

Surface Use Plan

(Additional data for form 3160-3)

Apache Corporation**West Blinebry Drinkard Unit #135****SHL: 400' FSL & 1650' FWL UL: K SEC: 8 T21S R37E****Lea County, NM****Lease #: NMNM-090161**

1. **EXISTING ROADS**-From the Junction of Turner and Hill, go South 0.4 miles to lease road, on lease road go West 0.6 miles to well pad and proposed lease road. All roads will be maintained in a condition equal to or better than current conditions. Any new roads will be constructed to BLM specifications.
2. **PLANNED ACCESS ROAD** — Proposing to build 117.5' of new road. All lease roads will be graded in compliance with BLM standards and maintained in a condition equal to or better than current conditions. All new & reconstructed roads will have a width & "crown design" (i.e. The max width of the driving surface will be 14'. The road will be crowned & ditched with a 2% slope from the tip of the crown to the edge of the driving surface. The ditches will be 1' deep with 3:1 slopes. The driving surface will be made of 6" rolled & compacted caliche.)
3. **LOCATION OF EXISTING WELLS** - Water wells, Disposal wells, Injection wells, Drilling wells, Producing Wells, Abandoned wells: "*SEE EXHIBIT 1*".
4. **LOCATION OF EXISTING OR PROPOSED FACILITIES** In the event this well is productive we will install new 3" NUPI rated 300psi up to 140 deg surface flow line, approx. 5000' in length, to the existing WBDU Satellite 2. *SEE EXHIBIT 2*.
5. **LOCATION AND TYPE OF WATER SUPPLY** All water (fresh or otherwise) needed for the drilling and completion of this well will be purchased from a commercial source and trucked to the location via the existing and proposed access road. No water source wells will be drilled, and no surface water will be utilized.
6. **SOURCE OF CONSTRUCTION MATERIALS** Construction material (caliche) required for the access road and well site pad will be obtained on location, if available, or from an approved pit. No surface materials will be disturbed except those necessary for actual grading and construction of the drill site and access road.
7. **METHODS FOR HANDLING WASTE DISPOSAL** Closed Loop System. Waste Material will be stored then hauled to a state approved disposal facility. Drilling fluids will be contained in steel pits, fluids will be cleaned & reused. Water produced during testing will be contained in steel pits and disposal at a state approved facility. Any oil or condensate will be stored in test tanks until sold & hauled from site.
 - Receptacles for solid wastes (paper, plastic, etc) will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site. Salts remaining after completion will be picked up by supplier including broken sacks.
 - Any other waste generated by the drilling, completion, testing of this well will be through a closed loop system.
 - A Porta-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well, and cleaned out periodically.

8. **ANCILLARY FACILITIES** -Upon completion, and/or testing of this well rental tanks, facilities will be utilized until permanent storage is established. No camps or airstrips will be constructed.
9. **WELLSITE LAYOUT** -Enclosed, please see "Drilling Rig Layout" *SEE EXHIBIT 3*. Mud pits in the closed circulating system will be steel pits & the cuttings will be stored in steel containment pits. NMOCD for C-144 has been submitted to the OCD for approval. Cuttings will be stored in steel pits until they are hauled to a state approved disposal facility. *SEE EXHIBIT 5*.
10. **PLANS FOR SURFACE RESTORATION** Rehabilitation of the location will start in a timely manner after all drilling operations cease. Type of reclamation will depend on whether the well is a producer or a dry hole. *SEE EXHIBIT 4*.

Drainage systems, if any, will be reshaped to the original configuration with provisions made to alleviate erosion. These may need to be notified in certain circumstances to prevent inundation of the location's pad and surface facilities. After the area has been shaped & contoured, topsoil from the soil pile will be loaded over the disturbed area to extent possible. The site will be restored as closely as possible to its pre-operation appearance including re-vegetation. Reclamation & re-vegetation of the surface location will be in accordance with the requirements set forth by the BLM. Due to the topography of the area no problems are anticipated in achieving this status and no erosion or other detrimental effects are expected as a result of this operation.

