

30-025-40264

## Surface Use Plan

(Additional data for form 3160-3)

Apache Corporation

East Blinbry Drinkard Unit #105

SHL: 2650' FSL & 2490' FWL UL: 14 SEC: 1 T21S R37E

Lea County, NM

Lease #: NMNM - 125054

1. **EXISTING ROADS** - From the intersection of State Hwy #18 & State Hwy #207, go South on State Hwy #18 approx 1.3 miles, turn Left & go East thru cattle guard approx. 0.3 miles, turn Left & go North approx. 200', then veer Left & go Northwest 200', veer Right, go North approx. 0.4 miles, turn Right & go East approx. 0.2 miles, turn Right, follow proposed road South approx. 413' to this location.
2. **PLANNED ACCESS ROAD** — The existing lease roads will be used to the extent possible. Approx 413' of new road to the drilling pad will be required. All lease roads will be graded in compliance with BLM standards. 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. 3000' in length, to the existing EBDU Satellite 1. *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.

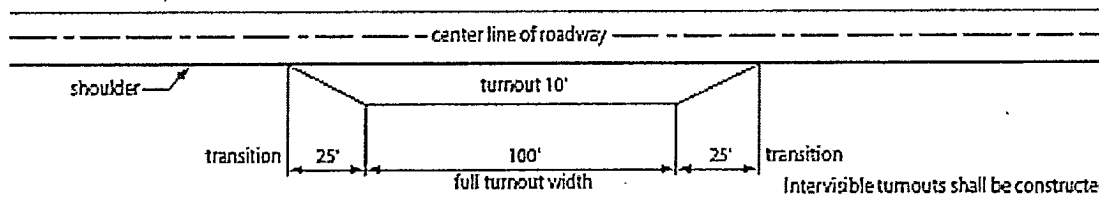
The vegetation at the wellsite is a sparse grass cover of Sand Dropseed, Sand Love Grass and Plains Bristlegrass. Plants are sparse which may include mesquite, yucca, sage, broomweed, and cacti w/misc. weeds. The wildlife consists of rabbits, coyotes, rattlesnakes, dove and quail all typical of the semi-arid desert land. There are no ponds or streams. No dwelling with 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: William O. Stephens, PO Box 115, Eunice, NM, 88231. Surface letter statement attached.

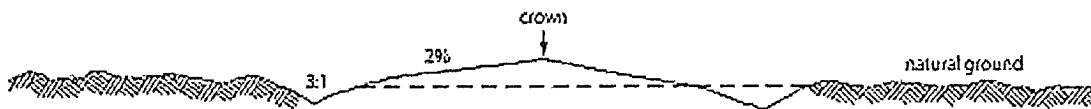
Drilling contractor: Pending.

