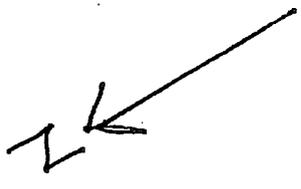


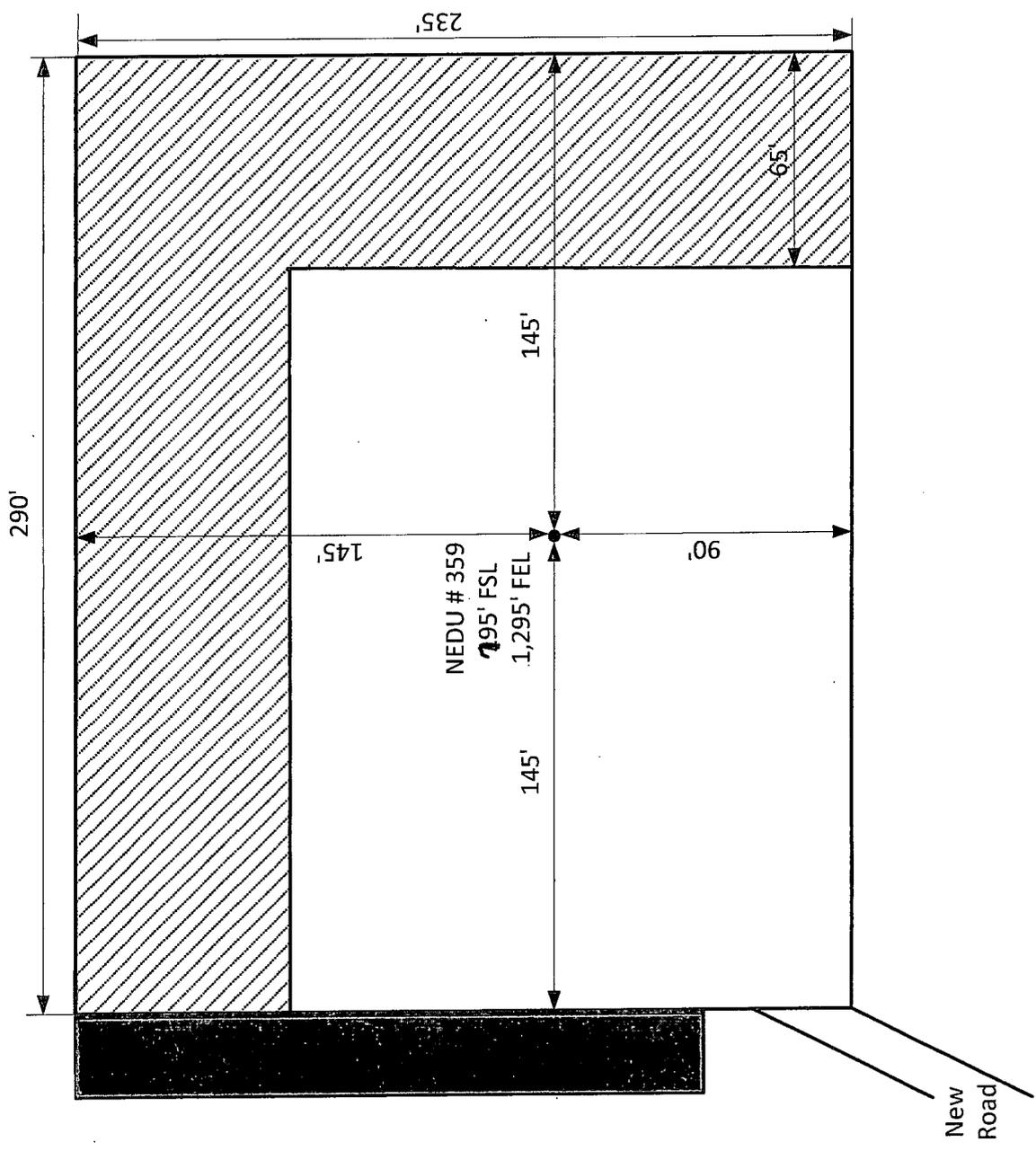
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RECLAIM  
TOP SOIL  
1 in = 50 ft.

Exhibit #1C



FEB 01 2016

## **SURFACE USE PLAN OF OPERATIONS**

**Apache Corporation**  
NEDU 359  
795 FSL & 1295 FEL (SHL)  
Sec. 3 – T21S-R37E  
Lea County, New Mexico

### **Introduction**

This plan is submitted with Form 3160-3, Application for Permit to Drill, Covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved, and the procedures to be followed in restoring the surface so that a complete appraisal can be made of the environmental impact associated with the proposed operations.

