

Surface Use Plan

(Additional data for form 3160-3)

Apache Corporation

East Blinebry Drinkard Unit #116

SHL: 3630' FSL & 1760' FEL UL: 15 SEC: 1 T21S R37E

Lea County, NM

Lease #: NMNM-125057

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 approx. 0.4 miles, turn Left, go Northwest then North approx. 0.4 miles, turn Right, go East approx. 0.4 mile, turn Left, go North approx. 300', location stake is approx. 100' East.
2. **PLANNED ACCESS ROAD** — No new road is expected to be constructed. If a lease road is constructed, 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. 3800' 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.

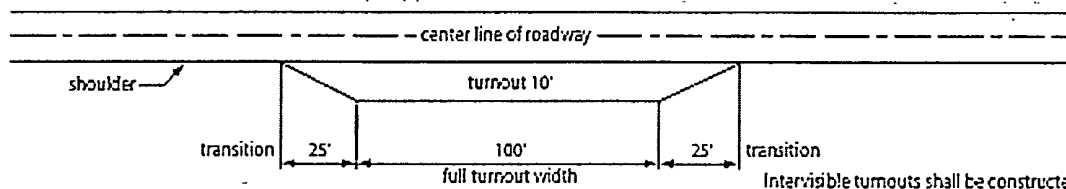
The vegetation at the wellsite is a sparse grass cover of Sand Dropseed, Sand Love Grass and Plains Bristlegrass. Plants are sparse which may include mesquite, yucca, sage, broomweed, and cacti w/misc. weeds. The wildlife consists of rabbits, coyotes, rattlesnakes, dove and quail all typical of the semi-arid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

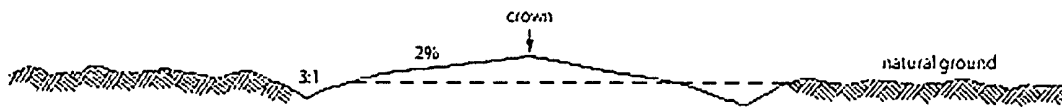
Drilling contractor: Pending.

Cross Sections and Plans for Typical Road Sections

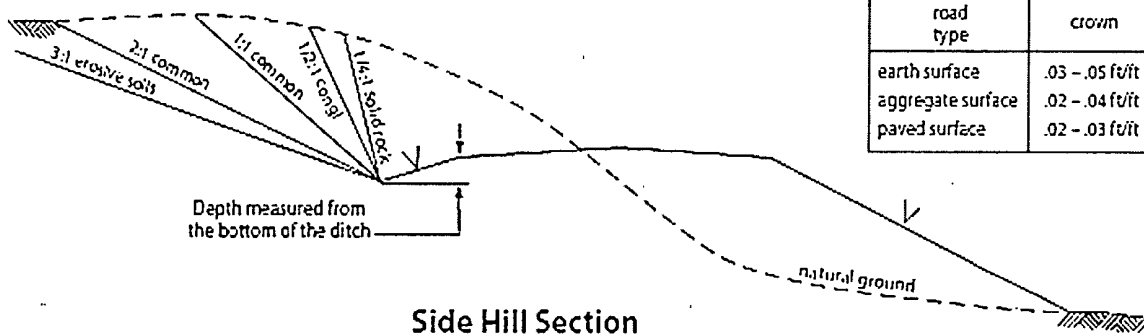


Typical Turnout Plan

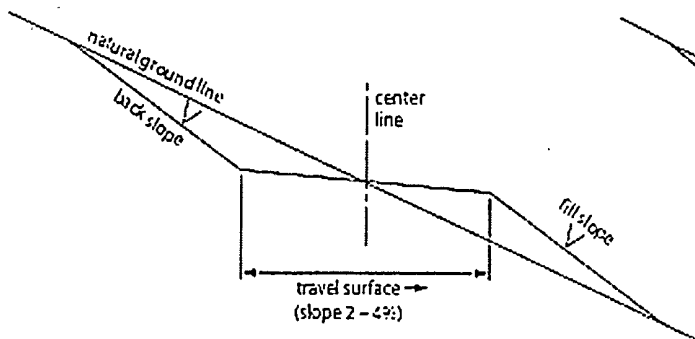
Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.



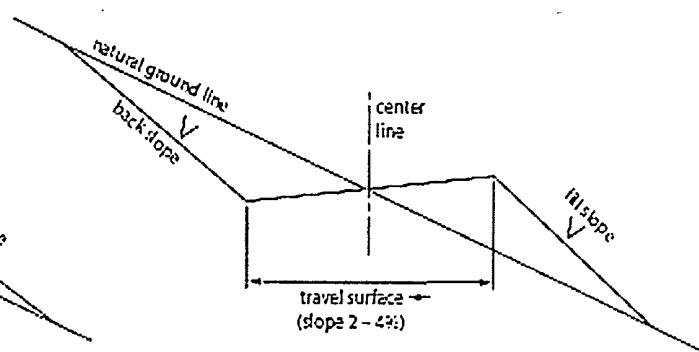
Level Ground Section



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

OPERATOR CERTIFICATION

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 #116

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.