# Cross Sections and Plans for Typical Road Sections

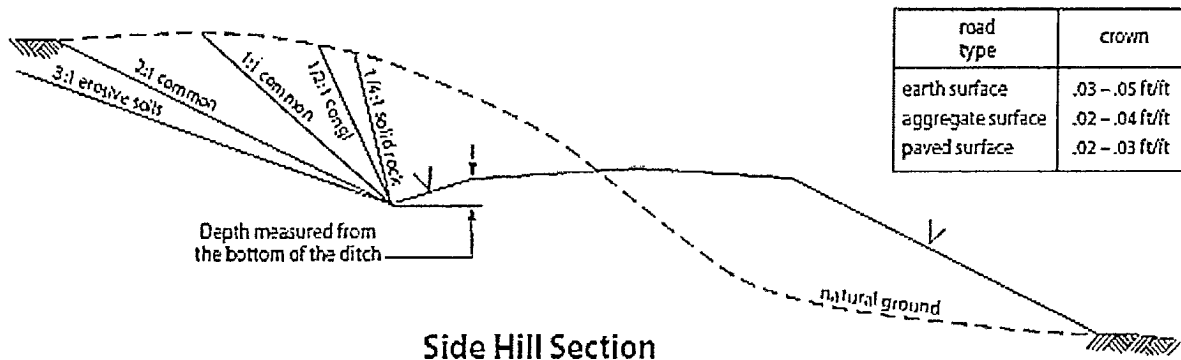


Typical Turnout Plan

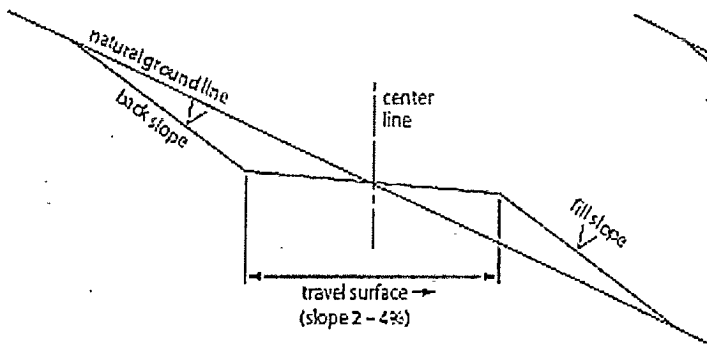
Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.



