



30-025-40480

HOBBS OCD

SURFACE USE PLAN OF OPERATIONS

MAR 06 2012

West Blinbry Drinkard Unit #105 Lease #: NMLC – 0031741A
SHL: 330' FNL & 2550' FWL UL: C SEC: 8 T17S R31E
Lea County, NM

RECEIVED**EXISTING ROADS**

- A. Proposed Well Site Location:

"SEE EXHIBIT 1"

- B. Existing Roads:

From the intersection of St Hwy #176 and North loop road 248 on North end of Main street in Eunice, NM, go North on North Loop road #248 for 2.7 miles, turn Left (going West) on Hill road, go 2 miles, turn Left after crossing cattle guard, go about 100 yards, loc on left side of road.

- C. Existing Road Maintenance or Improvement Plan:

"SEE EXHIBIT 1"

NEW OR RECONSTRUCTED ACCESS ROADS

- A. Route Location

No new road expected to be built.

- B. Width, Max Grade, Turnout Ditches, Culverts, Cattle Guards, & Surface Equipment

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.) If required, culverts and cattle guards will be set per BLM Specs.

LOCATION OF EXISTING WELLS

- A. "EXHIBIT 2" indicates existing wells within a one mile radius of the proposed location.

LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. Existing production facilities are located at the WBDU Satellite #2

- B. New Facilities in the Event of Production

In the event this well is productive, APACHE will install a new 3" NUP1 rated 300psi up to 140 deg surface flowline, approx. 4000' in length, to the existing WBDU Satellite #2 location following existing lease roads. Apache also plans to install approx. 275' of new electrical line. "SEE EXHIBIT 1"

- C. Rehabilitation of Disturbed Areas Unnecessary for Production

Following the construction, those access areas required for continued production will be graded to provide drainage and minimize erosion. The areas unnecessary for use will be graded to blend in with the surrounding topography "SEE PLANS FOR RESTORATION OF THE SURFACE"

LOCATION AND TYPE OF WATER SUPPLY

- A. 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 existing and/or proposed access roads. No water source wells will be drilled and no surface water will be utilized.

MAR 08 2012

CONSTRUCTION MATERIALS

A. Materials

On-site caliche will be used for any required access road and/or well site pad. If necessary, caliche will be hauled from a BLM approved pit. No surface materials will be disturbed except those necessary for actual grading and construction of the drill site and access road.

METHODS FOR HANDLING WASTE DISPOSAL

A. Cuttings

Cuttings will be contained in roll off bins and disposed of hauled to a state approved disposal facility.

B. Drilling Fluids

Drilling fluids will be contained in steel pits, frac tanks and disposed at licensed disposal sites and/or will be cleaned and reused.

C. Produced Fluids

Water production will be contained in steel pits. Fluids may be cleaned and reused and/or disposed at a state approved facility. Hydrocarbon fluid or other fluids that may be produced during testing will be retained in test tanks until sold and hauled from site.

D. Salts

Salts remaining after completion will be picked up by supplier, including broken sacks.

E. Sewage

Current laws and regulations pertaining to the disposal of human waste will be complied with. A Port-a-John will be provided for the crews. This will be properly maintained during the drilling operations and removed upon completion of the well. Port-a-John will be cleaned out periodically.

F. Garbage

Receptacles for garbage disposal during the drilling of this well will be provided and equipped to prevent scattering by wind, animals, etc. This waste will be hauled to an approved landfill site.

G. Cleanup of Well Site

Upon release of the drilling rig, the surface of the drilling pad will be graded to accommodate a completion rig if electric log analysis indicates potential productive zones. Reasonable cleanup will be performed prior to the final restoration of the site.

ANCILLARY FACILITIES

- A. Upon completion, and/or testing of this well, rental tank facilities will be utilized until permanent storage is established. No camps, airstrips or staging are anticipated to be constructed.

WELLSITE LAYOUT

A. Rig Orientation and Layout

"EXHIBIT 5 " shows the dimensions of the well pad, closed loop system and the location of the major rig components. Only minor leveling of the well site will be required. No significant cuts or fills will be necessary.