### **1. Existing Roads**

- a. The existing access road route to the proposed project is depicted on **EXHIBIT 1**. Improvements to the driving surface will be done where necessary. No new surface disturbance will be done, unless otherwise noted in the New or Reconstructed Access Roads section of this surface use plan.
- b. The existing oil and gas roads utilized to access the proposed project will be maintained by crowning, clearing ditches, and fixing potholes. All existing structures on the entire access route such as cattle guards, other range improvement projects, culverts, etc. will be properly repaired or replaced if they are damaged or have deteriorated beyond practical use.
- c. Lead-off ditches will be constructed for the existing access road for erosion controls and prevent road damage, but will not extend more than 15 feet outside the road edge.

### **2. New or Reconstructed Access Roads**

- a. An access road will be needed for this proposed project. See the survey plat(s) for the location of the access road.
- b. The length of access road needed to be constructed for this proposed project is about **300 feet** and enters the well pad on the west edge of southwest corner. Surface disturbance of the road is less than 0.17 acre.
- c. The access road will be 14 feet wide and will be constructed with 6 inches of compacted caliche. A 25 foot wide area may be needed to construct the road.
- d. When the road travels on fairly level ground, the road will be crowned and ditched with a 2% slope from the tip of the road crown to the edge of the driving surface. The ditches will be 3 feet wide with 3:1 slopes.
- e. The access road will be constructed with a ditch on each side of the road.
- f. The maximum grade for the access road will be 5 percent.
- g. Low water crossings will be constructed where drainages cross the access road.
- h. Lead-off ditches will be constructed for the proposed access road, but will not extend more than 15 feet outside the road edge.

### **3. Location of Existing Wells**

- a. **EXHIBIT 2** of the APD depicts all known wells within a one mile radius of the proposed well.

### **4. Location of Existing and/or Proposed Production Facilities**

- a. All permanent, lasting more than 6 months, above ground structures not subject to safety requirements will be painted a non-reflective Shale Green color from the BLM Standard Environmental Colors chart that blends in with the surrounding landscape
- b. All proposed production facilities that are located on the well pad will be strategically placed for safe working conditions, allow for maximum interim reclamation, and protection of exterior environment outside of proposed well pad area.
- c. Production from the proposed well will be transported to the production facility located on the **NEDU Satellite #2** location. The location of the well is as follows:  
**32 29'45.31" N & 103 9'20.93" W.**
- d. A pipeline to transport production will be installed from the proposed well to the existing production facility.
  - i. We plan to install about 5357.36 feet of surface pipeline.
  - ii. We plan to install a **3 inch surface polyethylene** pipeline from the proposed well to the production facility. The working pressure of the pipeline will be about **80 psi**. If the pipeline route follows an existing road, the surface pipeline will be installed no farther than 15 feet from the edge of the road. All construction and maintenance activity will use the existing road where available.
  - iii. **EXHIBIT 1A** depicts the proposed production pipeline route from the well to the production facility.
- e. If any plans change regarding infrastructure (pipeline, electric line, etc.), we will submit a sundry notice or right of way (if applicable) prior to installation of construction.
- f. We plan to install an overhead electric line for the proposed well. The proposed length of the electric line will be approximately 950 feet. **EXHIBIT 1B** depicts the location of the proposed electric line route. The electric line will be constructed to provide protection from raptor electrocution.
- g. The proposed electric line does not cross lease boundaries, so a right of way grant will not need to be acquired from the BLM.

## **5. Location and Types of Water**

- a. The well will be drilled with a combination of fresh water and brine water based mud systems. The water will be obtained from commercial suppliers in the area and/or hauled to the location by transport trucks over existing and proposed roads as identified above in this surface use plan.

## **6. Construction Materials**

- a. Construction material that will be used to build the well pad and road will be caliche.
- b. The construction contractor will be solely responsible for securing construction materials required for this operation and paying any royalties that may be required on those materials.
- c. Obtaining caliche: One way of obtaining caliche to build locations and roads will be by “turning over” the location. This means, caliche will be obtained from the actual well site. A caliche permit will be obtained from the caliche mineral owner prior to obtaining caliche. Amount of caliche will vary for each pad. The procedure below has been approved by BLM personnel for federal owned caliche minerals:
  - i. The top 6 inches of topsoil is pushed off and stockpiled along the side of the location.
  - ii. An approximate 160’ X 160’ area is used within the proposed well site to remove caliche.
  - iii. Subsoil is removed and stockpiled within the surveyed well pad.
  - iv. When caliche is found, material will be stock piled within the pad site to build the location and road.
  - v. Then subsoil is pushed back in the hole and caliche is spread accordingly across entire location and road.
  - vi. Once well is drilled, the stock piled top soil will be used for interim reclamation and spread along areas where caliche is picked up and the location size is reduced.
  - vii. Topsoil will be stockpiled along the west edge of the pad as depicted in the Well Site Layout or survey plat.