Serial Register Page

BUREAU OF LAND MANAGEMENT CASE RECORDATION (LIVE) SERIAL REGISTER PAGE

Run Date/Time: 09/01/11 03:11 PM

01 02-25-1920;041STAT0437;30USC226

Total Acres

Case Type 311111: O&G LSE NONCOMP PUB LAND

78.300

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMLC-- 0 0691:

Name & Address			Int Rel
APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	LESSEE
BROWN MITCHELL PROPERTIES INC	PO BOX 5562	MIDLAND TX 79704	OPERATING RIG
CHISOS LTD	670 DONA ANA RD SW	DEMING NM 88030	OPERATING RIG
CHISOS LTD	670 DONA ANA RD SW	DEMING NM 88030	LESSEE
EDGE PETROLEUM EXPL CO	1301 TRAVIS #2000	HOUSTON TX 77002	OPERATING RIG
ELLIOTT HALL CO UT LP	PO BOX 1231	ODGEN UT 844021231	OPERATING RIG
ELLIOTT HALL CO UT LP	PO BOX 1231	ODGEN UT 844021231	LESSEE
ELLIOTT INDUSTRIES LTD PTNRSH	500 N KENTUCKY AVE	ROSWELL NM 88201	LESSEE
ELLIOTT INDUSTRIES NM LP	PO BOX 1355	ROSWELL NM 882021355	OPERATING RIG
MANIX ENERGY	PO BOX 2818	MIDLAND TX 797022818	OPERATING RIG
MOREXCO INC	PO BOX 1591	ROSWELL NM 88202	OPERATING RIG
PETROHAWK ENERGY CORP	1100 LOUISIANA ST # 5600	HOUSTON TX 770025227	OPERATING RIG
PURE ENERGY GROUP INC	700 N ST MARY'S ST #1925	SAN ANTONIO TX 78205	OPERATING RIG
PURE ENERGY GROUP INC	700 N ST MARY'S ST #1925	SAN ANTONIO TX 78205	LESSEE
T H MCELVAIN OIL & GAS LP	1050 17TH ST STE 2500	DENVER CO 802652080	OPERATING RIG

Serial Number: NMLC-- 0 0691

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County
23 0180S 0300E 031		ALIQ		SENW;	CARLSBAD FIELD OFFICE	EDDY
23 0180S 0300E 031		LOTS		2,	CARLSBAD FIELD OFFICE	EDDY

Serial Number: NMLC-- 0 0691

Act Date	Code	Action	Action Remarks	Pending
10/18/1948	124	APLN RECD		
01/01/1949	237	LEASE ISSUED		
01/01/1949	496	FUND CODE	05;145003	
01/01/1949	530	RLTY RATE - 12 1/2%		
01/01/1949	868	EFFECTIVE DATE		
12/31/1949	237	LEASE ISSUED		
06/20/1954	235	EXTENDED	THRU 12/31/58;	
01/31/1958	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
01/31/1958	510	KMA CLASSIFIED		
01/31/1958	650	HELD BY PROD - ACTUAL		
01/31/1958	658	MEMO OF 1ST PROD-ACTUAL		

03/25/1958	102	NOTICE SENT-PROD STATUS	
05/15/1987	932	TRF OPER RGTS FILED	
06/02/1987	963	CASE MICROFILMED	CNUM 100,754 DS
08/21/1987	933	TRF OPER RGTS APPROVED	EFF 06/01/87;
11/16/1988	140	ASGN FILED	TENNECO OIL/TOC-GULF

NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

Serial Register Page

BUREAU OF LAND MANAGEMENT CASE RECORDATION (LIVE) SERIAL REGISTER PAGE

Run Date/Time: 09/01/11 03:11 PM

01 02-25-1920;041STAT0437;30USC226

Total Acres

Case Type 311111: O&G LSE NONCOMP PUB LAND

78.300

Commodity 459: OIL & GAS L

Case Disposition: AUTHORIZED

Case File Juris:

Serial Number: NMLC-- 0 0691:

