Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
June 19, 2008

WELL API NO. 30-025-37100	
5. Indicate Type of Lease STATE ☐ FEE ☒	
6. State Oil & Gas Lease No. NA	
SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	7. Lease Name or Unit Agreement Name Round Up
1. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other:	8. Well Number 001
2. Name of Operator Apache Corporation	9. OGRID Number 873
3. Address of Operator 303 Veterans Airpark Lane Suite 3000 Midland TX 79705	10. Pool name or Wildcat House; Blinebry(33230)/House;Drkd (33250)
4. Well Location Unit Letter H : 2028 feet from the North line and 710 feet from the East line Section 35 Township 19S Range 38E NMPM County Lea	
	11. Elevation *(Show whether DR, RKB, RT, GR, etc.)* 3588' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☒						
OTHER:	☐			OTHER:	☐		

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

R11363

Pool Names:		Perforations:	
House; Blinebry	33230	Blinebry	6114'-6420'
House; Drinkard	33250	Drinkard	7048'-7080'

The allocation method will be as follows based on offset production (See attached application for exception to Rule 303-C).

	OIL	GAS	Water
Blinebry	35%	10%	59%
Drinkard	65%	90%	41%

Downhole commingling will not reduce the value of these pools. Ownership is the same for each of these pools.

Spud Date: 09/30/2005 Rig Release Date: 10/21/2005

DHC- HOB-504

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Reesa Holland TITLE Sr. Staff Reg Tech DATE 10/18/2012

Type or print name Reesa Holland E-mail address: Reesa Holland@apachecorp com PHONE: 432/818-1062

For State Use Only

APPROVED BY: TITLE Dist. Mgr DATE 10-23-201

Conditions of Approval (if any):

OCT 23 2012

Apache Corporation – Round Up #1

Wellbore Diagram – Proposed

API: 30-025-37100

GL=3584'
KB=3596'
Spud:9/30/05

Date : 10/3/2012

R. Taylor

Surface Location

2028' FNL & 710' FEL,
Lot H Sec 35, T19S, R38E, Lea County, NM

Surface Casing
13-3/8" 68# @ 317' w/ 600 sxs to surface

Hole Size
=17-1/2"

Hole Size
=12 1/4"

Intermediate Casing
8-5/8" 24# J-55 @ 1640' w/ 775 sxs

TOC @ 3712'

TAC @ TBD'
SN @ TBD'

Hole Size
=7-7/8"

TBD: Perf Upr Blinebry @ 6114-18; 6167-74; 6196-99; 6215-18 w/ 2 jspf (34 holes). 6308-14; 6322-26; 6345-51; 6360-65; 6416-20 (50 holes). Acidized w/ 3000 gal 15% acid and frac w/ 47k gal Spectra Frac 2500 w/ 113k# 20/40 snd @ 45 bpm

3/05: Perf Drinkard @ 7048-80 (92 holes)
Acidized w/ 2500 gal 15% acid
TBD: Frac w/ 29k gal Spectra Frac 3500 w/ 60K# 20/40 SLC snd @ 35 bpm.

PBTD = 7,800'
MD =7,800'

Production Casing
5-1/2" 17# N-80 @ 7800' w/ 785 sxs to surface

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-37100	33230	House; Blinebry

[4] Property Code	[5] Property Name	[6] Well Number
303230	Round-Up	001

[7] OGRID No.	[8] Operator Name	[9] Elevation
873	Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	3588' GL

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	35	19S	38E		2028	North	710	East	Lea

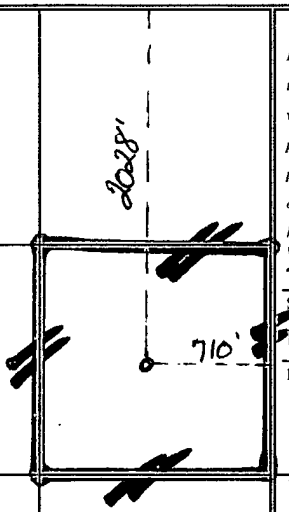
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			DHC- HOB-5104

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16



[17] OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Reesa Holland — 10/18/2012

Signature — Date

Reesa Holland

Printed Name

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
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1220 South St. Francis Dr.
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Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
30-025-37100	33250	House; Drinkard

[4] Property Code	[5] Property Name	[6] Well Number
303230	Round-Up	001

[7] OGRID No.	[8] Operator Name	[9] Elevation
873	Apache Corporation: 303 Veterans Airpark Lane, Suite 3000 Midland, TX 79705	3588' GL

[10] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	35	19S	38E		2028	North	710	East	Lea

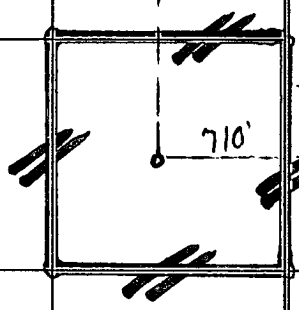
[11] Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			DHC-HOB-504

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16



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Reesa Holland 10/18/2012
Signature Date

Reesa Holland
Printed Name

[18] SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

Apache

October 18, 2012

Mr. Paul Kautz
New Mexico Oil Conservation Division
1625 N French Drive
Hobbs, New Mexico 88240

RE: Application for Exception to Rule 303-C – Downhole Commingling
Round-Up #1 (30-028-37100)
Unit H, Section 35, T19S, R38E
House; Blinebry & House; Drinkard
Lea County, New Mexico

Dear Mr. Kautz,

Enclosed please find form C-103 and attachments for downhole commingling the captioned well. The ownerships (WI, NRI and ORRI) of these pools are identical in this wellbore. The fluids from each of these pools are compatible as seen in other similar commingles in the area. Combining these fluids will not result in any damage to these pools. Commingling will improve the efficiency of present and future recovery operations. Cross flow will not be a problem due to having a production lift system capable of keeping the well pumped off thereby maximizing production. This commingling will not reduce the value of the total remaining production.