Dry hole well – Pad & road area will be re-contoured to match existing terrain. Topsoil will be spread to the extent possible. Re-vegetation will comply with BLM standards.

Producer well – The previously noted procedures will apply to those areas which are not required from production facilities.

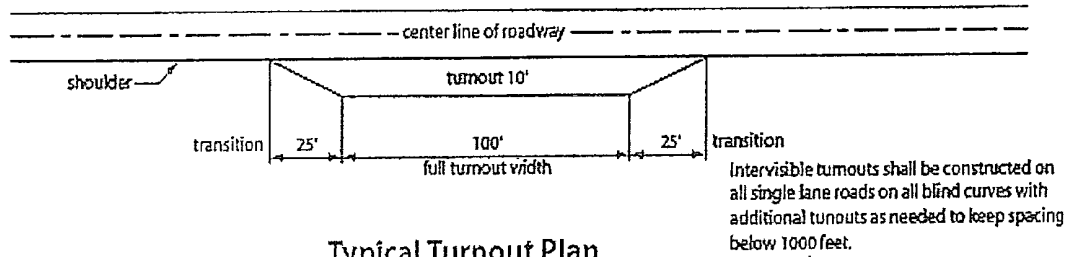
The vegetation at the wellsite is a sparse grass cover of Sand Dropseed, Sand Love Grass and Plains Bristlegrass. Plants are sparse which may include mesquite, yucca, sage, broomweed, and cacti w/misc. weeds. The wildlife consists of rabbits, coyotes, rattlesnakes, dove and quail all typical of the semi-arid desert land. There are no ponds or streams. No dwelling within 1.5 miles of location.

Arc Survey and Notice of Staking have been submitted to Bureau of Land Management.

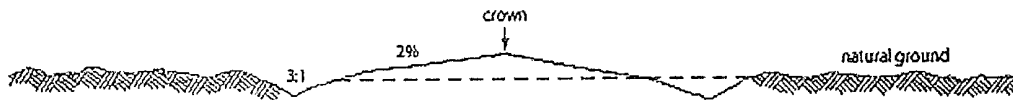
11. **OTHER INFORMATION** The surface ownership of the drill site and the access routes are under the ownership of: Millard Deck Estate, c/o Bank of America, N.A., Trustee of the Millard Deck Testamentary Trust under the Last Will and Testament of Millard Deck, PO Box 270, Midland, TX, 79702. Surface letter statement attached.

Drilling contractor: Pending.

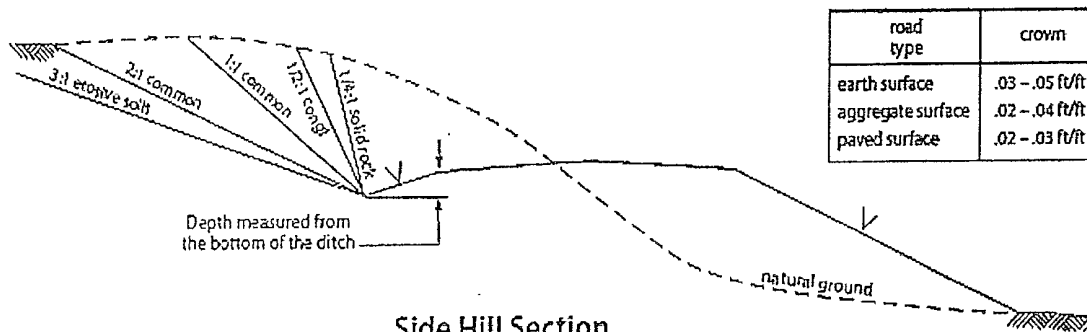
Cross Sections and Plans for Typical Road Sections