B. Closed Loop System

A Closed Loop System will be used. Cuttings will be stored in steel roll off bins until they are hauled to a state approved disposal facility. A C-144 has been submitted to the appropriate OCD district office for approval.
"SEE EXHIBIT 4"

C. Location of Access Road

"SEE EXHIBIT 5 "

PLANS FOR SURFACE RECLAMATION

- A. Reserve Pit Cleanup
Not applicable. Closed Loop System will be used.
- B. Restoration Plans (Production Developed) *"SEE EXHIBIT 6"*
Those areas not required for production will be graded to blend with the surrounding topography. Topsoil from the soil pile will be loaded over the disturbed area to the extent possible and will be seeded. The portion of the site required for production will be graded to minimize erosion and provide access during inclement conditions. This may need to be modified in certain circumstances to prevent inundation of the locations' pad and surface facilities. Due to the topography of the area, no problems are anticipated and no erosion or other detrimental effects are expected as a result of this operation. Following depletion and abandonment of the site, restoration procedures will be those that follow under *"ITEM C"* of *"PLANS FOR SURFACE RECLAMATION"*.
- C. Restoration Plans (No Production Developed)
With no production developed, the entire surface disturbed by construction of the well site will be restored as closely as possible to its pre-operation appearance, including re-vegetation. The site will be contoured to blend with the surrounding topography with provisions made to minimize erosion. The topsoil, as available, shall be placed in a uniform layer and seeded according to the Bureau of Land Management's stipulations. Due to the topography of the area, no problems are anticipated and no erosion or other detrimental effects are expected as a result of this operation.
- D. Rehabilitation's Timetable
Upon completion of drilling operations, the initial cleanup of the site will be performed as soon as weather and site conditions allow economic execution of the work.

SURFACE OWNERSHIP

- A. Surface Ownership of drill site & access routes: Private Owned Land:
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

OTHER INFORMATION

- A. Terrain, Soil, Vegetation, Wildlife, Surface Use
Slightly rolling hills; Topsoil is made up of caliche and sand; Plants are sparse, primarily grasses, some mesquite & shinnery oak; No wildlife observed but likely that deer, rabbits, coyotes & rodents traverse the area, which are all typical of the semi-arid desert land; Land primarily used for grazing.
- B. Surface Water
There are no ponds, lakes, streams or rivers within several miles of the proposed location.
- C. Water Wells
No known water wells within 1-1/2 miles of the proposed location.
- D. Residences and Buildings
No dwellings within the immediate vicinity of the proposed location.
- E. Historical Sites
None observed.
- F. Archeological Resources
An archeological survey will be performed and submitted to the BLM by Boone Archeological Services LLC. Any location or construction conflicts will be resolved before construction begins.
- G. Well Signs
Well signs will be in compliance per State requirements and specifications.
- H. Drilling Contractor
Pending

OPERATOR'S FIELD REPRESENTATIVE

(Field personnel responsible for compliance with development plan for surface use)

DRILLING

Danny Laman
Drilling Superintendent
303 Veterans Airpark Ln #3000
Midland, TX 79705
432-818-1022 - office
432-634-0288 – cell

PRODUCTION

James Pyle
Sr. Production Foreman
8 Ellison Lane
Eunice, NM 88231
575-394-2733 – office
432-661-9341 – cell

Devalle Trammell
Sr. Production Foreman
8 Ellison Lane
Eunice, NM 88231
575-394-1503 – office
432-208-3318 – cell

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

Carlsbad Field Office
620 E. Greene Street
Carlsbad, NM 88220

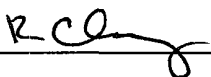
OPERATOR CERTIFICATION

I HEREBY 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 13 day of SEPTEMBER, 2011

Well: WEST BLINEBRY DRINKARD UNIT #105

Operator Name: APACHE CORPORATION

Signature:  Printed Name: ROBERT CLARY

Title: Drilling Engineer Date: 9/13/2011

Email (optional): robert.clary@apachecorp.com

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

City, State, Zip Code: Midland, TX 79705

Telephone: 432-818-1961

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.

PRIVATE SURFACE OWNER AGREEMENT

HOBBS OCD

MAR 06 2012

OPERATOR: APACHE CORPORATION

WELL NAME: WEST BLINEBRY DRINKARD UNIT #105

RECEIVED

UL: C SECTION: 8 TOWNSHIP: 21S RANGE: 37E

LOCATION: 330' FNL & 2550' FWL COUNTY: LEA STATE: NM

LEASE NUMBER: NMLC-0031741A

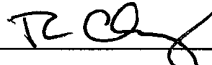
STATEMENT OF SURFACE USE

The surface to the subject land is owned by THE 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.

The surface owner has been contacted regarding the drilling of the subject well, and an agreement for surface use has been negotiated.

CERTIFICATION: I hereby certify that the statements made in this statement are to the best of my knowledge, true and correct.

