30-025-40272

Surface Use Plan

(Additional data for form 3160-3)

Apache Corporation
West Blinebry Drinkard Unit #104
SHL: 1331' FNL & 1330' FEL UL: G SEC: 8 T21S R37E
Lea County, NM
Lease #: NMLC-0031741A

1. **EXISTING ROADS**-From the Intersection CR #33 (Turner Rd) and CR #34 (Hill Rd), go Northwest Hill Rd approx. 0.2 miles and go North-Northeast to the existing Hawk a #20 well. The location stake is approx. 175' North of the existing well. 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** — If a lease road is needed, 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. 3500' 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.

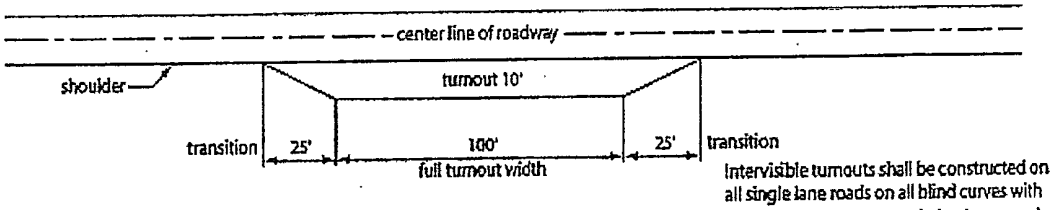
The vegetation at the wellsite is a sparse grass cover of Sand Dropseed, Sand Love Grass and Plains Bristlegrass. Plants are sparse which may include mesquite, yucca, sage, broomweed, and cacti w/misc. weeds. The wildlife consists of rabbits, coyotes, rattlesnakes, dove and quail all typical of the semi-arid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

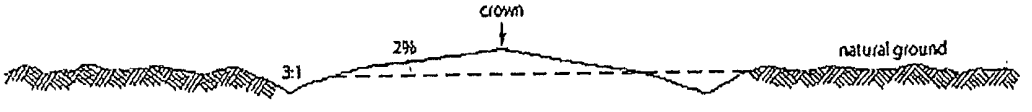
Drilling contractor: Pending.

Cross Sections and Plans for Typical Road Sections

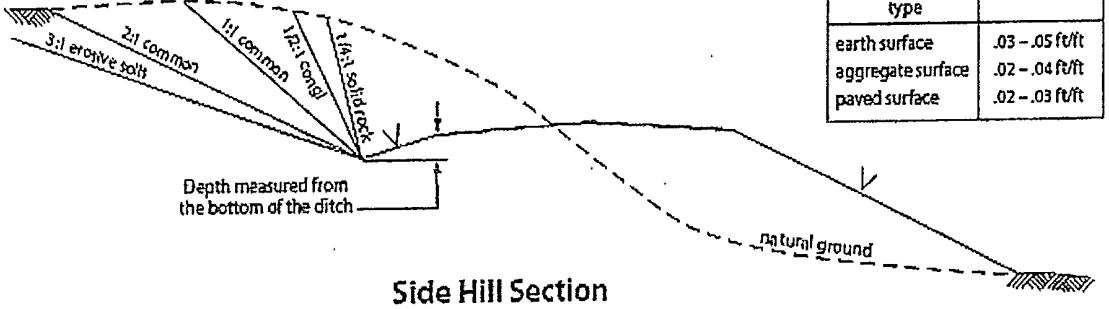


Intervisible turnouts shall be constructed on all single lane roads on all blind curves with additional turnouts as needed to keep spacing below 1000 feet.