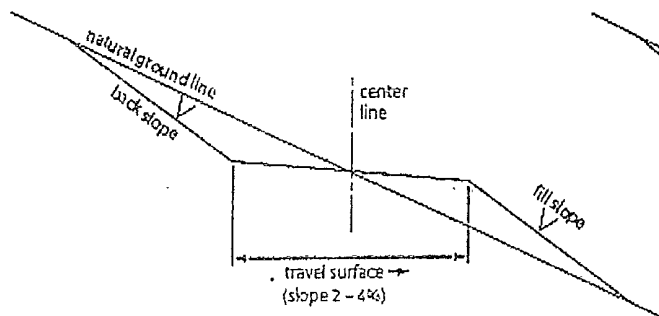
Typical Turnout Plan



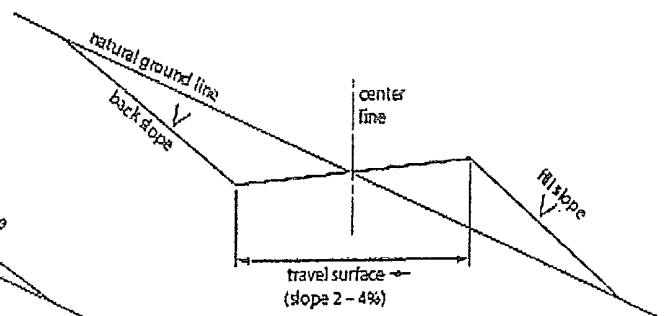
Level Ground Section



Side Hill Section



Typical Outsloped Section



Typical Insloped Section

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

HOBBS OCD
SEP 02 2011

OPERATOR CERTIFICATION

RECEIVED

I HEARBY CERTIFY THAT I, OR SOMEONE UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE DRILL SITE AND ACCESS ROUTE PROPOSED HEREIN; THAT I AM FAMILIAR WITH THE CONDITIONS WHICH CURRENTLY EXIST; THAT I HAVE FULL KNOWLEDGE OF STATE AND FEDERAL laws applicable to this operation; that the statements made in the APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 17 day of JANUARY, 2011

Well: WEST BLINEBRY DRINKARD UNIT #135

Operator Name: APACHE CORPORATION

Signature: Jeremy Ward Printed Name: JEREMY WARD

Title: Drilling Engineer Date: 1/17/2011

Email (optional): jeremy.ward@apachecorp.com

Street or Box: 303 Veterans Airpark Ln., Ste. 3000

City, State, Zip Code: Midland, TX 79705

Telephone: 432-818-1024

Field Representative (if not above signatory): _____

Address (if different from above): _____

Telephone (if different from above): _____

Email (optional): _____

Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE
620 E. GREENE STREET
CARLSBAD, NM 88220

HOBBS OCD
SEP 02 2011
RECEIVED

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: APACHE CORPORATION
Street or Box: 303 VETERANS AIRPARK LANE, STE. 3000
City, State: Midland, TX
Zip Code: 79705

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No: NMNM-090161

Legal Description of Land: 400' FSL & 1650' FWL WIBDU #135

UL: N Section: 8 Township: 21S Range: 37E

County: LEA State: NM

Bond Coverage: \$150,000

Statewide Oil and Gas Surety Bond, APACHE CORPORATION.