NAME: ROBERT CLARY

SIGNATURE: 

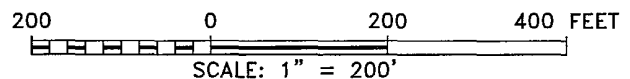
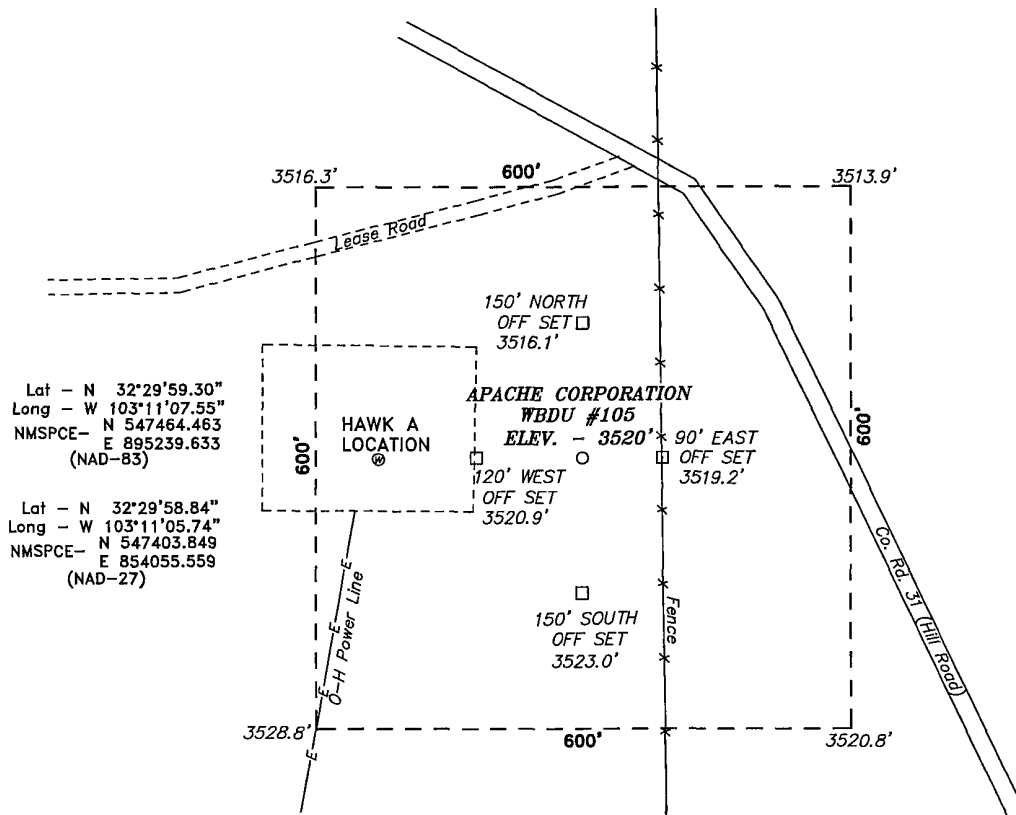
DATE: 9/13/11

TITLE: DRILLING ENGINEER

To expedite your Application to Drill please fax the completed form to the
Bureau of Land Management (575) 234-5927 or (575) 885-9264
Attn: Legal Instruments Examiner
620 E. Green Street
Carlsbad, NM 88220

The original document with signature should be mailed as soon as possible.

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



APACHE CORPORATION

REF: WBDU #105 / WELL PAD TOPO

THE WBDU #105 LOCATED 330' FROM
THE NORTH LINE AND 2550' FROM THE WEST LINE OF
SECTION 8, TOWNSHIP 21 SOUTH, RANGE 37 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