The allocation method used for this well was determined by analyzing the cumulative oil, gas and water production in a nine section area of review surrounding this well. Supporting documentation is shown on the attached spreadsheet. Production for active and inactive wells was grouped by pool in the area of review. The totals for each phase were then divided by the number of wells associated with this pool yielding an average. This average was used to determine the percentage allocation.

The main reason for using this method is based on economics and minimizing reservoir damage. Past completion practices had all three zones perforated and fracture stimulated during one full week. Each zone was isolated by a retrievable bridge plug to allow for production testing of each zone for allocation purposes. This testing period lasted as long as one month before a stabilized rate was observed thus allowing the next zone to be brought on and tested. During this time period the completion fluids used were still confined to the other reservoirs causing gel damage. It is a common practice to get these fluids out of the wellbore as soon as possible to help maximize productivity. On a cost basis it is more expensive to have a completion rig move in and out multiple times to bring on each new zone. Several other factors such as weather, other new completions and regulatory well work may interfere with these new wells.

The area of review used encompasses what has been accepted as a good statistical representation for allocation purposes. By using this allocation method all zones will be brought online in a more effective and efficient manner. This will in turn generate a higher productive rate and quicker revenue streams not only for the operator but for the State of New Mexico too.

If you need additional information or have any questions, please give me a call at (432) 818-1062.

Sincerely,

Reesa Holland

Reesa Holland
Sr. Staff Regulatory Technician

Round Up #1
30-025-37100
Apache Corp.

				Cum Oil (BBL)		Cum Gas (MCF)		Cum Water (BBL)	
Lease Name	Well Number	10DIGITAPI	Location	Blinebry	Drinkard	Blinebry	Drinkard	Blinebry	Drinkard
T ANDERSON	3	3002505858	2K 20S 37E	540	0	311	0	0	0
STATE A-2A	2	3002509889	2P 20S 37E	0	2248	0	4273	0	90
STATE A-2A	5	3002530004	2P 20S 37E SE SE	0	100738	0	414385	0	45852
STATE A-2A	6	3002530946	2O 20S 37E SW SE	0	24067	0	124311	0	186052
STATE A-2A	7	3002531297	2I 20S 37E NE SE	0	58987	0	340310	0	80582
STATE H	1	3002533667	3H 20S 37E	0	84383	0	257338	0	4893
STATE H	2	3002533971	3 20S 37E	0	141451	0	2177533	0	9924
J H WILLIAMS	2	3002534163	34P 19S 37E	0	68370	0	342175	0	13729
J COOPER	1	3002534206	3 20S 37E NW NE	0	146552	0	1690355	0	3500
STATE A 3	3	3002534207	3I 20S 37E NE SE	95	0	750	0	3980	0
H T ORCUTT NCT E	3	3002534209	2E 20S 37E NW SW NW	106537	0	255623	0	102382	0
J W COOPER	5	3002534292	3 20S 37E NE NW NE	222038	0	452478	0	12634	0
J COOPER	2	3002534295	3G 20S 37E SW NE	0	96071	0	737355	0	2347
JAYHAWK	1	3002534329	35M 19S 37E SW SW	22934	0	44817	0	85132	0
LAUGHLIN	1	3002534975	4N 20S 37E SW SE SW	0	22587	0	81268	0	7576
SHELLEY 35 STATE	1	3002535528	35D 19S 37E S2 NW NW	0	75308	0	863212	0	11722
SHELLEY 35 STATE	2	3002535548	35F 19S 37E S2 SE NW	0	107690	0	146625	0	230063
WILLIAMS 34	3	3002535711	34O 19S 37E SW SW SE	0	10227	0	69981	0	34690
JAWHAWK 35 STATE	2	3002535839	35E 19S 37E N2 SW NW	0	26760	0	766417	0	37425
WILLIAMS 34	6	3002535911	34P 19S 37E SE SE	151011	0	114566	0	298621	0
SHELLEY 35 STATE	5	3002536002	35H 19S 37E SW SE NE	0	8974	0	206306	0	32139
SHELLEY 35 STATE	8	3002536504	35C 19S 37E SW NE NW	0	7289	0	53329	0	56326
H T ORCUTT NCT E	4	3002536753	2 20S 37E NW NW NW	36925	0	42031	0	128159	0
STATE AR	3	3002537155	2L 20S 37E E2 NW SW	7255	8461	11632	17301	566323	85154
JAWHAWK 35 STATE	3	3002537936	35L 19S 37E NW NW SW	1998	0	4952	0	3534	0
H T ORCUTT NCT E	5	3002538374	2F 20S 37E C SE NW	0	14560	0	214930	0	57224
STATE A 3	8	3002539220	3P 20S 37E E2 SE SE	1246	0	3863	0	77534	0
			TOTALS	**550,579**	**1,004,723**	**931,023**	**8,507,404**	**1,278,299**	**899,288**
			AVERAGES	**20,392**	**37,212**	**34,482**	**315,089**	**47,344**	**33,307**

Proposed Allocations	Oil	Gas	Water
Blinebry	35%	10%	59%
Drinkard	65%	90%	41%
TOTAL	100%	100%	100%