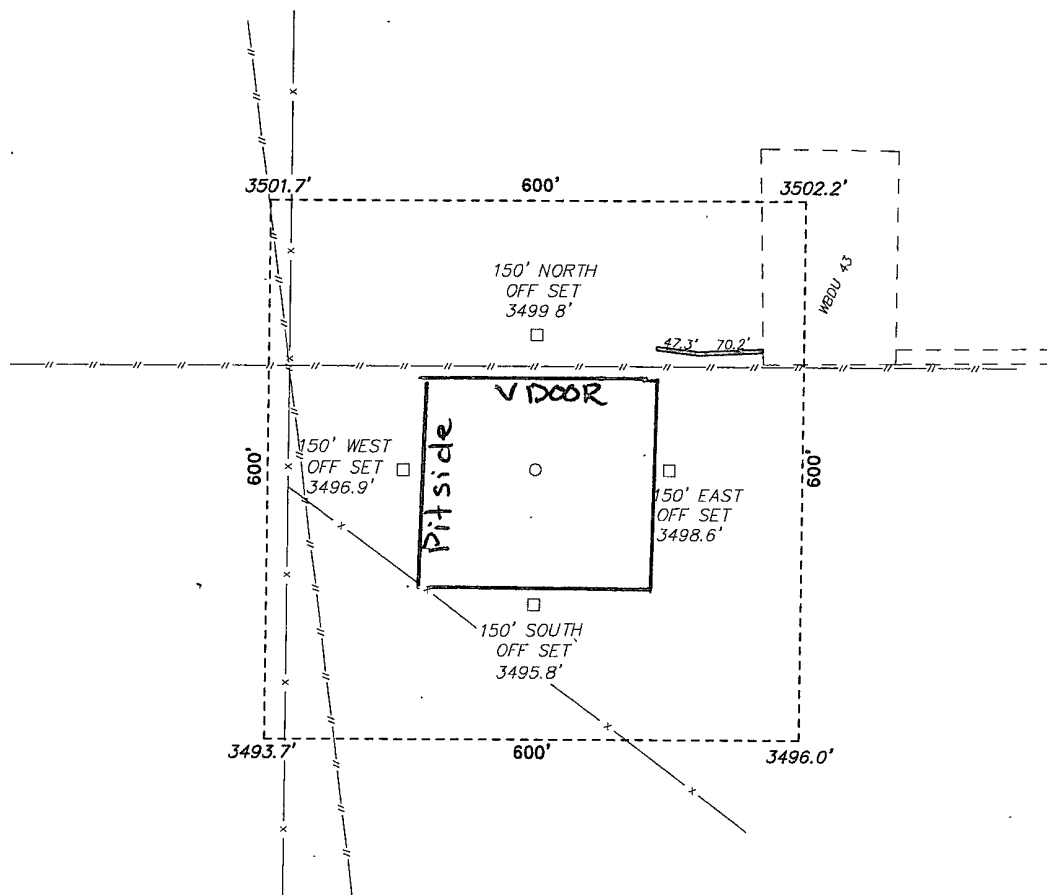
BLM Bond File No.: BLM-CO-1463 NATIONWIDE

Signature: Bobby L Smith Printed Name: BOBBY L. SMITH

Title: DRILLING MANAGER, PERMIAN REGION

Date: 1/17/2011

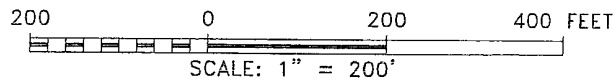
SECTION 8, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



APACHE CORPORATION
WEST BLINEBRY DRINKARD UNIT #135
ELEV. - 3498'

Lat - N 32°29'14.32"
Long - W 103°11'18.11"
NMSPCE - N 542909.774
E 894384.654
(NAD-83)

Lat - N 32°29'13.88"
Long - W 103°11'16.41"
NMSPCE - N 542849.200
E 853200.464
(NAD-27)



Directions to Location.

FROM THE JUNCTION OF TURNER AND HILL, GO
SOUTH 0.4 MILES TO LEASE ROAD, ON LEASE ROAD
GO WEST 0.6 MILES TO WELL PAD AND PROPOSED
LEASE ROAD