Typical Turnout Plan

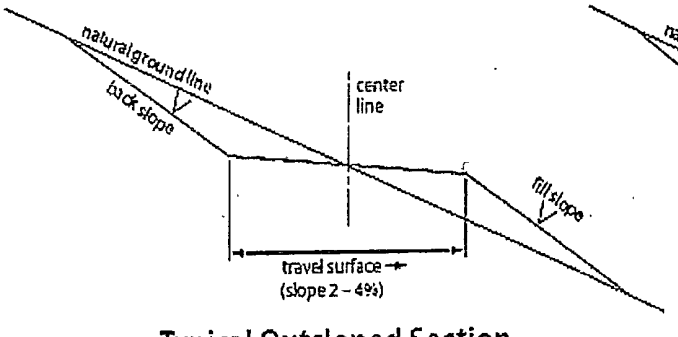


Level Ground Section

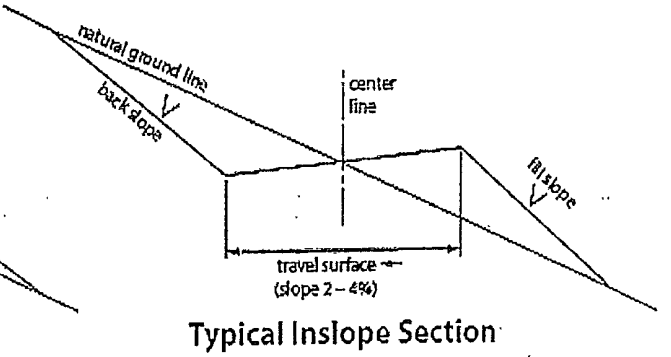


road type	crown
earth surface	.03 – .05 ft/ft
aggregate surface	.02 – .04 ft/ft
paved surface	.02 – .03 ft/ft

Side Hill Section



Typical Outsloped Section



Typical Inslope Section