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

W.O. Number: 24876

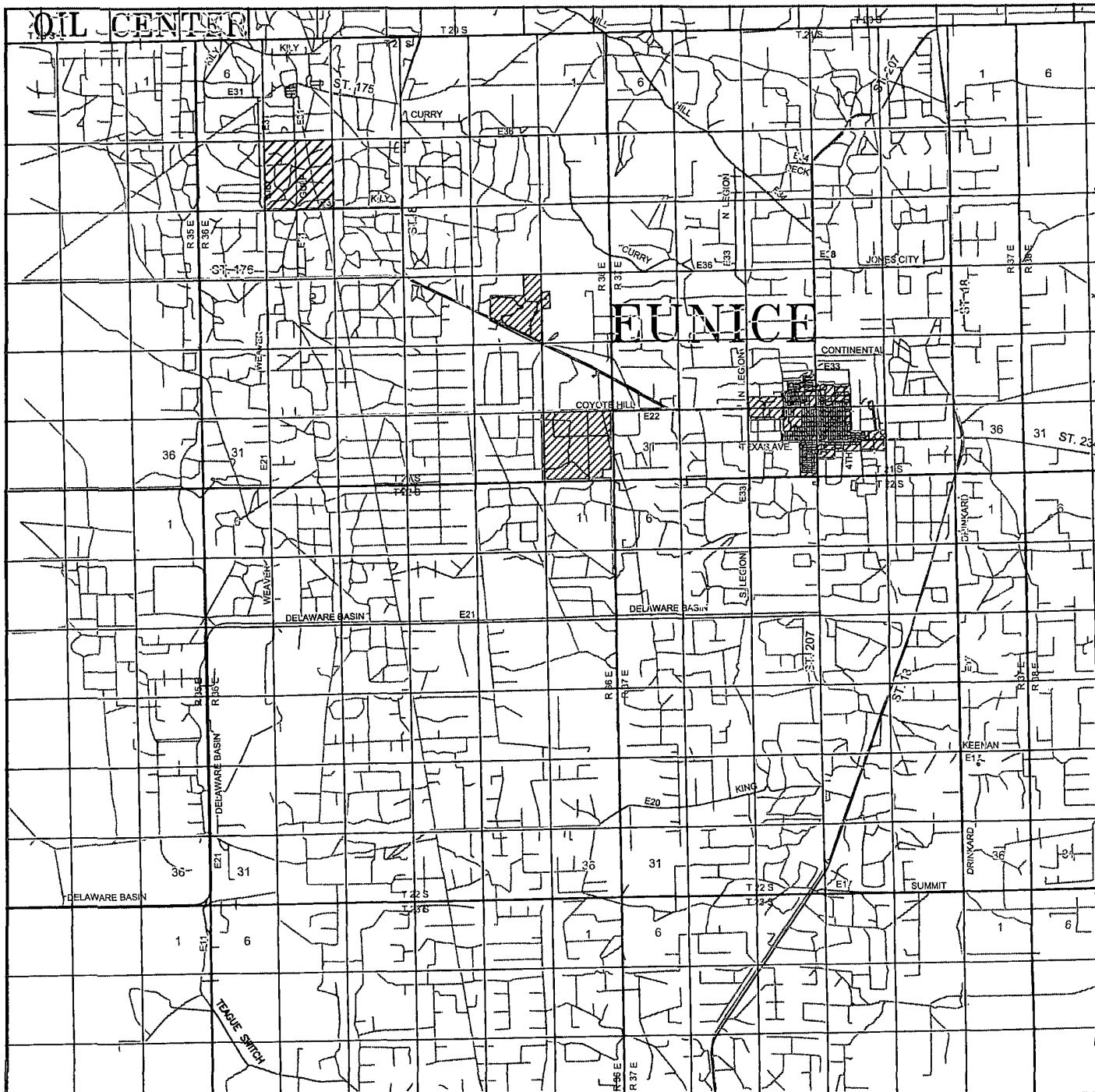
Drawn By: K. GOAD

Date: 07-06-2011

Disk: KJG - 24876WELL.DWG

Survey Date: 06-29-2011

Sheet 1 of 1 Sheets



WBDU #105