In the event that no caliche is found onsite, caliche will be hauled in from a federal, state, or private mineral pit. A federal mineral material permit will be acquired from the BLM prior to obtaining any mineral material from federal pits or land.

## **7. Methods of Handling Waste**

- a. The well will be drilled utilizing a closed loop system. Drill cuttings will be properly contained in steel tanks and taken to an NMOCD approved disposal facility.
- b. Drilling fluids and produced oil and water from the well during completion operations will be stored safely in closed containers and disposed of properly in an NMOCD approved disposal facility.
- c. Garbage and trash produced during drilling and completion operations will be collected in trash containers and disposed of properly at a state approved site. All trash on and around the well site will be collected for disposal.
- d. All human waste and grey water from drilling and completion operations will be properly contained and disposed of properly at a disposal facility.
- e. After drilling and completion operations, trash, chemicals, salts, frac sand and other waste material will be removed and disposed of properly at a disposal site.

## **8. Ancillary Facilities**

- a. No ancillary facilities will be needed for this proposed project.

## **9. Well Site Layout**

- a. The proposed drilling pad to be built was staked and surveyed by a professional surveyor. The attached survey plat of the well site depicts the drilling pad layout as staked.
- b. A title of a well site diagram is **EXHIBIT 5**. This diagram depicts the rig layout.
- c. In areas to be heavily disturbed, the top 6 inches of soil material, will be stripped and positioned on the west edge of well pad in a low profile stockpile to keep topsoil viable, and to make redistribution of topsoil more efficient during interim reclamation. Stockpiled topsoil should include vegetative material. Topsoil will be clearly segregated and stored separately from subsoil. Contaminated soil will not be stockpiled, but properly treated and handled prior to topsoil salvaging.

## **10. Plans for Surface Reclamation**

Within 90 days of cessation of drilling and completion operations, all equipment not necessary for production operations will be removed. The location will be cleaned of all trash and junk to assure the well site is left as aesthetically pleasing as reasonably possible.

- a. **Interim Reclamation (well pad)** -- Interim reclamation will be performed on the well site after the well is drilled and completed. An investigation will be executed to find the best location for interim reclamation that will provide for a safe working environment, truly exhibit what is needed for daily operations, and

protect the environment around the disturbed areas for optimal reclamation. **EXHIBIT 1C** depicts the location and dimensions for a planned interim reclamation at the well site prior to completion of well pad construction and drilling. Initial disturbance needed for well pad construction (including topsoil stockpile) is 1.72 acres and after interim reclamation remaining well pad will be 0.91 acres. The road surface disturbance will be 0.17 acres and after interim road disturbance will be 0.09 acres. Total well and road surface needed for daily operations will be approximately 1 acre. Interim Reclamation will be completed within six (6) months of the production start date.

- i. The well location and surrounding areas will be cleared of, and maintained free of, all materials, trash, and equipment not for production.
- ii. For areas planned for interim reclamation, the surfacing material will be removed for optimal reclamation. Surfacing material will be flipped under interim reclamation or recycled to repair or build roads and well pads.
- iii. The interim reclamation will be re-contoured to the original contour that blends with the surrounding topography as much as possible. Where applicable, the fill material of the well pad will be backfilled into the cut to bring the area back to the original contour. The interim cut and fill slopes prior to re-seeding will not be steeper than a 3:1 ratio.
- iv. Topsoil will be evenly distributed and seeded over the entire disturbed area not needed for all-weather operations including cuts & fills. The native grasses in the area are three-awn, burro grass, gramas, dropseed, yucca and mesquite. To seed the area, the proper BLM seed mixture for loam soil type sites (BLM #1), free of noxious weeds, will be used. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding to break the soil crust and create seed germination micro-sites if seeding does not take place immediately after reclamation.
- v. Proper erosion control methods will be used on the area to control erosion, runoff and siltation of the surrounding area. Berms will be placed on the west and south sides to prevent runoff from well pad and small berm to the north to prevent storm water from gathering on the well pad.
- vi. The interim reclamation will be monitored periodically to ensure that vegetation is reestablishing and negative impacts such as erosion and invasive/noxious weeds are controlled.