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

HOBBS OCD

SEP 0 2 2011

RECEIVED

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 **17** day of **JANUARY , 2011**

Well: **WEST BLINEBRY DRINKARD UNIT #104**

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):

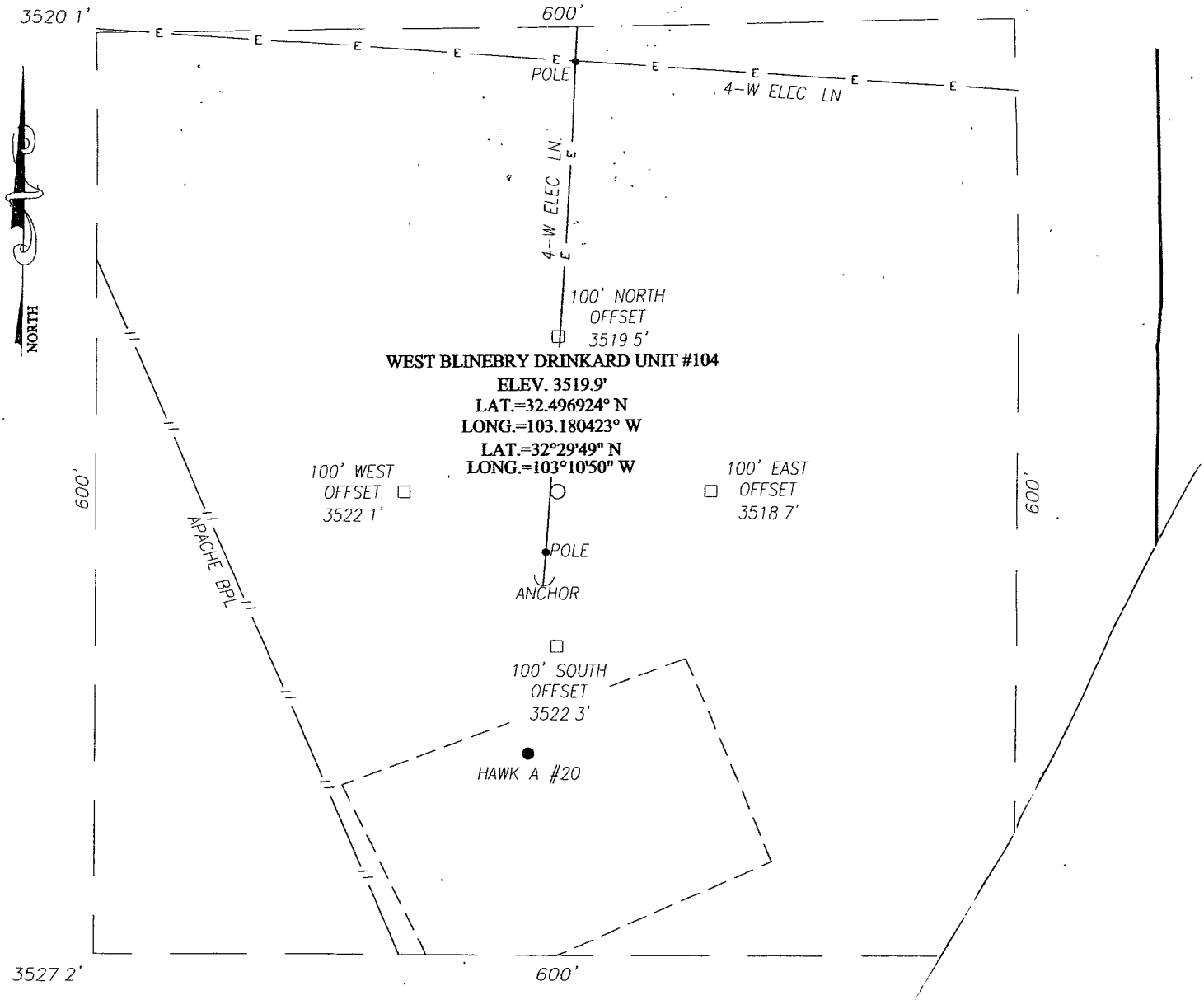
Telephone (if different from above):