Name & Address

Int Rel

APACHE CORP	2000 POST OAK BLVD STE 100	HOUSTON TX 770564400	LESSEE
BROWN MITCHELL PROPERTIES INC	PO BOX 5562	MIDLAND TX 79704	OPERATING RIG
CHISOS LTD	670 DONA ANA RD SW	DEMING NM 88030	OPERATING RIG
CHISOS LTD	670 DONA ANA RD SW	DEMING NM 88030	LESSEE
EDGE PETROLEUM EXPL CO	1301 TRAVIS #2000	HOUSTON TX 77002	OPERATING RIG
ELLIOTT HALL CO UT LP	PO BOX 1231	ODGEN UT 844021231	OPERATING RIG
ELLIOTT HALL CO UT LP	PO BOX 1231	ODGEN UT 844021231	LESSEE
ELLIOTT INDUSTRIES LTD PTNRSH	500 N KENTUCKY AVE	ROSWELL NM 88201	LESSEE
ELLIOTT INDUSTRIES NM LP	PO BOX 1355	ROSWELL NM 882021355	OPERATING RIG
MANIX ENERGY	PO BOX 2818	MIDLAND TX 797022818	OPERATING RIG
MOREXCO INC	PO BOX 1591	ROSWELL NM 88202	OPERATING RIG
PETROHAWK ENERGY CORP	1100 LOUISIANA ST # 5600	HOUSTON TX 770025227	OPERATING RIG
PURE ENERGY GROUP INC	700 N ST MARY'S ST #1925	SAN ANTONIO TX 78205	OPERATING RIG
PURE ENERGY GROUP INC	700 N ST MARY'S ST #1925	SAN ANTONIO TX 78205	LESSEE
T H MCELVAIN OIL & GAS LP	1050 17TH ST STE 2500	DENVER CO 802652080	OPERATING RIG

Serial Number: NMLC-- 0 0691

Mer Twp Rng	Sec	SType	Nr Suff	Subdivision	District/Resource Area	County
23 0180S 0300E 031		ALIQ		SENW;	CARLSBAD FIELD OFFICE	EDDY
23 0180S 0300E 031		LOTS	2;		CARLSBAD FIELD OFFICE	EDDY