*Located 330' FNL and 2550' FWL
Section 8, Township 21 South, Range 38 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

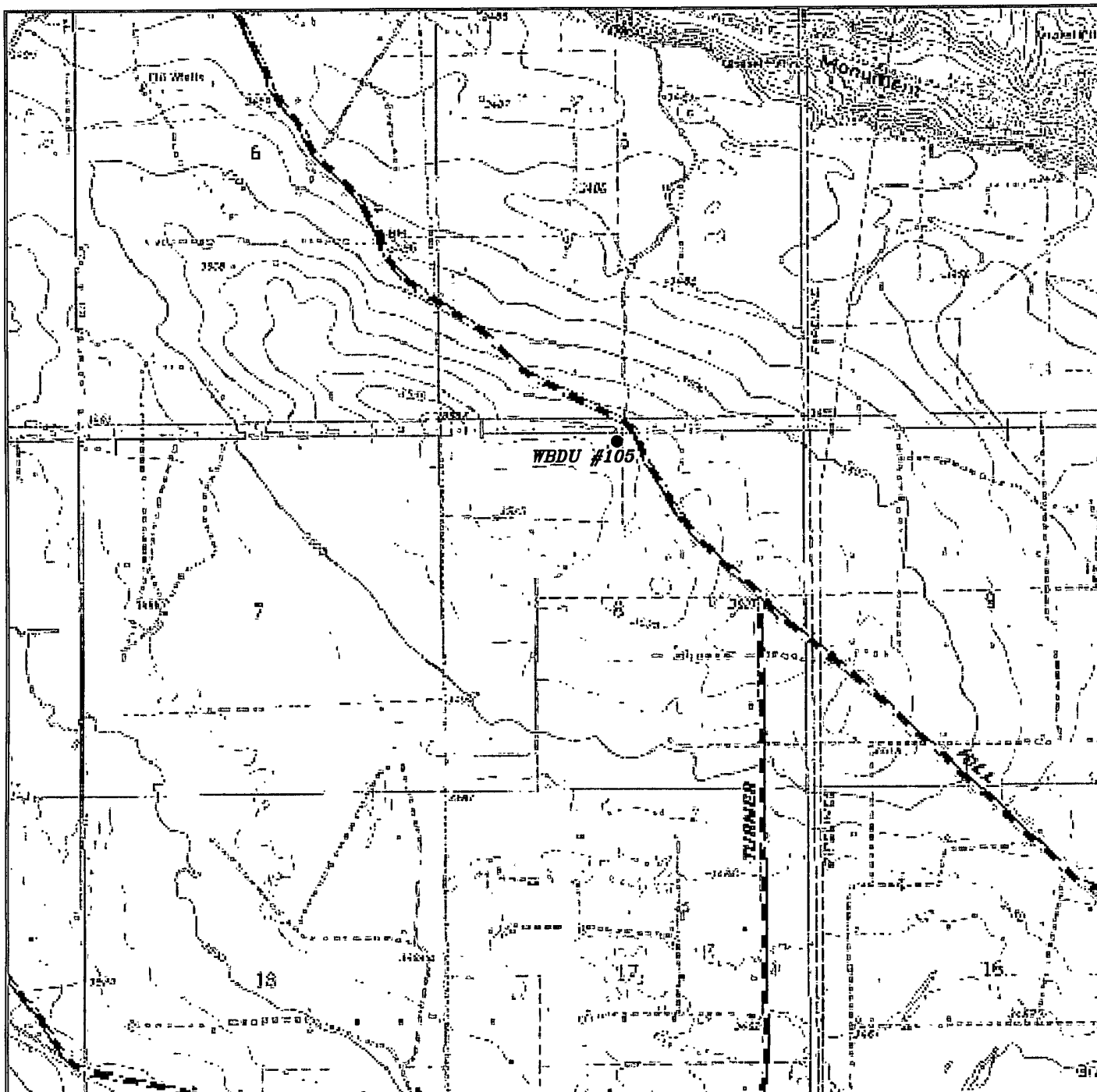
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Survey Date: 07-01-2011