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.

SECTION 8, TOWNSHIP 21 SOUTH, RANGE

LEA COUNTY



DIRECTIONS TO LOCATION

FROM THE INTERSECTION CO RD. #33 (TURNER RD.) AND CO. RD #34 (HILL RD), GO NORTHWEST HILL ROAD APPROX. 0 2 MILES AND GO NORTH--NORHTEAST TO THE EXISTING HAWK A #20 WELL THE LOCATION STAKE IS APPROX 175 FEET NORTH OF THE EXISTING WELL

100 0

Scal

APACHE

WEST BL
LOCATED
AND 1330
TOWNSH

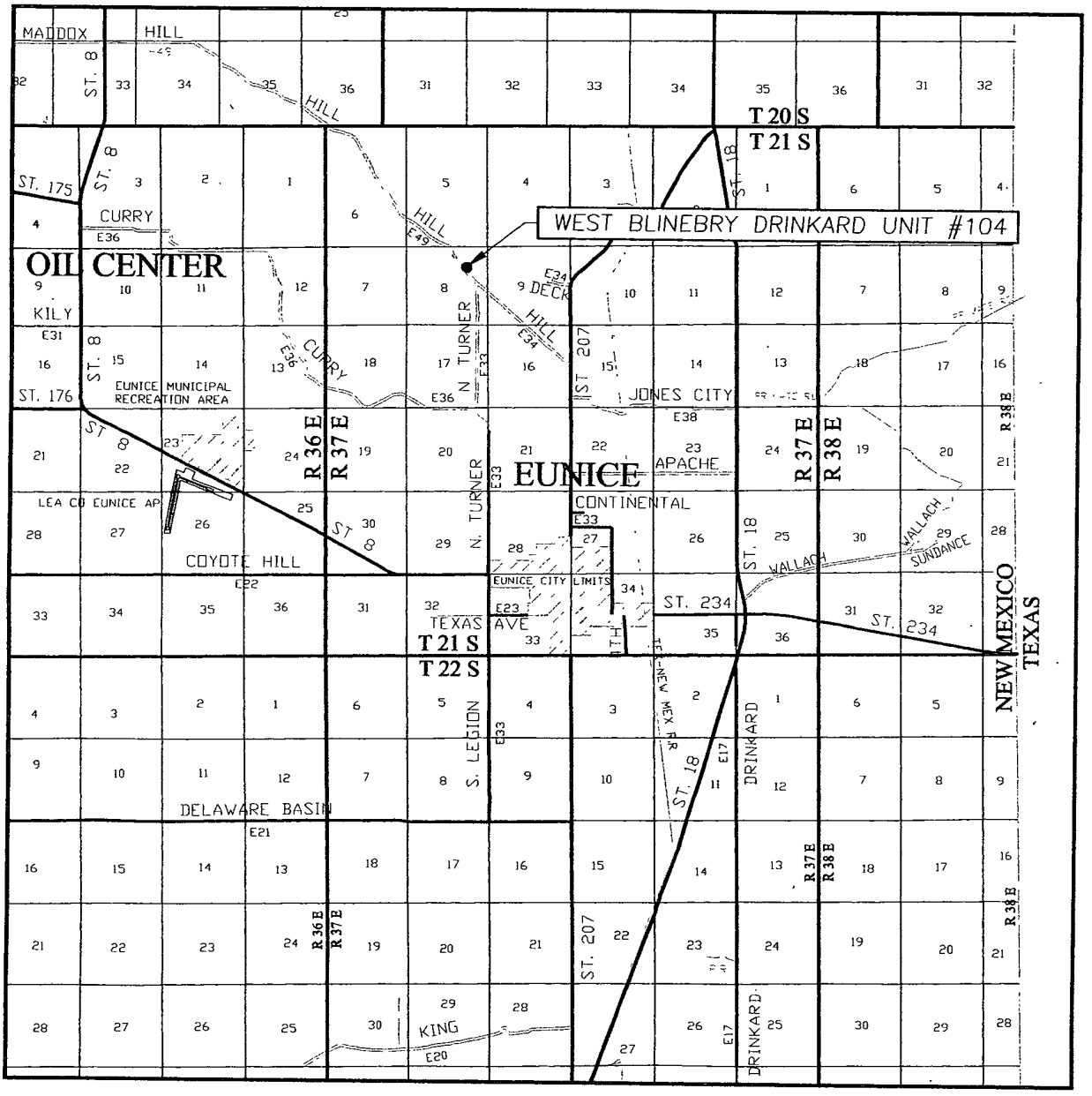
Survey Date:

W.O. Number:

Date: 9/13/10

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

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 8 TWP 21-S RGE. 37-E

SURVEY N.M.P.M

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1331' FNL & 1330' FEL

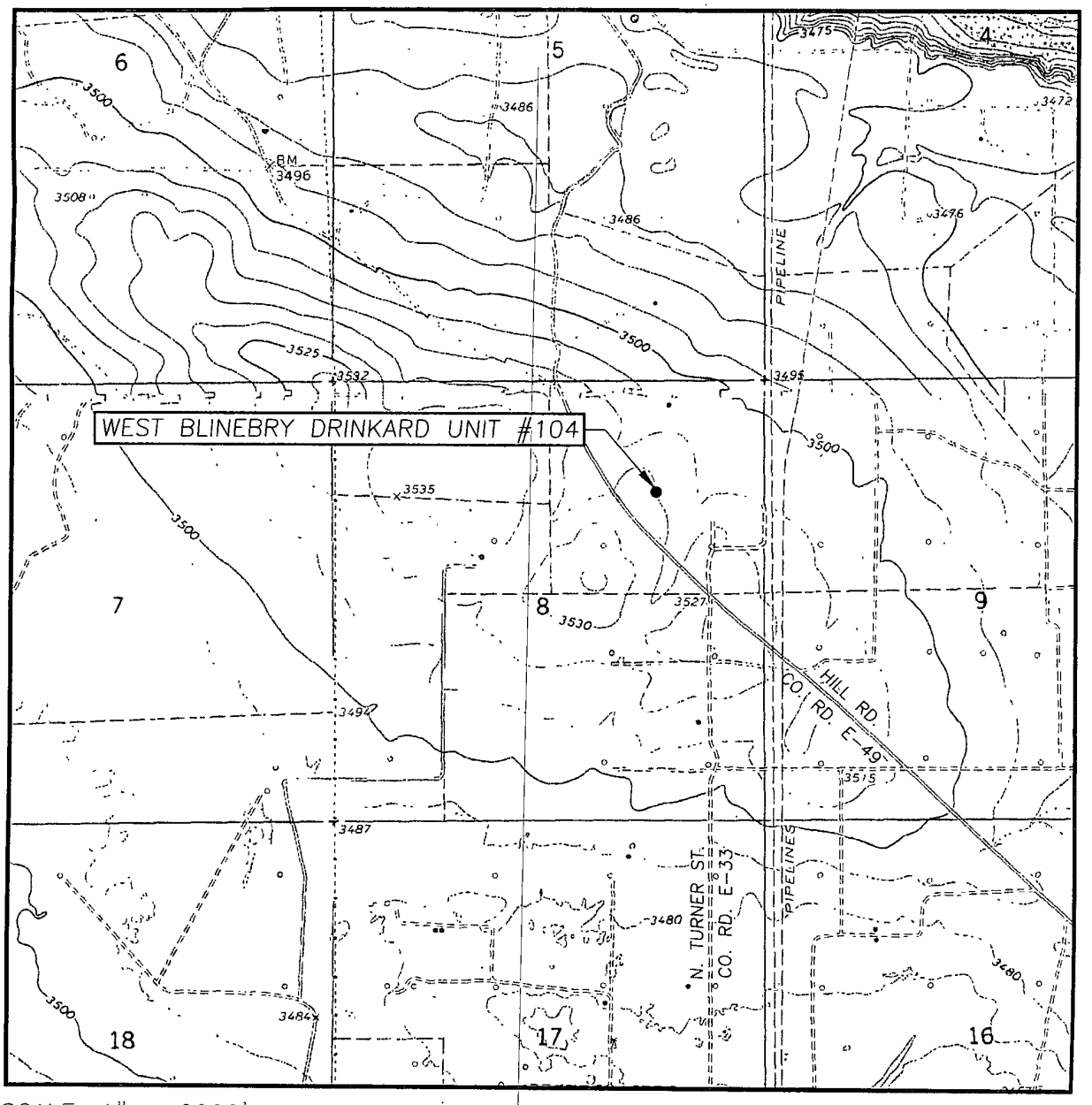
ELEVATION 3520'

OPERATOR APACHE CORPORATION

LEASE WEST BLINEBRY DRINKARD UNIT

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

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
HOBBS SW, N.M. – 5'
EUNICE, N.M. – 10'

SEC 8 TWP 21-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1331' FNL & 1330' FEL

ELEVATION 3520'