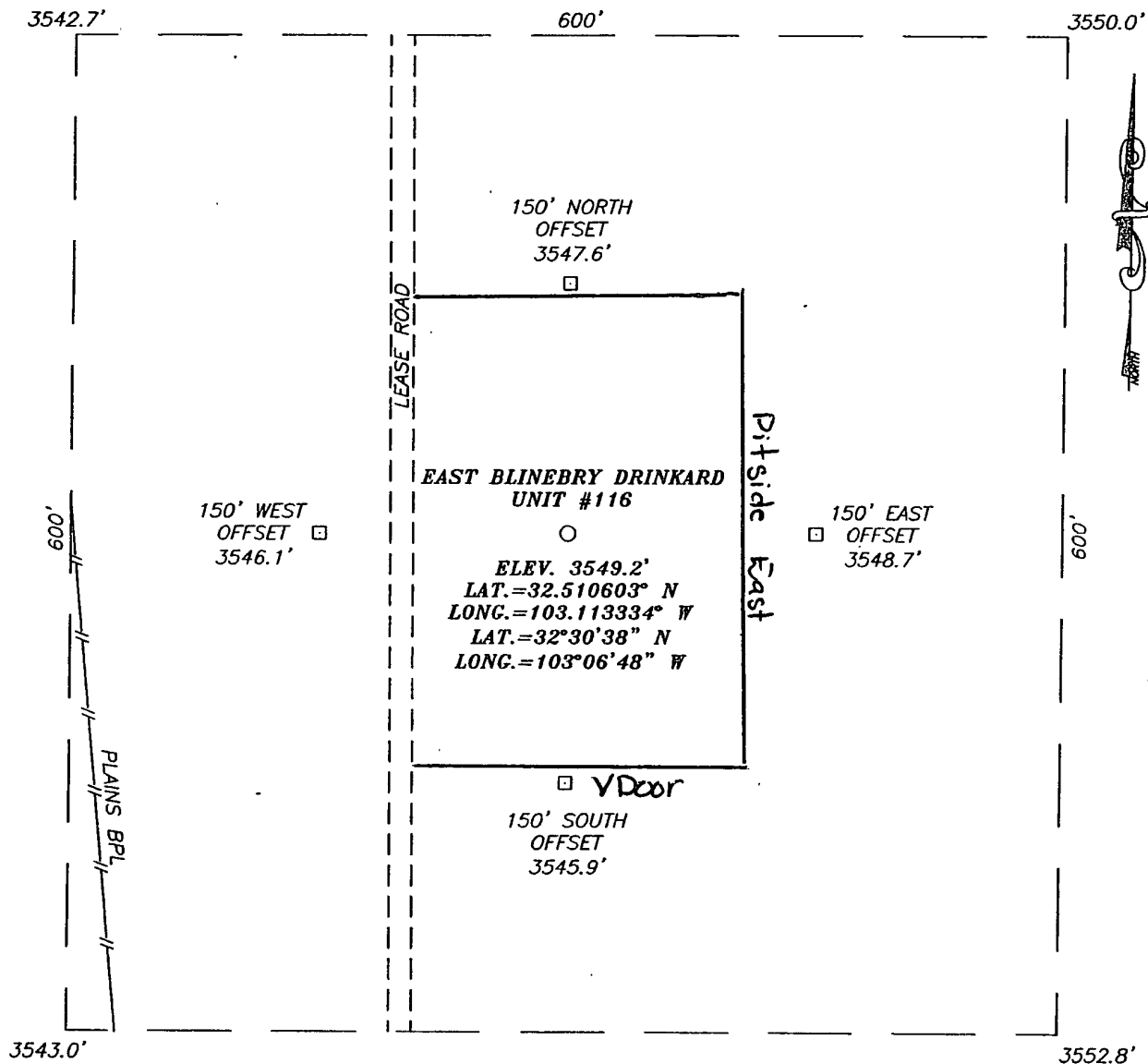
Serial Number: NMLC-- 0 0691

Act Date	Code	Action	Action Remarks	Pending
10/18/1948	124	APLN RECD		
01/01/1949	237	LEASE ISSUED		
01/01/1949	496	FUND CODE	05;145003	
01/01/1949	530	RLTY RATE - 12 1/2%		
01/01/1949	868	EFFECTIVE DATE		
12/31/1949	237	LEASE ISSUED		
06/20/1954	235	EXTENDED	THRU 12/31/58;	
01/31/1958	500	GEOGRAPHIC NAME	UNDEFINED FLD;	
01/31/1958	510	KMA CLASSIFIED		
01/31/1958	650	HELD BY PROD - ACTUAL		
01/31/1958	658	MEMO OF 1ST PROD-ACTUAL		

03/25/1958	102	NOTICE SENT-PROD STATUS	
05/15/1987	932	TRF OPER RGTS FILED	
06/02/1987	963	CASE MICROFILMED	CNUM 100,754 DS
08/21/1987	933	TRF OPER RGTS APPROVED	EFF 06/01/87;
11/16/1988	140	ASGN FILED	TENNECO OIL/TOC-GULF

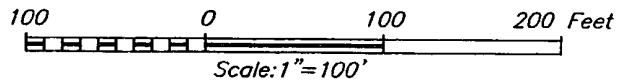
NO WARRANTY IS MADE BY BLM
FOR USE OF THE DATA FOR
PURPOSES NOT INTENDED BY BLM

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 APPROX. 0.4 MILES. TURN LEFT AND GO NORTHWEST, THEN NORTH APPROX. 0.4 MILES. TURN RIGHT AND GO EAST APPROX. 0.4 MILES. TURN LEFT AND GO NORTH APPROX. 300 FEET. THEN LOCATION STAKE IS APPROX. 100 FEET EAST.



