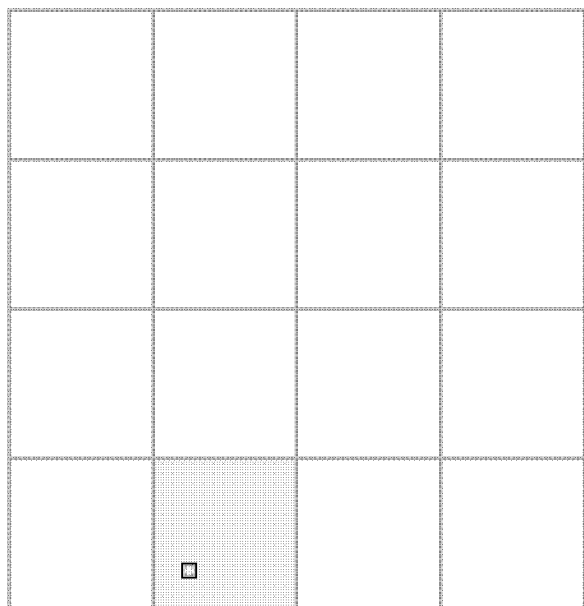
Form C-102
Permit 13310

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37365	Pool Name PENROSE SKELLY;GRAYBURG	Pool Code 50350
Property Code 34938	Property Name STATE LAND 15	Well No. 008
OGRID No. 873	Operator Name APACHE CORP	Elevation 3452

Surface And Bottom Hole Location

UL or Lot N	Section 16	Township 21S	Range 37E	Lot Idn N	Feet From 330	N/S Line S	Feet From 1650	E/W Line W	County Lea
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No.			



OPERATOR CERTIFICATION

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

Electronically Signed By: Lana Williams

Title: Drilling Clerk

Date: 07/15/2005

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.

Surveyed By: GARY EIDSON

Date of Survey: 06/24/2005

Certificate Number: 12641

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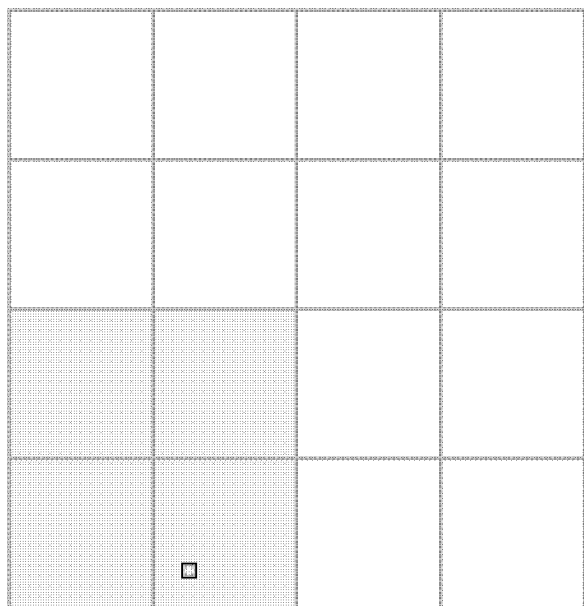
Form C-102
Permit 13310

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-37365	Pool Name HARE,SAN ANDRES (GAS)	Pool Code 78080
Property Code 34938	Property Name STATE LAND 15	Well No. 008
OGRID No. 873	Operator Name APACHE CORP	Elevation 3452

Surface And Bottom Hole Location

UL or Lot N	Section 16	Township 21S	Range 37E	Lot Idn N	Feet From 330	N/S Line S	Feet From 1650	E/W Line W	County Lea
Dedicated Acres 160		Joint or Infill		Consolidation Code		Order No.			



OPERATOR CERTIFICATION

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

Electronically Signed By: Lana Williams

Title: Drilling Clerk

Date: 07/15/2005

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Surveyed By: GARY EIDSON

Date of Survey: 06/24/2005

Certificate Number: 12641

Permit Comments

Operator: APACHE CORP , 873

Well: STATE LAND 15 #008

User Name	Comment	Comment Date
LWILLIAMS	Registration of a pit or below-grade tank. Apache Corporation certifty that the drilling pit will be constructed according to NMOCD guilelines. Liner: Synthetic 12 mils thick. Pit volume 7100 bbls. Drilling Method: Brine Depth to Groundwater 100+ ft. Distance from nearest fresh water well >1000 ft. Distance from nearest surface water > 1000 ft. Ranking Score (Total Points) 0.	7/12/2005
LWILLIAMS	The referenced well is in the Hare San Andres Gas Pool (160 ac spacing). Apache plans to test the San Andres and if it tests as oil classification, which Apache anticipates, then Apache will apply to have the Hare Gas Pool contracted and the Eunice San Andres Oil pool expanded.	7/13/2005
PKAUTZ	THIS WELL IS A NON STANDARD LOCATION FOR THE HARE;SAN ANDRES SEE CONDITIONS OF APPROVAL	7/13/2005
PKAUTZ	This APD is being rejected. The Grayburg zone has already been permitted by another operator. Rule 104 requires you to notify this operator by certified mail and provide a statement that you have waited a minimum of 20 days before making application and have received no objection from this operator.	7/15/2005
LWILLIAMS	Apache Corporation is going to drill & complete and turn over operations to Hendrix Corop.	7/15/2005

Permit Conditions Of Approval

C-101, Permit 13310

Operator: APACHE CORP , 873

Well: STATE LAND 15 #008

OCD Reviewer	Condition
PKAUTZ	If the well test for the San Andres zone indicates it is a gas well, this well may not be produced until a NSL is approved.
PKAUTZ	Re-seeding mixture will must be approved or authorized by surface owner
PKAUTZ	Notice is to be given to the OCD prior to construction of the pit(s)
PKAUTZ	Pit construction and closure must satisfy all requirements of O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
PKAUTZ	If either wells #7 or # 8 tests in the San Andres zone indicates they are a gas well. These wells may not be produced simultaneously.
PKAUTZ	prior to any pit construction notify Gary Wink at 505-393-6161 ext 114