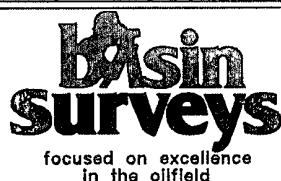
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Date: 06-29-2011

**APACHE
CORPORATION**



WBDU #105
Located 330' FNL and 2550' FWL
Section 8, Township 21 South, Range 38 East,
N.M.P.M., Lea County, New Mexico.



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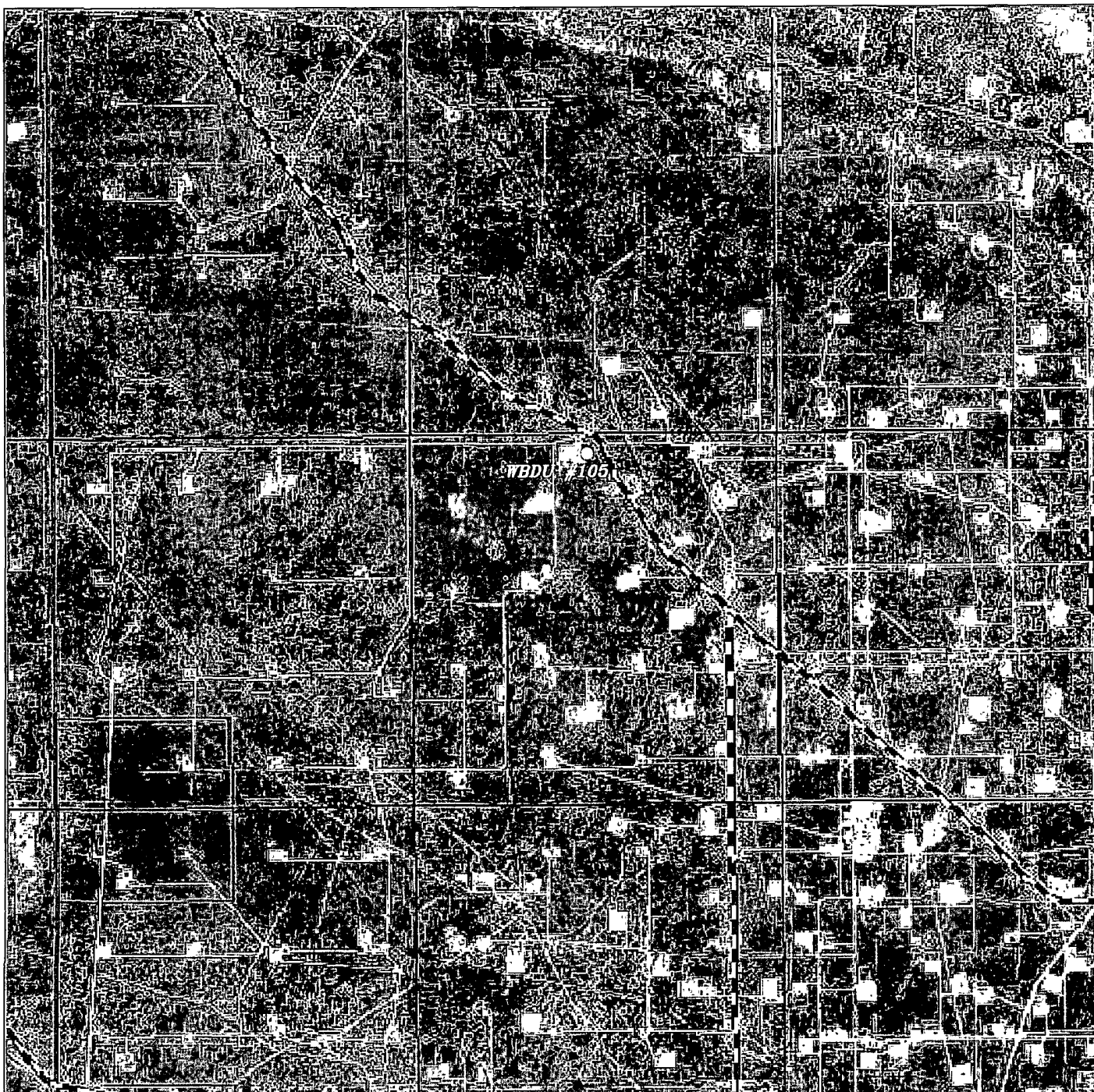
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Scale: 1" = 2000'