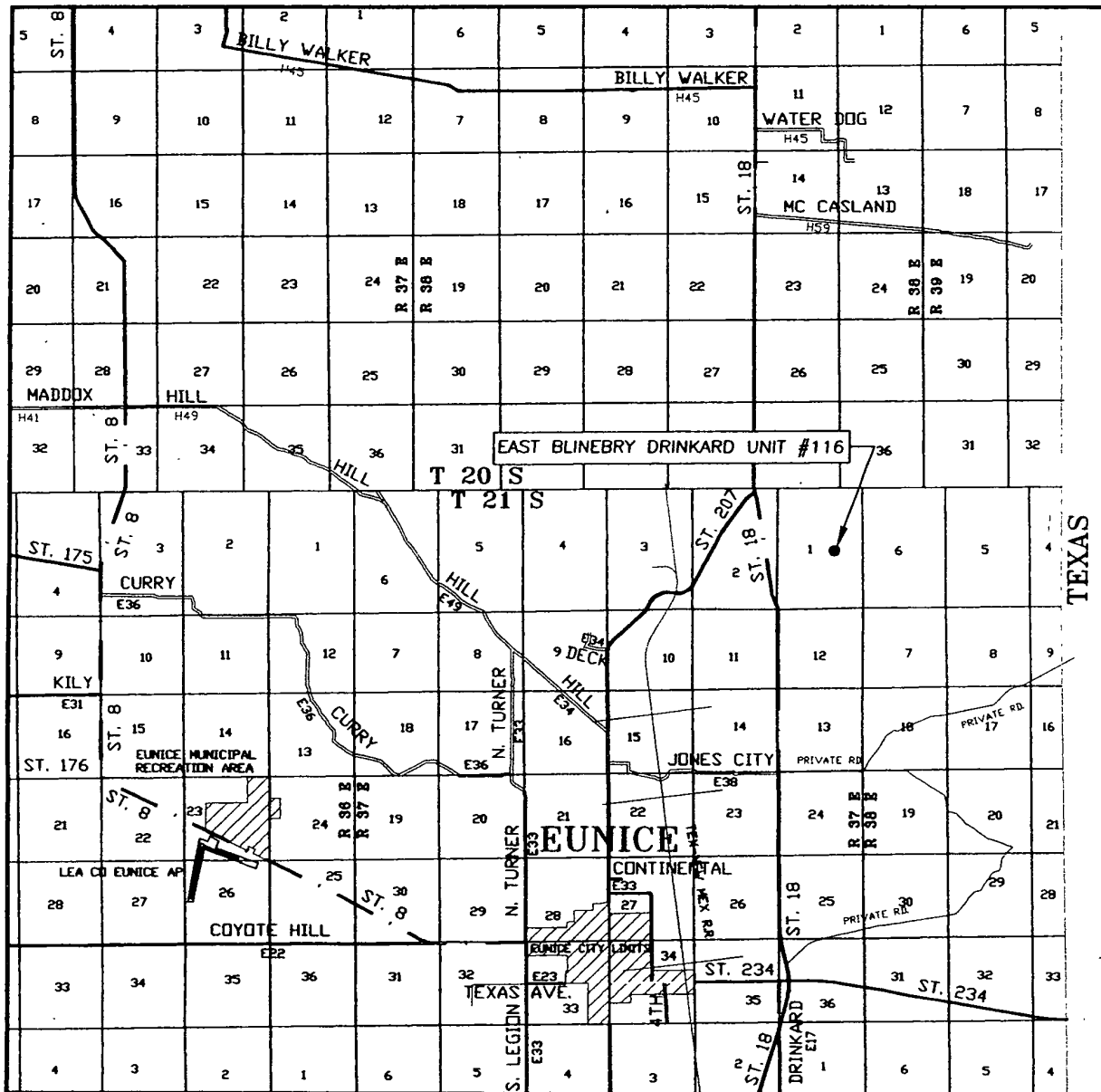
APACHE CORPORATION

EAST BLINEBRY DRINKARD UNIT #116 WELL
LOCATED 3630 FEET FROM THE SOUTH LINE
AND 1760 FEET FROM THE EAST LINE OF SECTION 1,
TOWNSHIP 21 SOUTH, RANGE 37 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

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

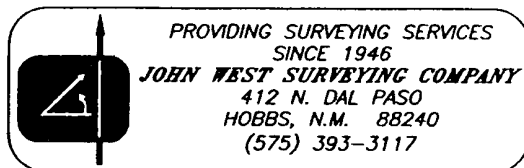
Survey Date: 8/31/10	Sheet 1 of 1 Sheets
W.O. Number: 10.11.1174	Dr By: LA
Date: 9/13/10	1011174
	Scale: 1"=100'