**b. Final Reclamation (well pad, buried pipelines, etc.)**

- i. Prior to final reclamation procedures, the well pad, road, and surrounding area will be cleared of material, trash, and equipment.
- ii. All unused equipment and structures including pipelines, electric line poles, tanks, etc. that serviced the well will be removed.

- iii. All surfacing material will be removed and flipped under reclamation or recycled to repair or build roads and well pads.
- iv. Topsoil that was spread over the interim reclamation will need to be spread over the entire reclamation. To complete this, some of the topsoil may need to be stockpiled prior to contouring. The disturbed areas utilized for this well site will be re-contoured to blend indistinguishably with the surrounding landscape. The topsoil will be redistributed evenly over the entire disturbed site for the optimal rehabilitation, establishment of new vegetation in the short run, and soil and vegetation stabilization in the long run.
- v. After all the disturbed areas have been properly prepared, the areas will be seeded with the proper BLM seed mixture for loam soil type sites (BLM #1), free of noxious weeds. Final seedbed preparation will consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding to create seed germination micro-sites if seeding does not take place immediately after reclamation.
- vi. Proper erosion control methods will be used on the entire area to control erosion, runoff and siltation of the surrounding area. Small erosion berms will be placed in the direction of northwest to southeast half-moon to prevent erosion of reclaimed site.
- vii. All reclaimed areas will be monitored periodically to ensure that re-vegetation occurs, making practical efforts to prevent unauthorized disturbance with the exception of the public, and that erosion and invasive/noxious weeds are controlled.

## **11. Surface Ownership**

- a. The surface ownership of the proposed project is **PRIVATE**.
  - 1. **Surface Owner:** Raymond Farmer  
**Phone Number:** 903-849-6452  
**Address:** PO Box 348, Chander, TX, 75758
    - a. A surface use agreement was obtained from the private owner regarding the proposed project.
    - b. A good faith effort was made to provide a copy of the APD Surface Use Plan of Operations to the private surface owner.

## **12. Other Information**

- a. Onsite completed by Trish Badbear on 10/7/2014. Arch survey will be completed by Boone Arch Services. Operator Rep: Danny Laman, Drlg Supt, 432-818-1022, or 432-634-0288; Operator Production Rep: Randy Hunter, Prod Foreman, 575-394-2743 or 575-441-5235.

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 28<sup>TH</sup> day of APRIL, 2015

Well: NORTHEAST DRINKARD UNIT 359

Operator Name: APACHE CORPORATION

Signature: Terry West Printed Name: TERRY WEST

Title: Drilling Engineer Date: 4-28-15

Email (optional): terry.west@apachecorp.com

Street or Box: 303 Veterans Airpark Ln., Ste. 1000

City, State, Zip Code: Midland, TX 79705

Telephone: 432-818-1114

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.

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 E. Greene Street  
Carlsbad, NM 88220

HOBBS OCD  
JAN 28 2016  
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STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Operator Name: APACHE CORPORATION  
Street or Box: 303 VETERANS AIRPARK LANE, STE. 1000  
City, State: Midland, TX  
Zip Code: 79705

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Lease No: NMNM-02512 NORTHEAST DRINKARD UNIT #359

Legal Description of Land: 795' FSL & 1295' FEL

Section: 3 Township: 21S Range: 37E

County: LEA State: NM

Bond Coverage: \$150,000

Statewide Oil and Gas Surety Bond, APACHE CORPORATION.

BLM Bond File No.: BLM-CO-1463 NATIONWIDE

Signature: Bobby L Smith Printed Name: BOBBY L. SMITH

Title: DRILLING MANAGER, PERMIAN REGION

Date: 4/29/15

**PRIVATE SURFACE OWNER AGREEMENT**

OPERATOR: APACHE CORPORATION

WELL NAME: NORTHEAST DRINKARD UNIT #359

SECTION: 3 TOWNSHIP: 21S RANGE: 37E

LOCATION: 795' FSL & 1295' FEL COUNTY: LEA STATE: NM

LEASE NUMBER: NMNM-02512

**STATEMENT OF SURFACE USE**

The surface to the subject land is owned by RAYMOND FARMER 903-849-6452  
PO BOX 348  
CHANDLER, TX 75758

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: TERRY WEST

SIGNATURE: Terry West

DATE: 4-28-15

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.