Date: 06-29-2011

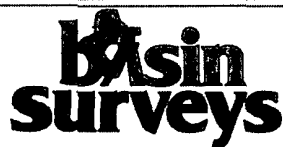


APACHE
CORPORATION



WBDU #105

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Section 8, Township 21 South, Range 38 East,
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Scale: 1" = 2000'

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



**APACHE
CORPORATION**

Exhibit # 2

APACHE CORPORATION

WBDU #105

UL: C Sec: 8 T21S R37E Lea Co.

330' FNL & 2550' FWL

1 MILE RADIUS

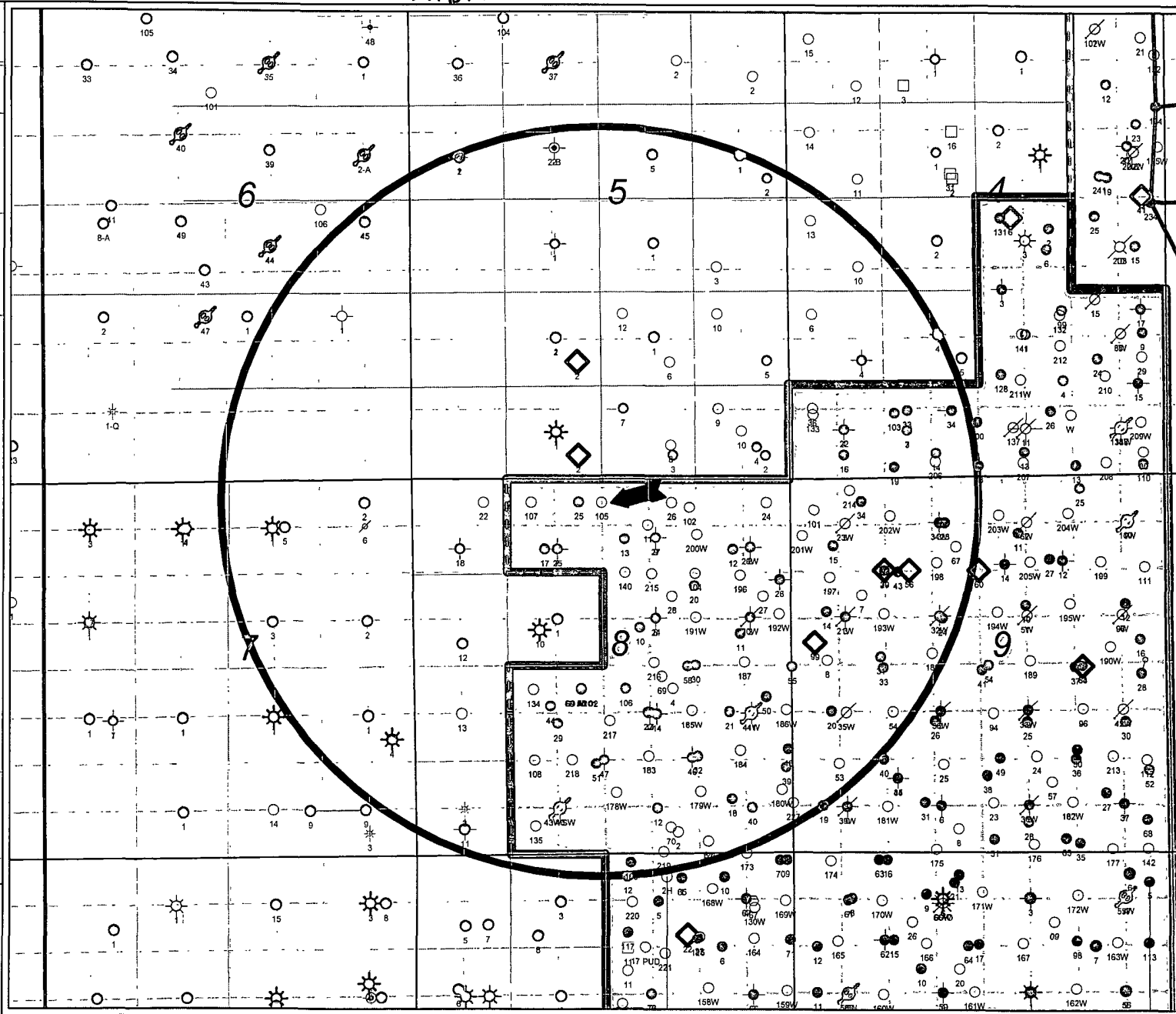
POSTED WELL DATA

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
 - Suspended Oil Well
 - Plugged and Abandoned
 - Active Producer
 - Active Gas Producer
 - Temporarily Abandoned Oil Well
 - Plugged Injection
 - Active Injection
 - P&A'd Gas Well