VICINITY MAP

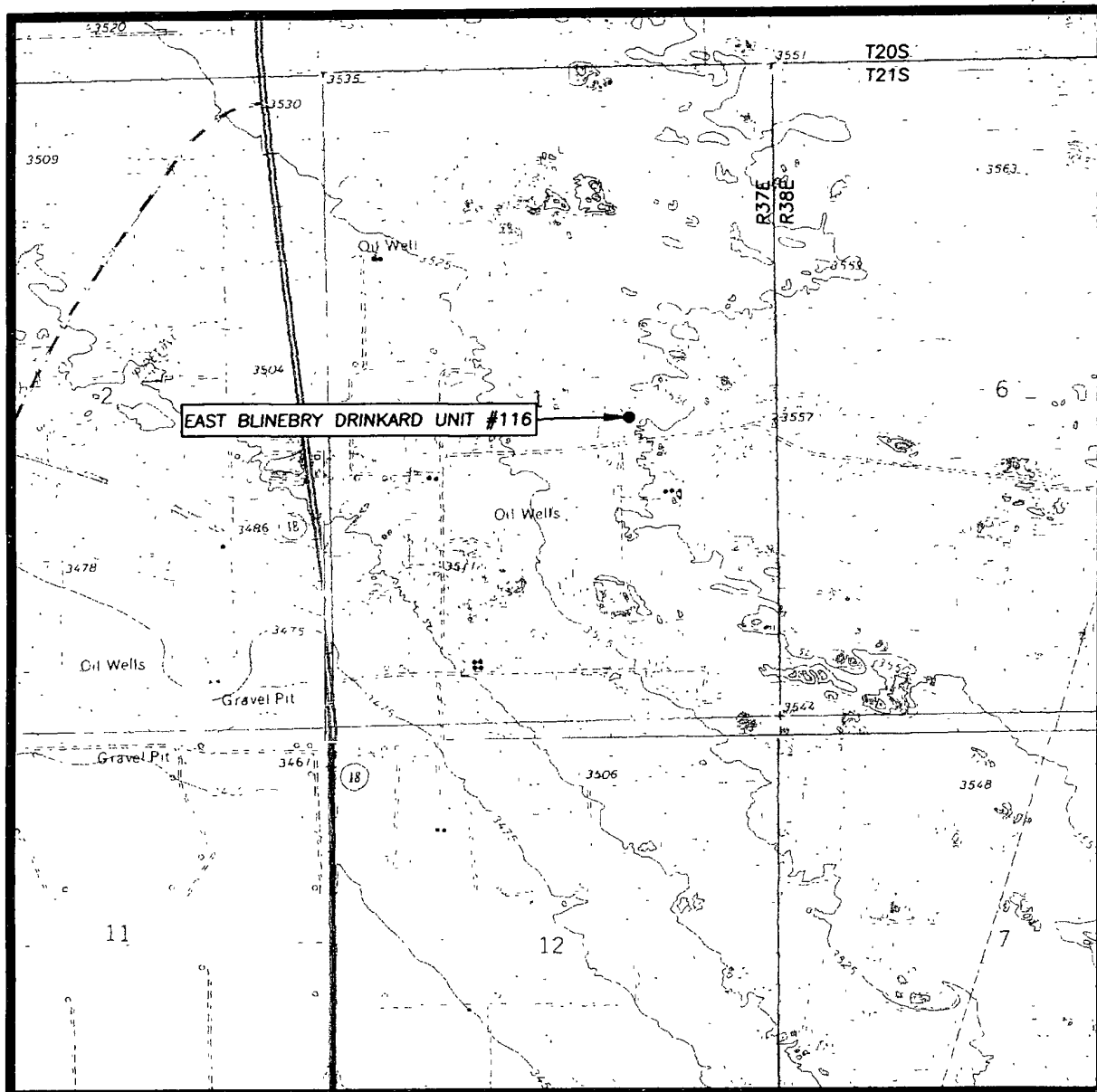


SCALE: 1" = 2 MILES

SEC. 1 TWP. 21-S RGE. 37-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 3630' FSL & 1760' FEL'
 ELEVATION 3549'
 OPERATOR APACHE CORPORATION
 LEASE EAST BLINEBRY DRINKARD UNIT



LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

SEC. 1 TWP. 21-S RGE. 37-E

SURVEY _____ N.M.P.M. _____

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 3630' FSL & 1760' FEL

ELEVATION 3549'

OPERATOR APACHE CORPORATION

LEASE EAST BLINEBRY DRINKARD UNIT

U.S.G.S. TOPOGRAPHIC MAP
HOBBS SE, N.M.

CONTOUR INTERVAL:

HOBBS SE, N.M. - 5'

EUNICE, N.M. - 10'

HOBBS SW, N.M. - 5'

EUNICE NE, N.M. - 5'