OPERATOR APACHE CORPORATION

LEASE WEST BLINEBRY DRINKARD UNIT #104

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

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
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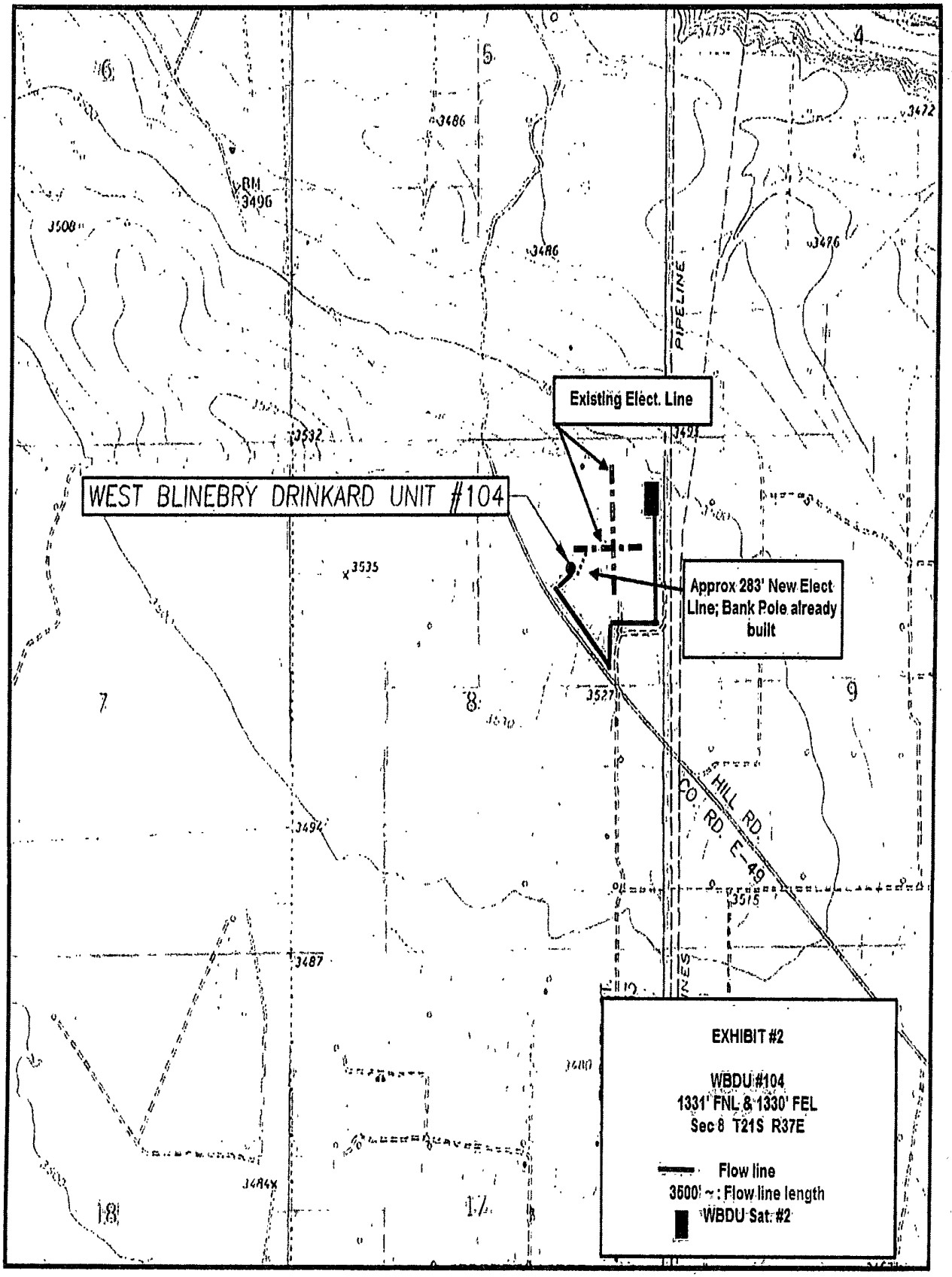
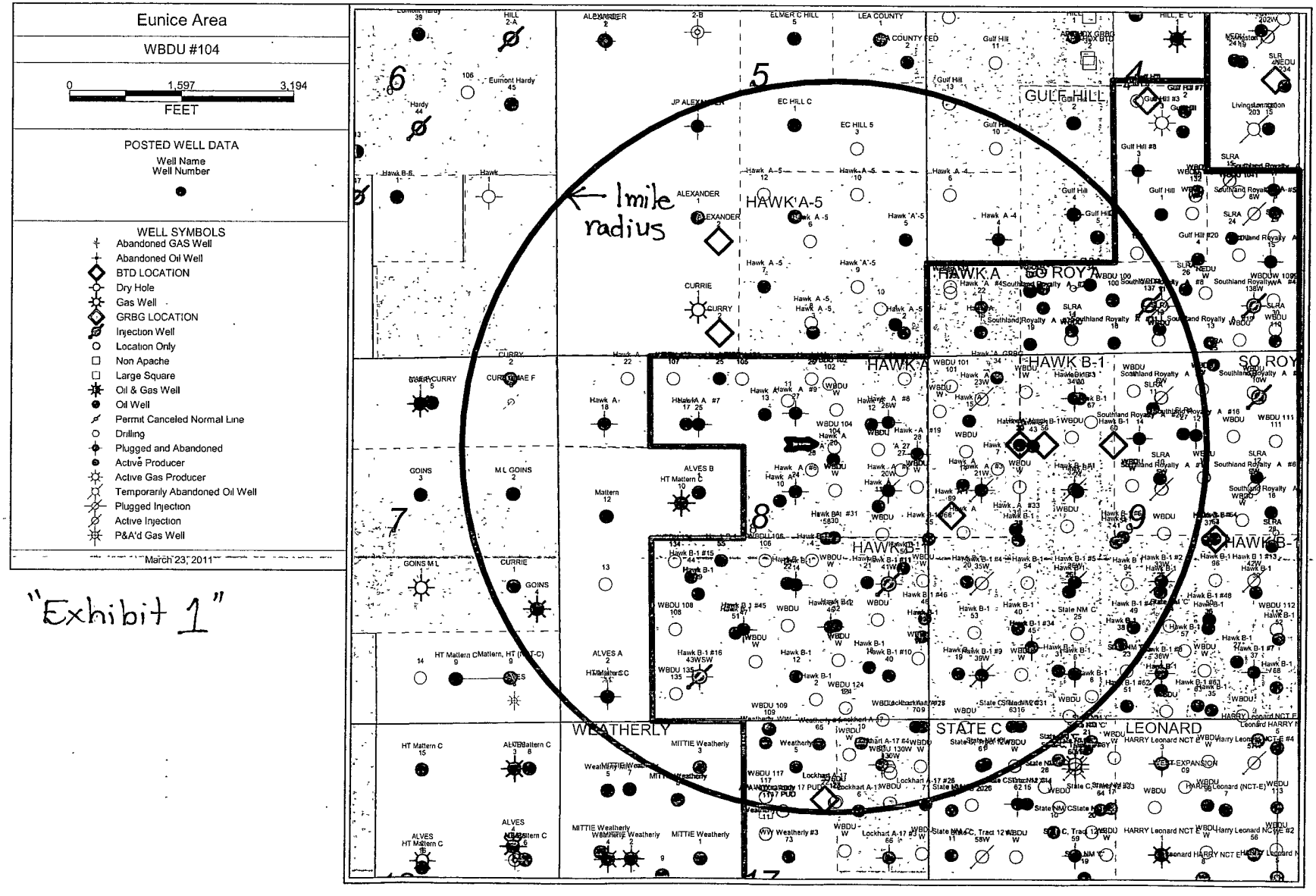

WEST BLINEBRY DRINKARD UNIT #104
Existing Elect. Line
Approx 283' New Elect Line; Bank Pole already built
PIPELINE
CO. RD. E-49
HILL RD.
EXHIBIT #2
WBDU #104
1331' FNL & 1330' FEL
Sec 8 T21S R37E
Flow line
3500' ~ : Flow line length
WBDU Sat. #2


Eunice Area
WBDU #104
0
1,597
3,194
FEET
POSTED WELL DATA
Well Name
Well Number
WELL SYMBOLS
Abandoned GAS Well
Abandoned Oil Well
BTD LOCATION
Dry Hole
Gas Well
GRBG LOCATION
Injection Well
Location Only
Non Apache
Large Square
Oil & Gas Well
Oil Well
Permit Canceled Normal Line
Drilling
Plugged and Abandoned
Active Producer
Active Gas Producer
Temporarily Abandoned Oil Well
Plugged Injection
Active Injection
P&A'd Gas Well
March 23, 2011
1 mile radius
HAWK A-5
HAWK A
HAWK B-1
GULF HILL
SO ROY
WEATHERLY
STATE C
LEONARD
5
6
7
8
9

"Exhibit 1"