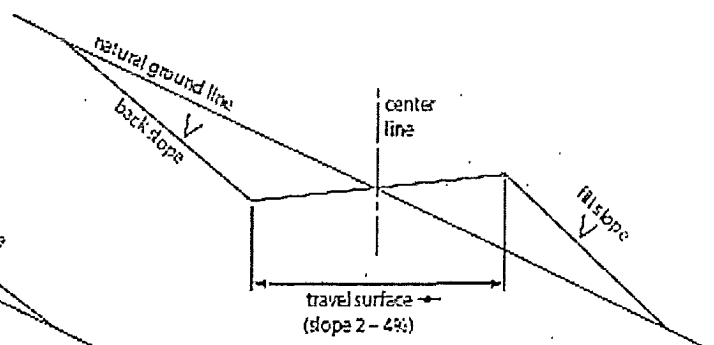
Level Ground Section



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 21 day of JANUARY, 2011

Well: EAST BLINEBRY DRINKARD UNIT #105

Operator Name: APACHE CORPORATION

Signature:  Printed Name: JEREMY WARD

Title: Drilling Engineer Date: 1/21/2011

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): \_\_\_\_\_

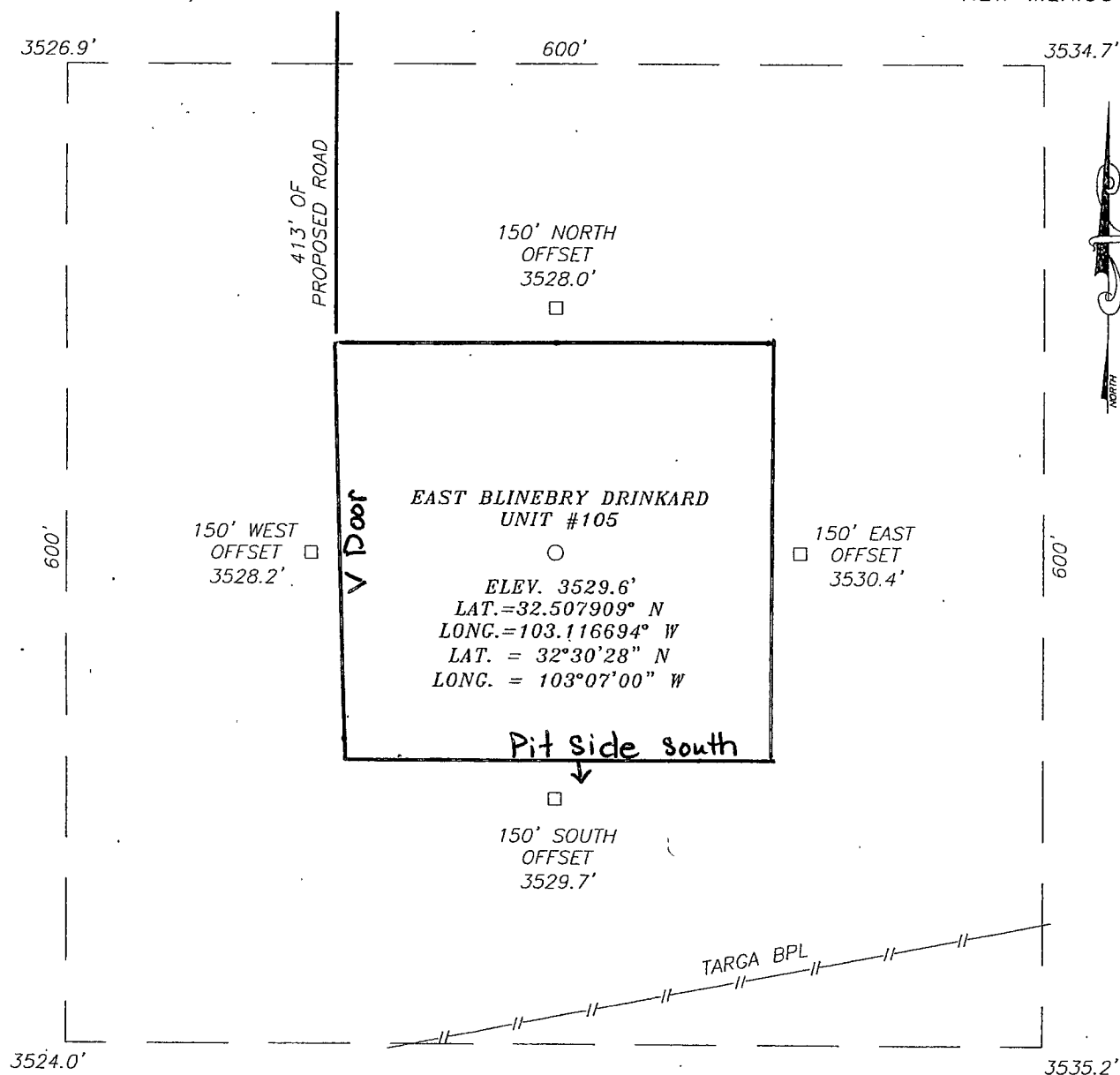
Address (if different from above): \_\_\_\_\_

Telephone (if different from above): \_\_\_\_\_

Email (optional): \_\_\_\_\_

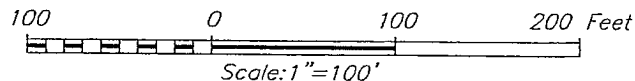
Agents not directly employed by the operator must submit a letter from the operator authorizing that the agent to act or file this application on their behalf.

SECTION 1, TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

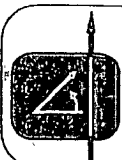
FROM THE INTERSECTION OF STATE HWY. #18 AND ST. HWY. #207, GO SOUTH ON ST. HWY. #18 APPROX. 1.3 MILES. TURN LEFT AND GO EAST THRU CATTLE GUARD APPROX. 0.3 MILES. TURN LEFT AND GO NORTH APPROX. 200 FEET, THEN VEER LEFT AND GO NORTHWEST 200 FEET. VEER RIGHT AND GO NORTH APPROX. 0.4 MILES. TURN RIGHT AND GO EAST APPROX. 0.2 MILES, TURN RIGHT AND FOLLOW PROPOSED ROAD SOUTH APPROX. 413 FEET TO THIS LOCATION.



APACHE CORPORATION

EAST BLINEBRY DRINKARD UNIT #105 WELL  
LOCATED 2650 FEET FROM THE SOUTH LINE  
AND 2490 FEET FROM THE WEST LINE OF SECTION 1,  
TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.

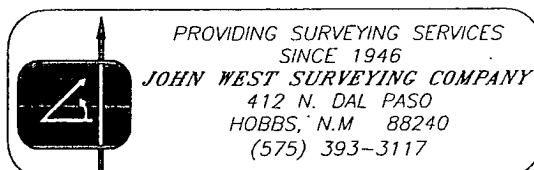
Survey Date: 8/6/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1179	Dr By: LA
Date: 9/13/10	10111179
	Scale: 1"=100'