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

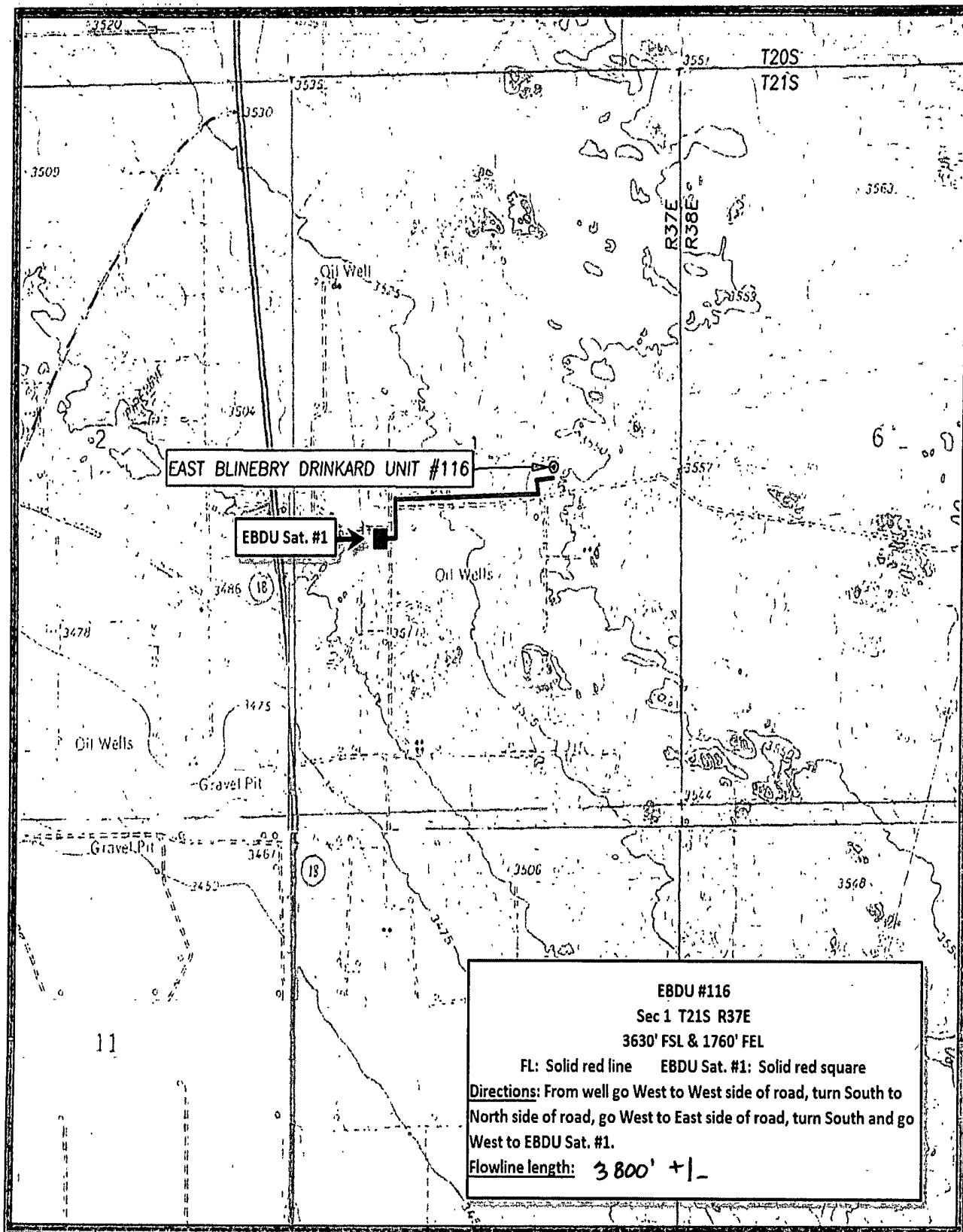
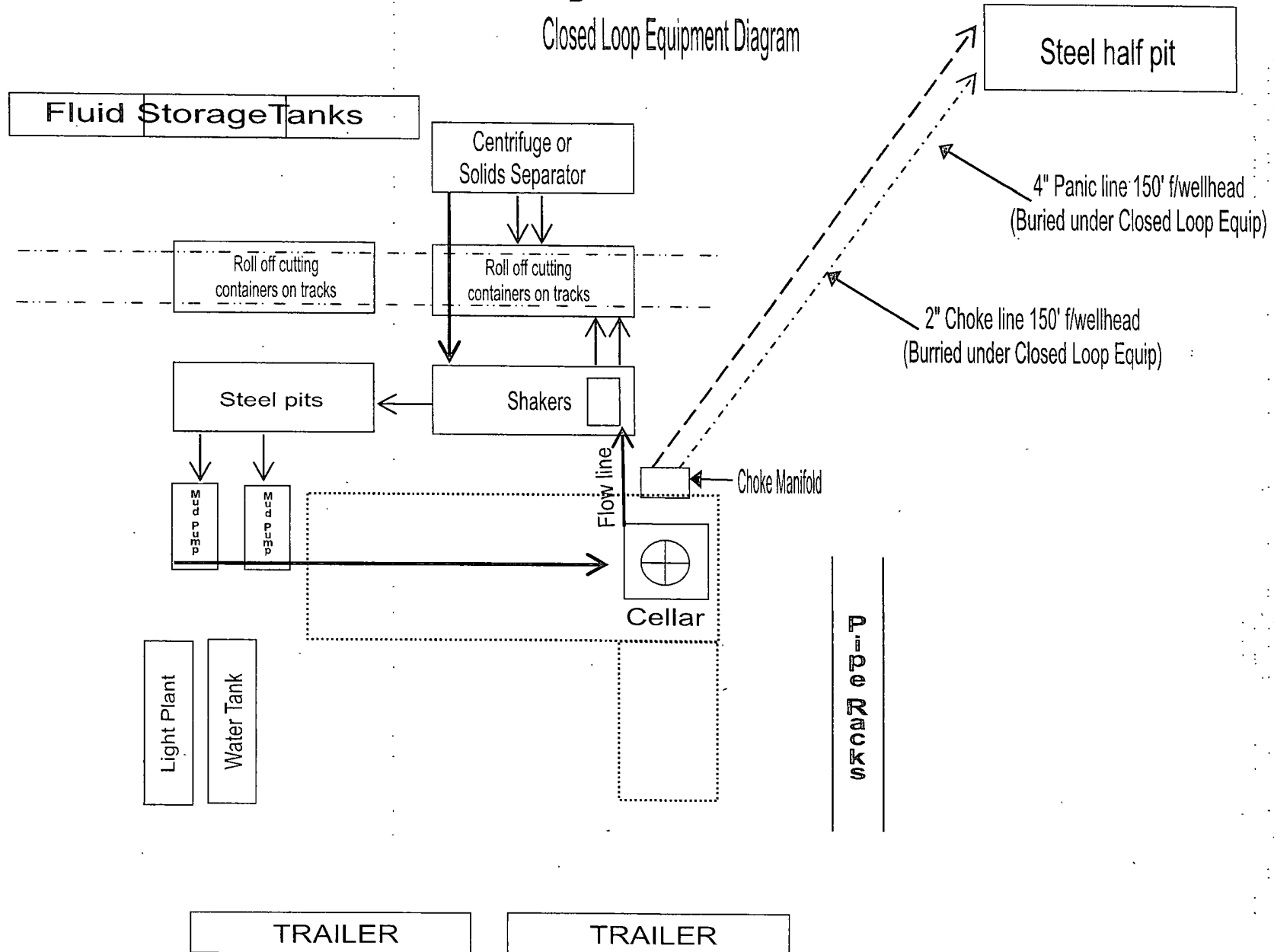
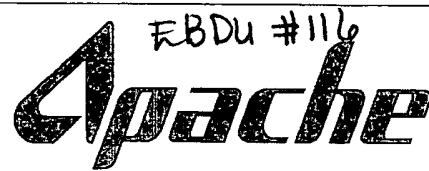