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 23761 Drawn By: J. SMALL

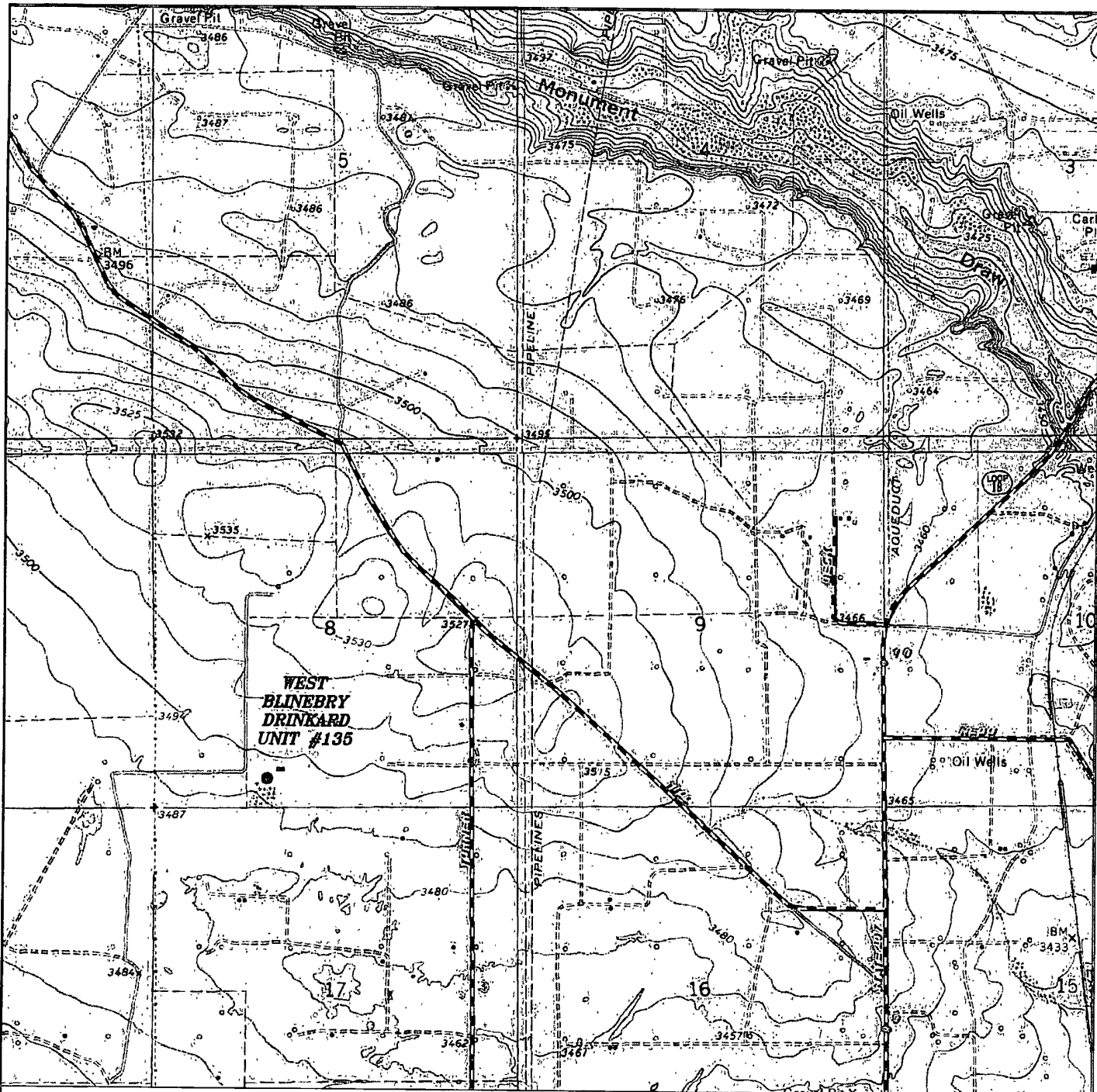
Date: 12-06-2010 Disk: JMS 23761

APACHE CORPORATION

REF: WEST BLINEBRY DRINKARD UNIT #135 / WELL PAD TOPO

THE WEST BLINEBRY DRINKARD UNIT #135 LOCATED 400'
FROM THE SOUTH LINE AND 1650' FROM THE WEST LINE OF
SECTION 8, TOWNSHIP 21 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 11-24-2010 Sheet 1 of 1 Sheets



WEST BLINEBRY DRINKARD UNIT #135

Located 400' FSL and 1650' FWL

Section 8, Township 21 South, Range 37 East,
N.M.P.M., Lea County, New Mexico.