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117



SEC. 1 TWP. 21-S RGE. 37-E  
SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_  
COUNTY LEA STATE NEW MEXICO  
DESCRIPTION 2650' FSL & 2490' FWL  
ELEVATION 3530'  
OPERATOR APACHE CORPORATION  
LEASE EAST BLINEBRY DRINKARD UNIT



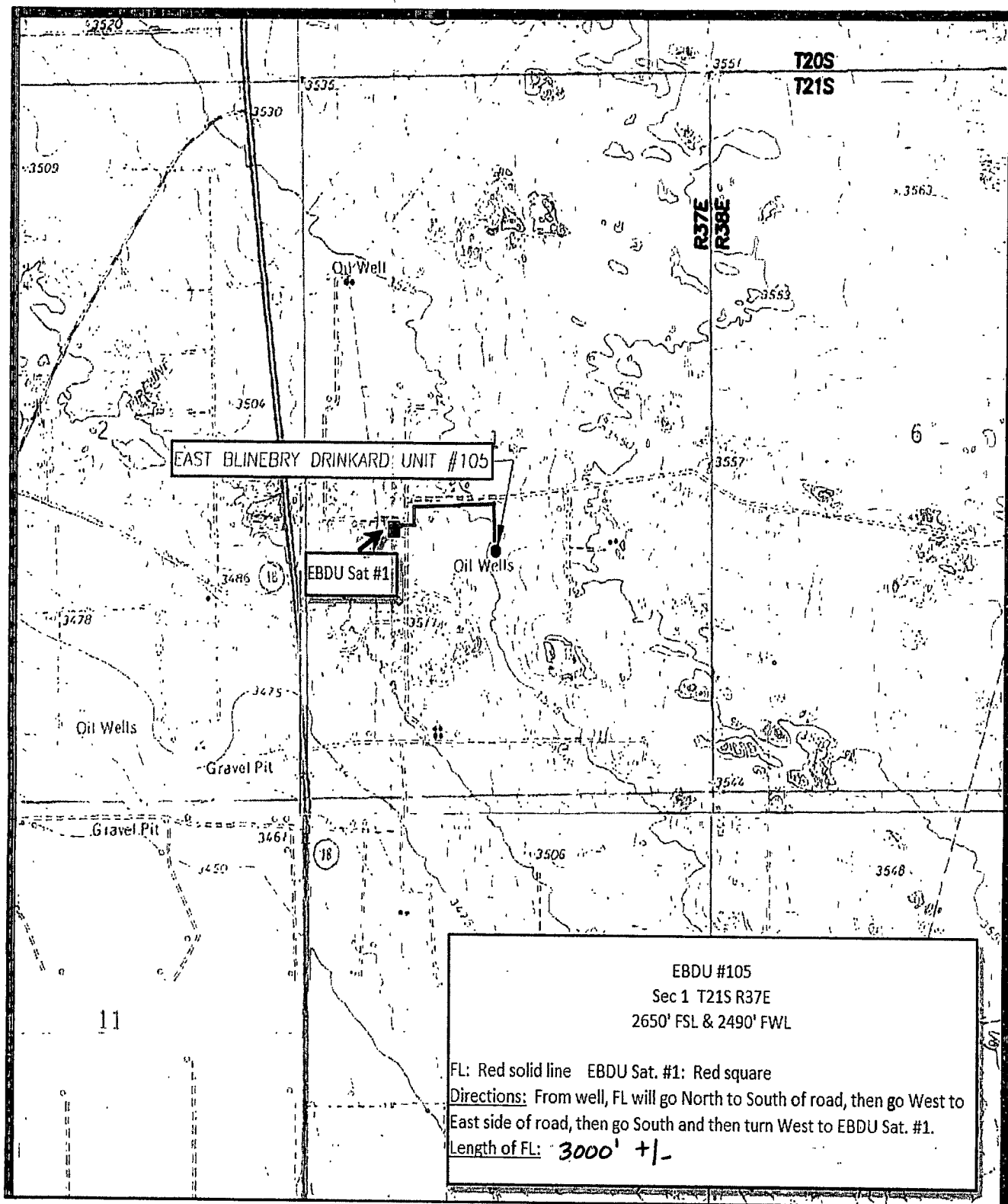


Exhibit #2