Exhibit # 2

Apache

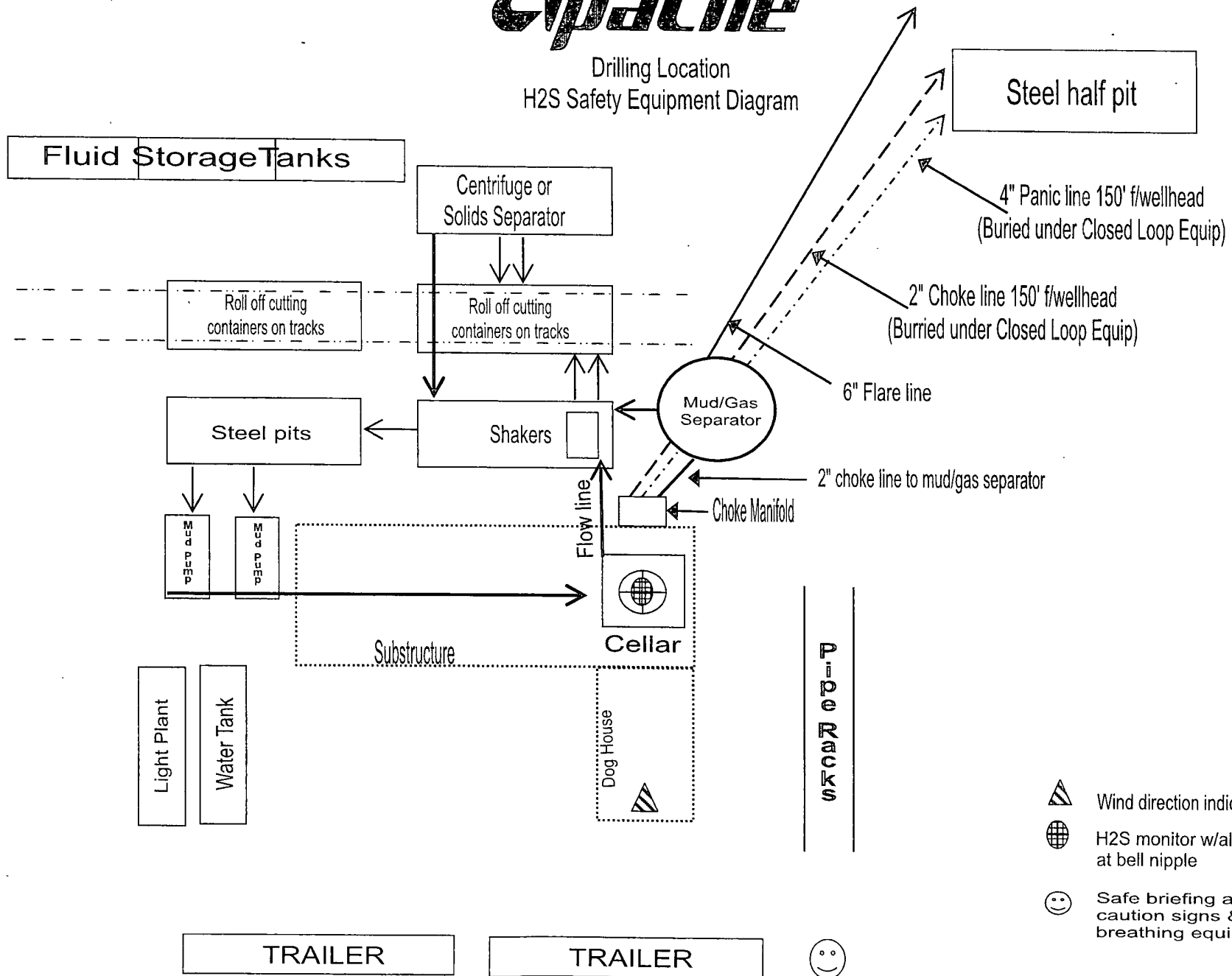
Closed Loop Equipment Diagram





Drilling Location
H2S Safety Equipment Diagram

Exhibit #6



- Wind direction indicators
- H2S monitor w/alarm at bell nipple
- Safe briefing area w/ caution signs & breathing equipment

WELLSITE / RIG LAYOUT
EBDU #116
Exhibit #3