basin
surveys

focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 23761

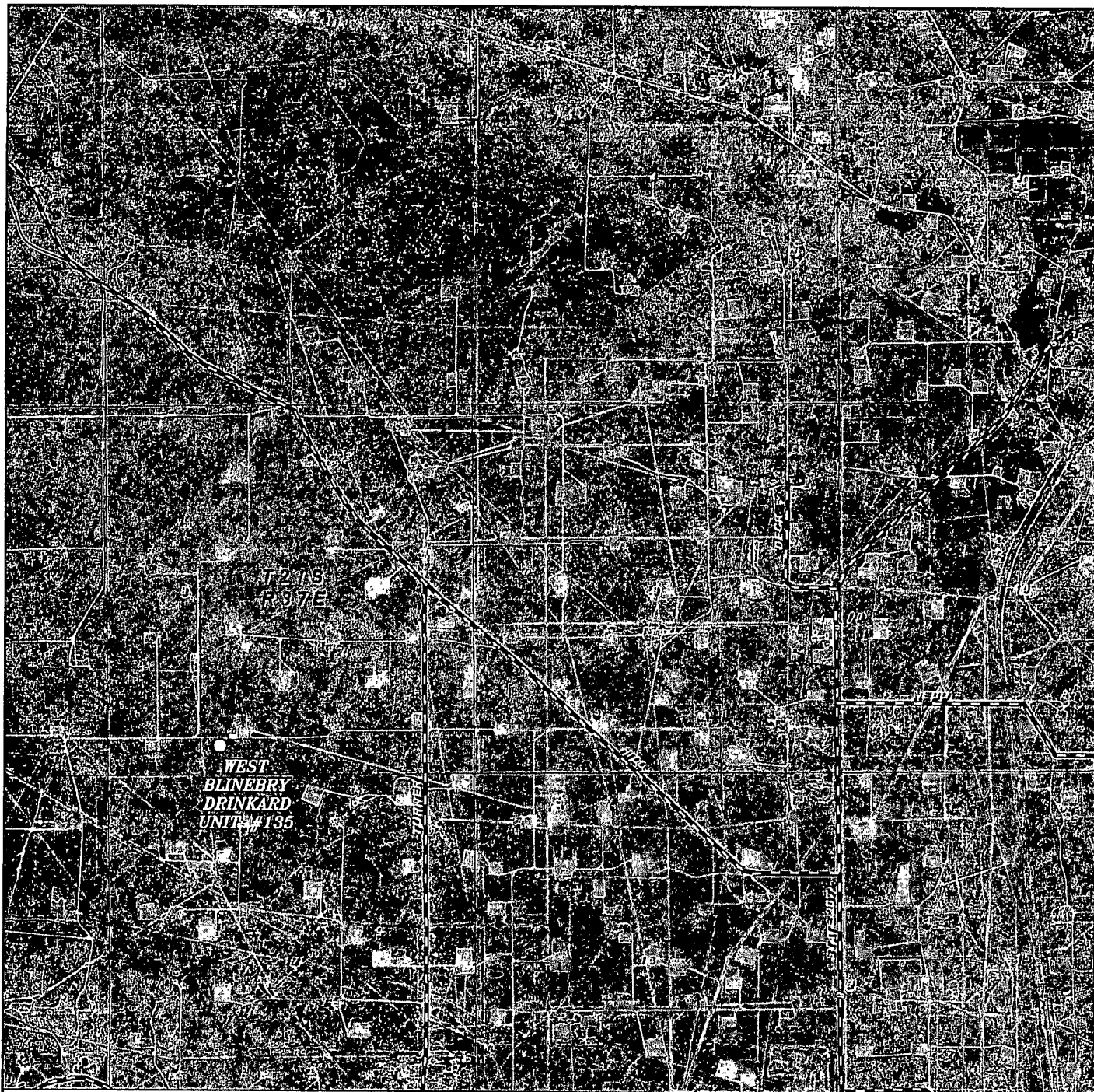
Survey Date: 11-24-2010

Scale: 1" = 2000'

Date: 12-06-2010

APACHE
CORPORATION

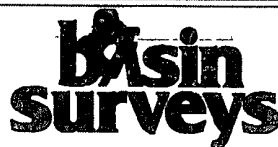
APACHE
CORPORATION



WEST BLINEBRY DRINKARD UNIT #135

Located 400' FSL and 1650' FWL

Section 8, Township 21 South, Range 37 East,
N.M.P.M., Lea County, New Mexico.



focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: JMS 23761

Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

APACHE
CORPORATION