0 2,022 4,044
FEET

September 29, 2011

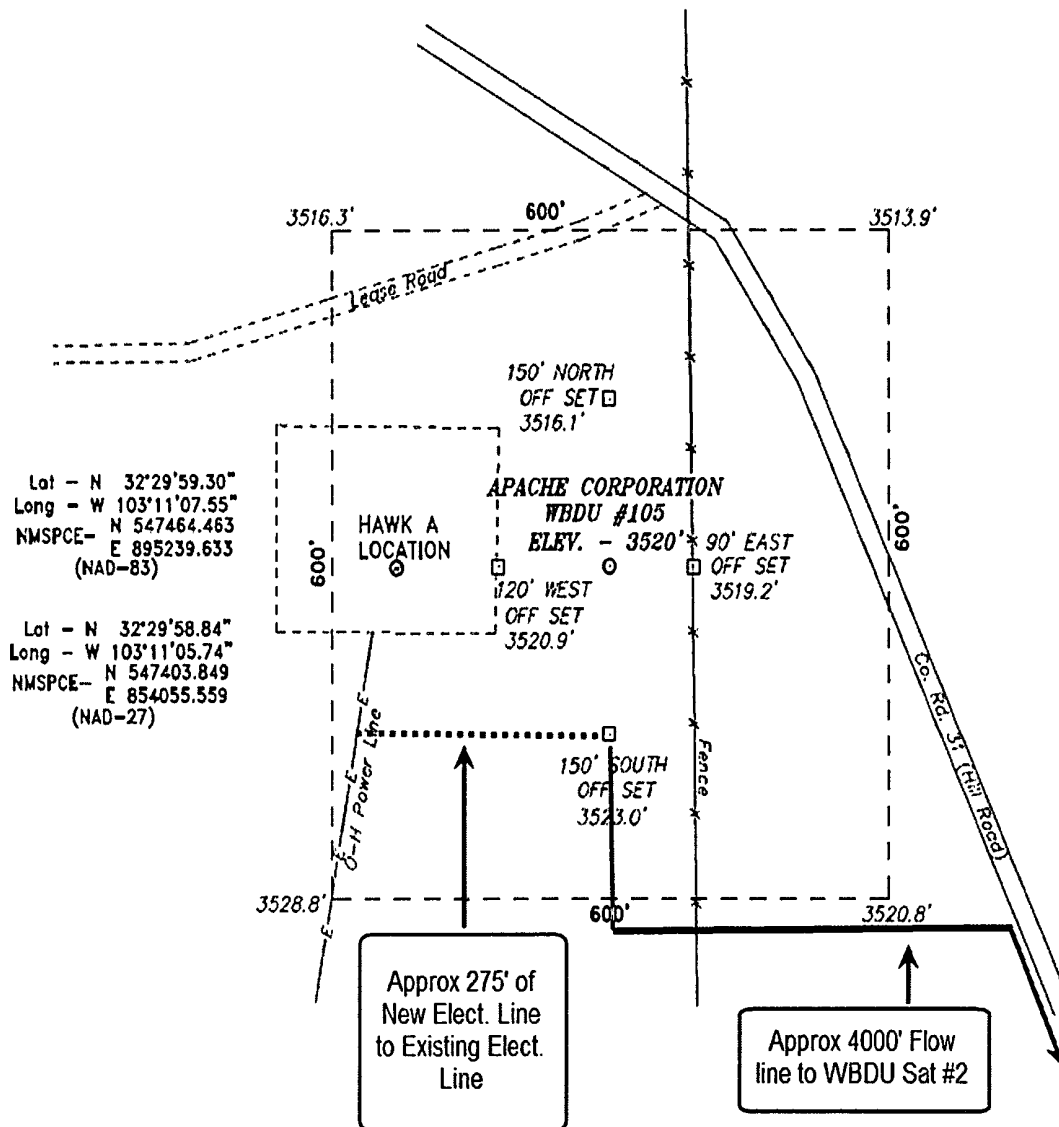


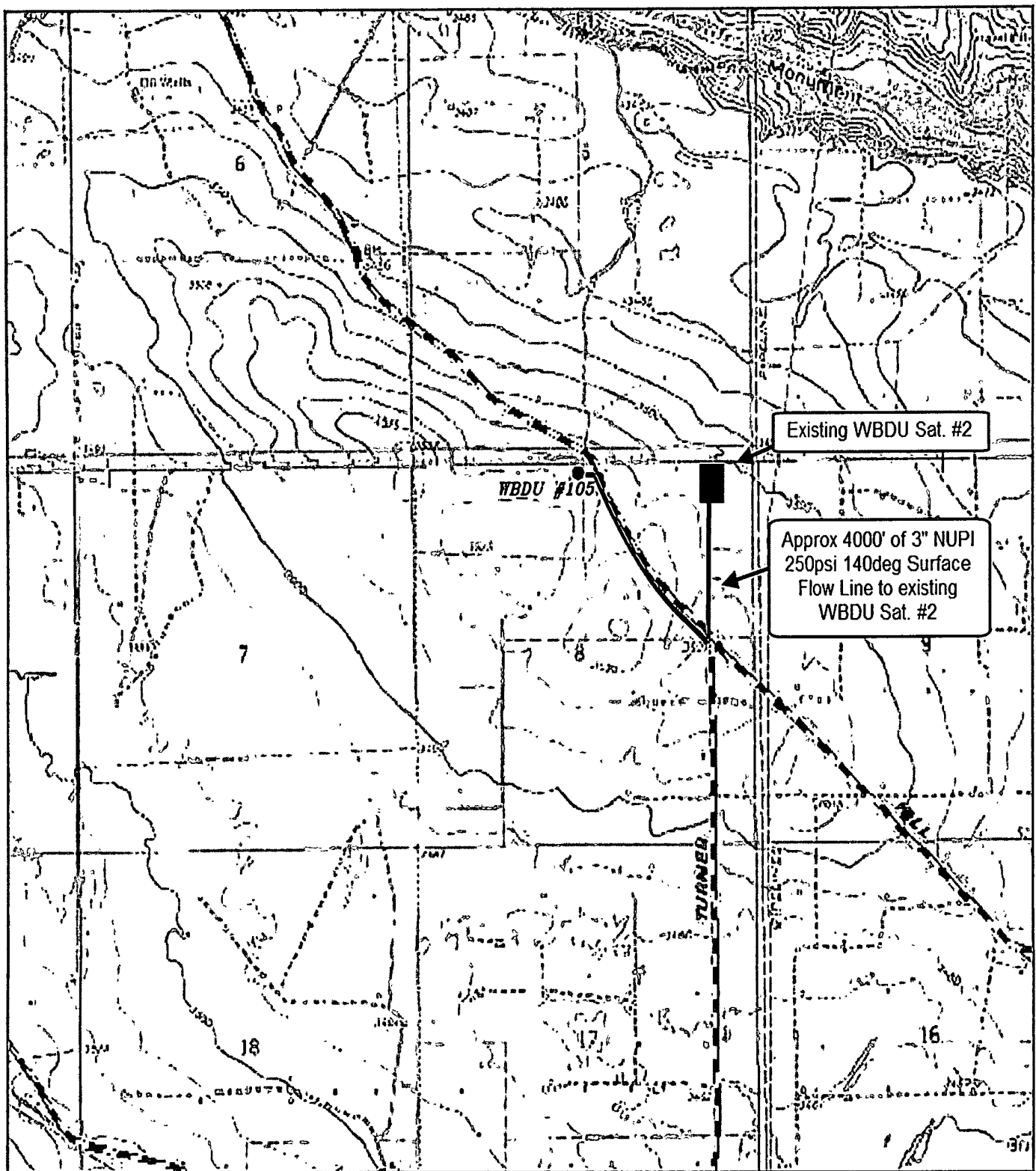
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Exhibit I

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

WBDU #105





WBDU #105 Exhibit #1
Located 330' FNL and 2550' FWL
Section 8, Township 21 South, Range 38 East,
N.M.P.M., Lea County, New Mexico.